

# AGENDA

# 4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, OCTOBER 24, 2017

## NOTES:

- Public Forum:  
Comments are generally limited to **3 minutes**.
- Consent Items:  
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

[www.SedonaAZ.gov](http://www.SedonaAZ.gov)

## GUIDELINES FOR PUBLIC COMMENT

### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

### PROCEDURES:






- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
  1. Name and
  2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

## 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

## 2. CITY'S VISION

## 3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT = 

- a. Minutes - October 10, 2017 City Council Regular Meeting. 
- b. Minutes - October 11, 2017 City Council Special Meeting. 
- c. Minutes - October 11, 2017 City Council Special Meeting. 
- d. AB 2297 Approval of a Special Event Liquor License for Wheels on the Ground Inc. for the mountain bike festival scheduled for Friday, March 2, 2018, through Sunday, March 4, 2018 from 12:00 to 8:00 p.m. each day located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ. 
- e. AB 2298 Approval of a Resolution to remove the schedule for development (conditions) of zone change PZ13-00012, concerning the property at 140 Navajo Drive, APN 408-24-496C, pursuant to A.R.S. § 9-462.01.E. 

## 4. APPOINTMENTS - None.



## 5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

## 6. PUBLIC FORUM

(This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

## 7. PROCLAMATIONS, RECOGNITIONS & AWARDS - None.

## 8. REGULAR BUSINESS

- a. AB 2301 Discussion/possible direction regarding short term vacation rentals and the effects of SB1350 in Sedona. 
- b. AB 2304 Discussion/possible direction regarding the City's small grant annual award and funding process. 
- c. Reports/discussion on Council assignments.
- d. Discussion/possible action on future meeting/agenda items.

## 9. 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 Council 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.

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

# AGENDA

# 4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, OCTOBER 24, 2017

## Page 2, City Council Meeting Agenda Continued

### 10. ADJOURNMENT

Posted: \_\_\_\_\_

By: \_\_\_\_\_

Susan L. Irvine, CMC  
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at [www.SedonaAZ.gov](http://www.SedonaAZ.gov). The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

**Action Minutes**  
**Regular City Council Meeting**  
**City Council Chambers, Sedona City Hall,**  
**102 Roadrunner Drive, Sedona, Arizona**  
**Tuesday, October 10, 2017, 4:30 p.m.**

**1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call**

Mayor Moriarty called the meeting to order at 4:32 p.m.

**Roll Call:** Mayor Sandy Moriarty, Vice Mayor Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, Councilor Joe Vernier.

**Staff Present:** City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Law Clerk Robert Pollock, Director of Public Works and City Engineer Andy Dickey, Engineering Supervisor Stephen Craver, Police Chief David McGill, Communications Manager Marty Macurak, Arts and Culture Coordinator Nancy Lattanzi, City Clerk Susan Irvine.

**2. City's Vision/Moment of Art**

The City's Vision was read by Councilor Thompson.

Nancy Lattanzi stated that the Red Rock Arts Council (RRAC) recently won the Mayor's Arts Award for a business organization. The RRAC has, for over 25 years, been furthering the recognition of Sedona as an arts community and destination, creating patronage for local sculptors, contributing to a sense of art appreciation by residents, and contributing directly to a body of public art in the community. She introduced Harriet McGinnis, Susan Kliewer, and Jim Bishop from the RRAC. A video about the RRAC was played. Ms. McGinnis, Ms. Kleiwer, and Mr. Bishop addressed the Council.

**3. Consent Items**

- a. **Minutes - September 26, 2017 City Council Regular Meeting.**
- b. **Minutes - September 27, 2017 City Council Special Meeting.**
- c. **Approval of Proclamation, Mitzvah Day, November 5, 2017.**
- d. **Approval of Proclamation, Sedona Kindness Day, November 13, 2017.**
- e. **AB 2277 Approval of an Extension of Premises/Patio Permit for Barking Frog Grille located at 2620 W. Hwy 89-A, Sedona, AZ (License #12133380).**
- f. **AB 2278 Approval of a Special Event Liquor License for Red Earth Theatre for a concert scheduled for Saturday, October 21, 2017 located at The Hub, 525 B Posse Grounds Rd, Sedona, AZ.**
- g. **AB 2279 Approval of a recommendation regarding a Liquor License Agent Change/Acquisition of Control application for the Series 7 Beer and Wine Bar Liquor License for Oak Creek Brewing Company, 2050 Yavapai Drive, Sedona, AZ (License #07130042).**
- h. **AB 2280 Approval of a recommendation regarding a Liquor License Agent Change/Acquisition of Control application for the Series 3 In-state Microbrewery Liquor License for Oak Creek Brewing Company, 2050 Yavapai Drive, Sedona, AZ (License #03131001).**
- i. **AB 2290 Approval of a Special Event Liquor License for Rotary Club of Sedona Red Rocks for a Halloween event scheduled for Tuesday, October**

31, 2017, from 3:00 to 10:00 p.m. located at Forest Plaza, 361 Forest Road, Sedona, AZ.

- j. **AB 2291 Approval of a recommendation regarding a Liquor License Agent Change/Acquisition of Control application for the Series 10 Beer & Wine Store Liquor License for Giant Store #003, 2960 W. SR 89A, Sedona, AZ (License #10133286).**

**Motion: Vice Mayor Martinez moved to approve consent items 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, and 3j. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.**

**4. Appointments – None.**

**5. Summary of Current Events by Mayor/Councilors/City Manager**

Vice Mayor Martinez advised that Yappy Hour changes to 9:00 a.m. this Sunday. He asked that everyone clean up after their pets, or they can be cited. October 22<sup>nd</sup> is the Annual Pumpkin Splash from 1:00 to 3:00 p.m., and the event sells out every year. Grasshopper basketball registration is currently underway for children in grades 1 through 6. For more information on Parks & Recreation programs, please visit the City's website. October is Breast Cancer Awareness month, and the Sedona PD is wearing and selling pink badges for \$10 with proceeds going toward the fight against cancer.

**6. Public Forum – None.**

**7. Proclamations, Recognitions, and Awards**

**a. Presentation of Proclamation, Mitzvah Day, November 5, 2017.**

Mayor Moriarty read the proclamation and presented it to Barbara Litrell. Ms. Litrell thanked City Council for their support and encouraged everyone to volunteer to work on a project on Mitzvah Day.

**b. Presentation of Proclamation, Sedona Kindness Day, November 13, 2017.**

Mayor Moriarty read the proclamation and presented it to Jawn McKinley and Lorie Dawe. Ms. McKinley thanked the City Council for their recognition and reviewed events that will happen during the Kindness Week.

**8. Regular Business**

**a. AB 2300 Presentation/discussion with representatives from the Coconino National Forest on the Land and Resource Management Plan.**

Presentation by Nicole Branton, District Ranger for Red Rock Ranger District, and Bridget Roth, Public Service Staff Officer for Coconino National Forest Service.

Questions from Council.

**Presentation and discussion only. No action taken.**

**Break at 6:26 pm. Reconvened at 6:46 p.m.**

**b. AB 2289 Presentation/discussion regarding the Nixle public safety and community notification system.**

Presentation by Chief McGill, Marty Macurak, and Andy Dickey.

Questions from Council.

**Presentation and discussion only. No action taken.**

- c. AB 2305 Discussion/possible action to authorize staff to: a) prepare a notice of intent to increase sales taxes to fund transportation related projects, services, and administration; b) comply with the public posting requirements for a tax increase and modification to the model city tax code; and c) schedule public hearings for consideration of the sales tax increase and model city tax code modification.**

Presentation by Justin Clifton.

Questions from Council.

Opened to the public at 7:27 p.m.

The following spoke on this item: Kerry Richardson, Sedona.

Brought back to Council at 7:30 p.m.

Comments from Council.

**Motion: Councilor Lamkin moved to direct staff to prepare an ordinance to amend the City Tax Code to provide for an increase to the transaction privilege tax in the amount of ½ percent for a period of 10 years, dedicated to transportation related projects, services, and administration and to prepare all necessary notices and reports. Seconded by Councilor Jablow. Vote: Motion carried with six (6) in favor and one (1) opposed. Councilor Currivan opposed.**

- d. Reports/discussion on Council assignments – None.**

- e. Discussion/possible action on future meeting/agenda items**

Mayor Moriarty advised that there is a work session tomorrow at 3:00 p.m.

### **Executive Session**

**Upon a public majority vote of the members constituting a quorum, the Council 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.

### **9. Adjournment**

Mayor Moriarty adjourned the meeting at 8:00 p.m. without objection.

**I certify that the above are the true and correct actions of the Regular City Council Meeting held on October 10, 2017.**

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Susan Irvine, CMC, City Clerk

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Date

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**Action Minutes  
Special City Council Meeting  
Executive Session  
Vultee Conference Room, Sedona City Hall,  
106 Roadrunner Drive, Sedona, Arizona  
Wednesday, October 11, 2017, 2:00 p.m.**

**1. Call to Order**

Mayor Moriarty called the meeting to order at 2:00 p.m.

**2. Roll Call**

**Roll Call:** Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Joe Vernier. Councilor Jon Thompson was absent and excused.

**Staff in attendance:** City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Community Development Director Audree Juhlin, City Clerk Susan Irvine.

**3. Executive Session**

**Motion:** Councilor Currivan moved to enter into Executive Session at 2:02 p.m. **Seconded by Vice Mayor Martinez. Vote:** Motion carried unanimously with six (6) in favor and zero (0) opposed.

**Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:**

- a. **Discussion and consultation with the City Attorney to consider the City's position and instruct the City Attorney regarding ongoing litigation in the matter of the City of Sedona adv. Son Silver West Gallery, Inc., et al., Coconino County Superior Court Case No. CV2016-00306. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(3) & (4).**
- b. **Discussion and consultation for legal advice with the City Attorney regarding applications for Community Plan Amendments. This matter is brought in executive session pursuant to A.R.S. 38-431.03(A)(3).**
- c. **Return to open session. Discussion/possible action on executive session items.**

No action taken.

**4. Adjournment**

Mayor Moriarty adjourned the meeting at 2:52 p.m.

I certify that the above are the true and correct actions of the Special City Council Meeting held on October 11, 2017.

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Susan L. Irvine, CMC, City Clerk

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Date

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**Action Minutes  
Special City Council Meeting  
City Council Chambers, Sedona City Hall,  
102 Roadrunner Drive, Sedona, Arizona  
Wednesday, October 11, 2017, 3:00 p.m.**

**1. Call to Order/Pledge of Allegiance/Moment of Silence**

Mayor Moriarty called the meeting to order at 3:00 p.m.

**2. Roll Call**

**Roll Call:** Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Joe Vernier. Councilor Jon Thompson was absent and excused.

**Staff Present:** City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Law Clerk Rob Pollock, Director of Community Development Audree Juhlin, Assistant Director of Community Development Warren Campbell, Senior Planner Mike Raber, Senior Planner Cari Meyer, Senior Planner Cynthia Lovely, Director of Public Works & City Engineer Andy Dickey, Associate Engineer James Crowley, Assistant Engineer Ryan Mortillaro, City Clerk Susan Irvine.

**3. Special Business**

- a. AB 2292 Discussion/possible direction regarding an application for a Major Community Plan Amendment to the Future Land Use Map from “Single Family Low Density (.5-2 DU/AC)” to “Planned Area (PD)” and Zone Change from “Single Family Residential (RS-18b)” to “Planned Development (PD)” to allow for the production of hard cider within the existing buildings. The property is located at 145 Copper Cliffs Lane, west of State Route 179 near the Canyon Drive roundabout. APN: 401-26-004 Applicant: John R. Graham Case Number: PZ17-00007 (Major CPA, ZC).**

Presentation by Mike Raber, Warren Campbell, and Audree Juhlin. Alan Everett, authorized agent for the applicant, answered questions.

Questions from Council.

**Presentation and discussion only. No direction given.**

- b. AB 2293 Discussion/possible direction regarding a proposed Major Community Plan Amendment to the text of the Land Use, Housing and Growth Chapter (Chapter 3) to create a Multi-family High Density designation allowing for consideration of more than 12 dwelling units per acre for development projects that provide strategies for achieving housing diversity, affordability, and availability in order to address local housing needs. No specific properties have been identified or are being re-designated as part of this proposed amendment. A separate, privately-initiated Major amendment request for a Multi-family High Density apartment project (PZ 17-00009) is contingent upon this proposed text amendment. Applicant: City of Sedona. Case Number: PZ 17-00008 (Major CPA).**

Presentation by Mike Raber, Audree Juhlin, Justin Clifton, Cari Meyer, and Andy Dickey.

Questions and comments from Council.

**Break at 4:52 p.m. Reconvened at 5:10 p.m.**

**Presentation and discussion only. No direction given.**

- c. **AB 2294 Discussion/possible direction regarding an application for a Major Community Plan Amendment to the Future Land Use Map from “Commercial”, within the Lodging Area Limits to “Multi-Family High Density (Greater than 12 DU/AC)” and outside the Lodging Area Limits to allow for the development of a 45 unit apartment complex. The property is located at 3285 W State Route 89A, at the southeastern corner of the intersection of W State Route 89A and Pinon Drive. APN: 408-11-086A Applicant: Keith Holben, MK Company, Inc. Case Number: PZ17-00009 (Major CPA).**

Presentation by Cari Meyer, Audree Juhlin, and Andy Dickey.

Questions and comments from Council.

**Presentation and discussion only. No direction given.**

- d. **AB 2295 Discussion/possible direction regarding an application for a Major Community Plan Amendment to the Future Land Use Map from “Single Family Low Density (.5-2 DU/AC)” to “Planned Area (PA)” to allow for the consideration of a future rezoning to potentially allow a parking lot to serve the adjacent conditionally allowed commercial use. The property is located at 1535 State Route 179, on the western side of State Route 179 south of Arrow Drive. APN: 401-31-011 Applicant: Francis J. Slavin, Esq. and Heather N. Dukes, Esq., Francis J. Slavin, PC Case Number: PZ17-00010 (Major CPA).**

Presentation by Audree Juhlin, Mike Raber, and Justin Clifton. Francis J. Slavin, Esq. answered questions.

Questions and comments from Council.

**Presentation and discussion only. No direction given.**

- e. **Discussion/possible action on future meeting/agenda items - None.**

#### **4. Executive Session**

Upon a public majority vote of the members constituting a quorum, the Council 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.

#### **5. Adjournment**

Mayor Moriarty adjourned the meeting at 6:30 p.m. without objection.

**I certify that the above are the true and correct actions of the Special City Council Meeting held on October 11, 2017.**

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

\_\_\_\_\_  
Date

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**CITY COUNCIL  
AGENDA BILL**

**AB 2297  
October 24, 2017  
Consent Items**

**Agenda Item:** 3d  
**Proposed Action & Subject:** Approval of a Special Event Liquor License for Wheels on the Ground Inc. for the mountain bike festival scheduled for Friday, March 2, 2018, through Sunday, March 4, 2018 from 12:00 to 8:00 p.m. each day located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.

<b>Department</b>	City Clerk
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	N/A
<b>Exhibits</b>	Special Event Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 10/15/17 RLP	<b>Expenditure Required</b>	\$ 0
City Manager's Recommendation	Approve a Special Event Liquor License for Wheels on the Ground Inc.	<b>Amount Budgeted</b>	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** State liquor laws require the City of Sedona's governing body to approve or disapprove applications for a Special Event Liquor License [A.R.S. § 4-203.02.A].

Wheels on the Ground, Inc. has submitted an application for a Special Event Liquor License for the Sedona Mountain Bike Festival scheduled for March 2 through 4, 2018 from 12:00 p.m. (noon) to 8:00 p.m. at Posse Grounds Park located at 525 Posse Ground Road in Sedona.

A Special Event Liquor License is a temporary, non-transferable, on-sale retail privileges liquor license that allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. The applicant for a special event license must request a special event application from the State and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county, where the special event is to take place, for approval or disapproval. If the

application is approved by the local authority, and the event meets the requirements for granting the license, the director will issue a special event license to the qualifying organization. Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first. The qualified organization must receive at least twenty-five percent (25%) of the gross revenues of the special events.

Community Development, Finance, Parks and Recreation, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections were noted.

**Community Plan Consistent:** Yes - No - Not Applicable

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** Do not approve a Special Event Liquor License for Wheels on the Ground Inc. for the mountain bike festival scheduled for Friday, March 2, 2018, through Sunday, March 4, 2018 from 12:00 to 8:00 p.m. each day located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.

**MOTION**

**I move to:** approve the Special Event Liquor License for Wheels on the Ground Inc. for the mountain bike festival scheduled for Friday, March 2, 2018, through Sunday, March 4, 2018 from 12:00 to 8:00 p.m. each day located at Posse Grounds Park, 525 Posse Grounds Road, Sedona, AZ.



**CITY COUNCIL  
AGENDA BILL**

**AB 2298  
October 24, 2017  
Consent Items**

**Agenda Item: 3e**  
**Proposed Action & Subject:** Approval of a Resolution to remove the schedule for development (conditions) of zone change PZ13-00012, concerning the property at 140 Navajo Drive, APN 408-24-496C, pursuant to A.R.S. § 9-462.01.E.

<b>Department</b>	Community Development
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	April 3, 2002 (Public Hearing, ZC2002-4) May 25, 2004 (Public Hearing, TE2004-2) September 11, 2013 (Work Session, PZ13-00012) September 24, 2013 (Public Hearing, PZ13-00012)
<b>Exhibits</b>	A. Staff Report and Attachments, Planning & Zoning Commission, September 5, 2017 B. Resolution

City Attorney Approval	Reviewed 10/15/17 RLP	<b>Expenditure Required</b>	\$ 0
City Manager's Recommendation	Approve a resolution to remove the schedule for development conditions.	<b>Amount Budgeted</b>	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:**

A complete history of the property at 140 Navajo Drive (APN 408-24-496C) is included in Exhibit A (Staff Report, Planning and Zoning Commission). The following is a summary:

- April 2002: Conditional rezoning and development review approval to change the zone from Mobile Home and Single Family Residential (RMH-10) to Medium Density Multifamily Residential (RM-1) and allow for the construction of a multi-family residential project (ZC2002-4 and DEV2002-6).
  - Vesting of the RM-1 zoning was contingent on building permits being issued within 2 years of the approval.
- May 2004: 2-year time extension (TE2004-2) approved, giving the applicant until April 6, 2006 to have building permits issued and begin construction.

- April 2006: Approvals expired.
- 2012: New property owner began pursuing development of the property under assumed RM-1 zoning.
- February 5, 2013: Development of 8-unit apartment complex approved by Planning and Zoning Commission (DEV 2012-01)
- July 2013: Zoning discrepancy discovered; Staff began working with property owner to correct the error.
- August 20, 2013: Planning and Zoning Commission recommended approval of RM-1 zoning for the property (PZ13-00012)
- September 24, 2013: City Council approved RM-1 zoning for the property (PZ13-00012)
  - Conditions of approval required development in accordance with approved Development Review application (DEV 2012-01).
- February 5, 2015: Approvals expired.
- June 2017: Property owner submitted application to have RM-1 zoning approved again/remove previous conditions of approval for zoning.
- September 5, 2017: Planning and Zoning Commission recommended approval of what was proposed as a “reestablishment” of RM-1 Zoning, which would have the effect of removal of previously established conditions of approval.

While the Sedona Land Development Code states that “the Council may revert the subject property to its former zoning classification through legislative action at a public hearing,” this is inconsistent with the State statute (A.R.S. § 9-462.01.E), which states that the Council “shall schedule a public hearing to take administrative action to extend, remove, or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.” In this case, the State statute would override the City’s Land Development Code.

The action being requested is a removal of the conditions of the zoning, specifically that the property be developed in accordance with the approved Development Review. This action is consistent with and accurately reflects the recommendation of the Planning and Zoning Commission as this item was presented (“reestablishment”) at the September 5, 2017 meeting. As a removal of conditions, the State statute considers this an administrative action, allowing for approval by Council by consent without a public hearing. Staff is supportive of the removal of the condition. Future development of the site will be processed in accordance with established processes as set forth in the Land Development Code. Staff will review any future development for compliance with all applicable regulations. If a public hearing is required, that process will also occur based on established processes.

**Community Plan Consistent: Yes - No - Not Applicable**

The Community Plan Future Land Use Map designates this property as Multi-family Medium Density. The Medium Density Multifamily Residential (RM-1) zoning designation is consistent with the Community Plan Future Land Use designation.

**Board/Commission Recommendation: Applicable - Not Applicable**

At their meeting on September 5, 2017, the Planning and Zoning Commission recommended approval of this application (though characterized as a reestablishment rather than a removal) by a 5-0 vote (Vice Chair Levin and Commissioner Mayer were excused).



**Alternative(s):** do not approve Resolution No. 2017-\_\_, removing the schedule for development (conditions) of zone change PZ13-00012, concerning the property at 140 Navajo Drive, APN 408-24-496C, as allowed by A.R.S. § 9-462.01.E

**MOTION**

**I move to:** approve Resolution No. 2017-\_\_ removing the schedule for development (conditions) of zone change PZ13-00012, concerning the property at 140 Navajo Drive, APN 408-24-496C, as allowed by A.R.S. § 9-462.01.E.

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**Meeting Date:** September 5, 2017

**Hearing Body:** Planning and Zoning Commission

**Action Requested:** Recommendation of Approval for Reestablishment of RM-1 Zoning

**Staff Recommendation:** Recommendation of Approval for Reestablishment of RM-1 Zoning

**Location:** 140 Navajo Drive

**Parcel Number:** 408-24-496C

**Owner/Applicant:** Simno Holdings, LLC  
 PO Box 4449; Sedona, AZ 86340

**Project Summary:** Reestablishment of RM-1 (Medium Density Multifamily Residential Zoning)

**Site Size:** ± 1 acres

**Sedona Community Plan Designation:**  
 MFMD (Multi-family, Medium Density)

**Current Zoning:** Expired RM-1 (Medium Density Multifamily Residential); Previously RMH-10 (Mobile Home and Single Family Residential)

**Proposed Zoning:** RM-1 (Medium Density Multifamily Residential)

**Current Land Use:** Vacant

**Surrounding Properties:**

	<u>Area zoning</u>	<u>Area land uses</u>
<b>North:</b>	Expired RM-1	Vacant
<b>South</b>	C-2	Commercial
<b>East</b>	RMH-10	Residential (Harmony Hills)
<b>West</b>	PRD	Residential (Shadowbrook Apartments)

**Report Prepared By:** Cari Meyer, Senior Planner

**Attachments:**

- 1. Aerial View & Vicinity Map ..... 10
- 2. Applicant Submitted Materials
  - a. Application & Letter of Intent..... 12
  - b. Citizen Participation Report..... 16



## **BACKGROUND**

The property at 140 Navajo Drive (APN 408-24-496C) received conditional rezoning and development review approval in 2002 to change the zone from RMH-10 (Mobile Home and Single Family Residential) to RM-1 (Medium Density Multifamily Residential) and allow for the construction of a multi-family residential project (Case Numbers ZC2002-4 and DEV2002-6). The conditions of approval for this project stated that vesting of the RM-1 zoning was contingent on building permits being issued within 2 years of the approval. Building permits were not issued and the 2002 approvals were granted a time extension (TE2004-2), giving the applicant through April 6, 2006 to have building permits issued and begin construction. This deadline was not met and the approvals expired.

Sedona Land Development Code Section 400.11 (Reversion of Conditional Rezoning Approval) states that, in the case of a conditional rezoning approval, if a property is not developed in accordance with the original development plan, "the Council may revert the subject property to its former zoning classification through legislative action at a public hearing." An application to revert the zoning back to its former classification was never initiated and as a result, the property was left on the zoning map as RM-1 despite the expiration of the conditional rezoning approval.

The current property owner acquired the property and began pursuing development under the RM-1 zoning designation in 2012, unaware of the expired nature of the zoning. Due to Staff turnover, Staff members were also unaware of the expired zoning and a received Development Review application was processed and the Planning and Zoning Commission approved an 8-unit apartment complex on February 5, 2013 (DEV 2012-01).

Subsequently, City Staff discovered the discrepancy in zoning and began working with the owner to correct the error. To rectify the discrepancy, a zoning reestablishment (PZ13-00012) was recommended for approval by the Planning and Zoning Commission on August 20, 2013 and approved by the City Council on September 24, 2013. However, the conditions of approval tied the zoning approval to the Development Review approval (DEV 2012-01) the applicant was intending to build.

Since the zoning was reestablished in 2013, the applicant did not obtain building permits and the approved Development Review expired. The applicant has begun exploring other options to develop the property. Since the zoning is still unresolved, the applicant is requesting that RM-1 zoning be reestablished for the property so that he may pursue development under an established zoning district.

## **SITE CHARACTERISTICS (EXISTING)**

- The site is trapezoidal in shape.
- The site is located at the northeastern end of Navajo Drive and is currently vacant.
- The lot rises approximately 35 feet from south to north with an average slope of 25%.
- The property is accessed by Navajo Drive. The property's street frontage consists of approximately 20 feet at the end of Navajo Drive to allow for an access driveway.

- A drainage easement along the southern property boundary is a part of the Harmony-Windsong Drainage Project. The drainage easement occupies approximately 10 feet at the southern edge of the property.

## **DEVELOPMENT PROPOSAL**

This application consists of a request to reestablish an expired zoning. The applicant is not proposing any development at this time. If development is proposed in the future, it will be done according to the procedures in place.

### ***Public Input***

- Project documents submitted by the applicant were placed on the Project and Proposals page of the Community Development Department website (<http://www.sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/140-navajo-drive>).
- Staff completed the required public noticing for this project. All notices contain contact information or a way to submit comments. As of writing this report, Staff has not received any public comments regarding this project.
- The applicant mailed a letter to the neighboring property owners, informing them about the project and inviting them to contact him with any questions. The owner and property manager of Shadowbrook Apartments (neighboring property) contacted the applicant. The applicant's Citizen Participation Report is included as Attachment 2.b.

## **REVIEW AGENCY COMMENTS AND CONCERNS**

The submitted documents were routed to reviewing agencies for comments. The City of Sedona Public Works Department and UniSource Energy submitted comments stating that they had no comments on the project. No other comments were received.

## REVIEW GUIDELINES

The following is requested from the Planning and Zoning Commission and City Council:

**ZONE CHANGE**                      The Planning and Zoning Commission provides a recommendation; Final action to be taken by the City Council.

### DISCUSSION (ZONE CHANGE)

The Zone Change process is guided by Section 400 (Amendments) of the Land Development Code. Zone Change applications are reviewed for conformance with the Community Plan, Community Focus Area Plans, and other adopted plans and policies of the City, if applicable. In reviewing a zone change application, the Commission may recommend, and the City Council may approve, a rezoning conditioned upon one or more of the following (SLDC 400.10):

1. *Development in accordance with a specific schedule for the development of specific improvements or uses for which zoning is requested;*
2. *Development in accordance with a specific Site Plan or a Site Plan to be subsequently approved under this Code;*
3. *Modifications in the otherwise applicable floor area ratio, lot coverage, building height, or density;*
4. *Public dedication of rights-of-way for streets, alleys, public ways, drainage, public utilities and the installation of improvements that are reasonably required by or directly related to the effect of the rezoning;*
5. *Other conditions reasonably calculated to mitigate the impact of the proposed development.*

### Staff Evaluation (Zone Change)

*Community Plan, Community Focus Area Plans, Other Adopted Plans*

The property is designated as Multi-family Medium Density (MFMD) by the Community Plan. By reestablishing the RM-1 (Medium Density Multi-Family) zone on the property, the City will be ensuring that the zoning on the property is consistent with the Land Use designation in the Community Plan.

Other benefits of reestablishing multifamily zoning for this property include:

- The Housing Element of the Community Plan has identified the need for housing diversity and additional multifamily projects to address local housing needs.
  - Reestablishing the RM-1 zoning would ensure that the already limited supply of multifamily zoning in the city is not further reduced.
- Multifamily uses are an appropriate way to buffer single-family residential uses from commercial uses.
  - The site is bordered by commercial to the south and single family residential to the north and east.
- This property is in an area that has other established multifamily uses (Shadowbrook Apartments).

This property is not in one of the Community Focus Areas and no other adopted plans are applicable to this property.

### Previous Approvals and Community Benefits

For zone change applications, the Planning and Zoning Commission and City Council are asked to review the community benefits provided for the project. In many cases, the projects receive

conditional rezoning to ensure that the benefits negotiated through the zone change process are received by the City. The original zone change application (ZC2002-4) was conditionally approved and included the following community benefits:

1. Implementation of the Community Plan, approval of apartments in an area suited for apartment development and supplying a much needed demand for moderate-priced apartments in a rental market in Sedona.
  - a. *The Community Plan designates this property as “Multi-Family Medium Density” and the property is directly east of the Shadowbrook Apartments.*
2. Installation of a new fire hydrant at the Navajo Drive/Aria Street intersection.
  - a. *Fire hydrants are required at the discretion of the Sedona Fire District. During the previous development review for this property, the Fire District included this as one of their requirements. While the future development of the property is unknown at this time, the Fire District will have to review and approve any new development proposal. If a new hydrant is warranted, that requirement will come from the Fire District.*
3. A drainage study and required engineering showing possible solutions to drainage problems along with dedication of a 10 foot drainage easement along the southern property line.
  - a. *A 10 foot drainage easement exists along the southern property line and the City has completed drainage improvements for this area.*

During the zoning reestablishment in 2013, this same evaluation was provided to the Planning & Zoning Commission and City Council. No additional community benefits were required and the only condition of approval was development of the approved apartment complex. Therefore, Staff believes that the property has fulfilled the original community benefit commitments and no additional benefits or conditions are warranted at this time.

#### *Current Development Potential*

The property owner is currently exploring different development potential for the property. However, zoning establishes the development standards for a property. Without a current zoning classification to refer to, Staff cannot review for compliance with zoning requirements. Therefore, without zoning established for the property, the City cannot provide comments to the property owner or issue any permits or approvals for development of this property.

#### *Future Development*

As previously stated, the applicant is not proposing any development at this time. Future development of the site would be processed according to the procedures in place at the time of application. Under the current Land Development Code, and dependent on the zoning classification of the property, there are a number of applications that could be approved at a Staff level, including the following:

1. Lot split creating no more than 3 total lots.
2. Development of a single family house or duplex.

If the applicant were to propose a project that can be approved at an administrative level, there would be no need for the applicant to come back through the public hearing process. If the proposed development exceeds the limits of what can be approved administratively, the proposal would go through the appropriate public process(es).

### *Options for this Property*

Staff has identified 3 options for zoning for this property:

1. Reestablish the RM-1 zoning.
  - a. This is the option the applicant has requested.
  - b. This zoning classification allows for development of single-family or multifamily uses along with some other uses through a conditional use permit.
  - c. This zoning classification would be in compliance with the Community Plan designation for this property.
2. Revert the zoning to RMH-10.
  - a. This is the zoning the property had prior to the 2002 rezoning case.
  - b. This zoning classification allows for development of single-family uses along with some other uses through a conditional use permit.
  - c. This zoning classification is not in compliance with the Community Plan designation for this property.
3. Do nothing.
  - a. This option would leave the property without an official zoning classification.

### *Staff Recommendation*

Based on the Community Plan designation for the property and the benefits of multifamily zoning, Staff recommends reestablishment of the RM-1 zoning for the property at 140 Navajo Drive. In addition, as Staff believes that the original conditions have been met or will be met with future development (regardless of the development), Staff does not recommend any conditions of approval apart from the condition that the property owner sign a Proposition 207 waiver, which is standard for all applications the City processes.





***Staff Recommendation***

Based on compliance with ordinance requirements as conditioned, general consistency with the Land Development Code and the requirements for approval of a zone change, consistency with and conformity to the Sedona Community Plan and the compatibility with surrounding land uses and character of the surrounding area, Staff recommends approval of the proposed zoning reestablishment as set forth in case number PZ17-00011 (ZC), 140 Navajo Drive Zoning Reestablishment, to reestablish RM-1 zoning (Medium Density Multifamily Residential), subject to applicable ordinance requirements and the attached conditions of approval listed at the end of this staff report.

***Sample Motions for Commission Use***

(Please note that the below motions are offered as samples only and that the Commission may make other motions as appropriate.)

***Recommended Motion for Approval***

I move to recommend to the Sedona City Council approval of the proposed zoning reestablishment as set forth in case number PZ17-00011 (ZC), reestablishing RM-1 zoning, based on compliance with Land Development Code requirements, conformance with the requirements for approval of a zone change and consistency and conformance with the Community Plan, and subject to all applicable ordinance requirements and the recommended conditions of approval.

***Alternative Motion for Denial***

I move to recommend denial of case number PZ17-00011 (ZC) based on the following findings: (Please specify findings)



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*As recommended by Staff*

1. Within thirty days of approval of the Zoning Reestablishment, the property owner(s) of record of the subject properties shall sign and record a waiver acknowledging their waiver of any right to claim just compensation for diminution in value under A.R.S. §12-1134 related to the granting of this Zoning Reestablishment.

# Aerial View

Parcel  
#408-24-496C  
140 Navajo Drive

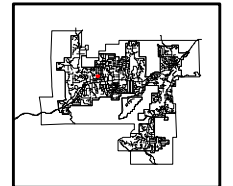
408-24-496C

-  Parcel #408-24-496C
-  Parcel Boundary
-  Street Centerline



0 10 20 Feet

City Index



GIS, City of Sedona  
08/12/2017  
g:\ginfo\g\mj\christoforelli/  
408-24-496c\_aerial.mxd



This map is designed to provide information about Sedona, and has been prepared for general planning and informational purposes only. It is not necessarily accurate to engineering or surveying standards. Every effort has been made to make this map as complete and as accurate as possible; however, no warranty of fitness is implied.

The information is provided on an "as-is" basis. The City of Sedona shall have neither liability nor responsibility to any person or entity with respect to any losses or damages in connection with or arising from the use of the information contained on this map.

Vicinity Map

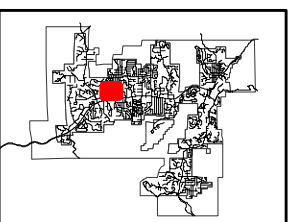
Parcel #408-24-496C  
140 Navajo Drive

- Parcel #408-24-496C
- Zoning Boundary
- Building Footprint
- Parcel Boundary
- Trail
- Street Centerline



0 45 90 Feet

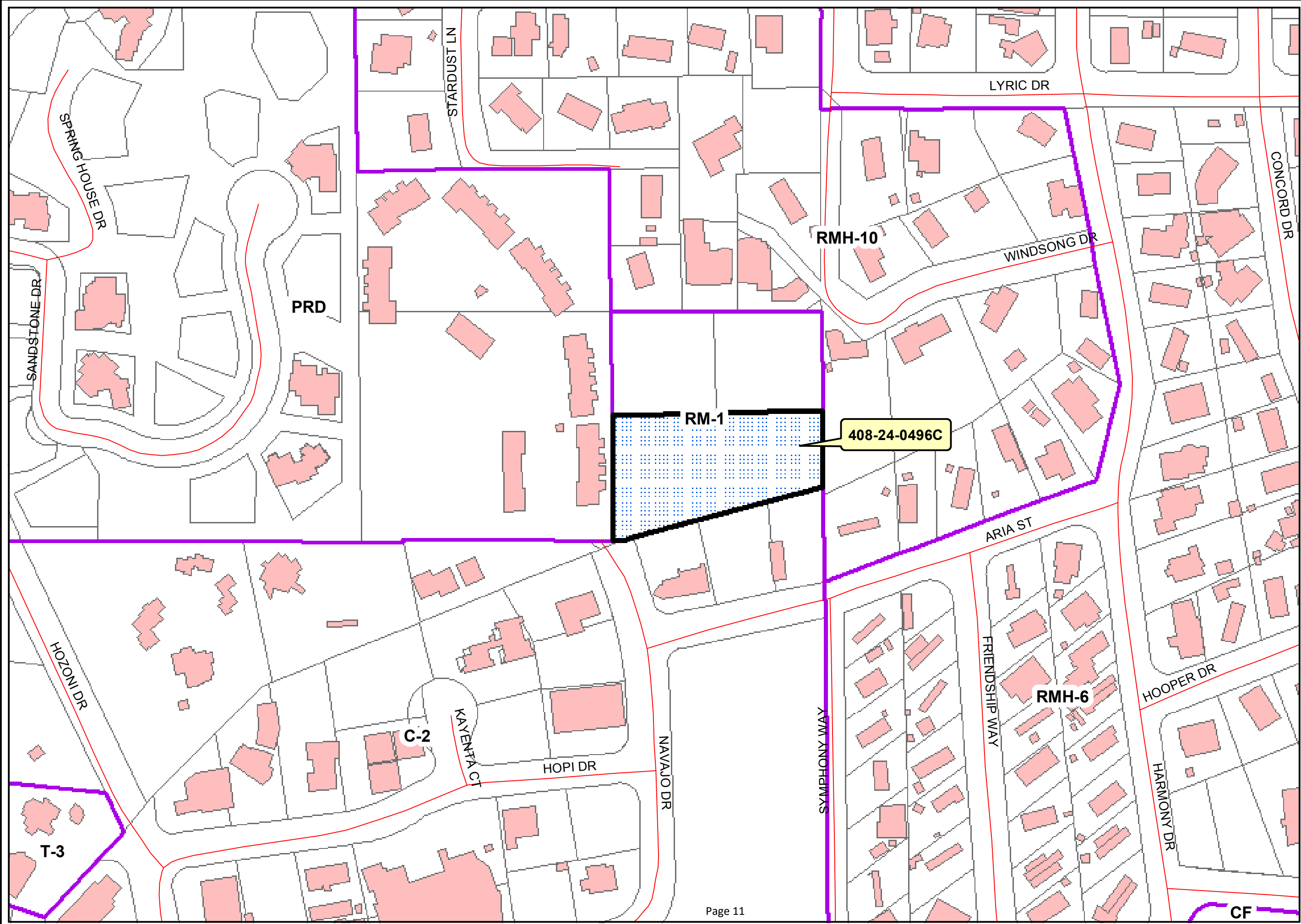
City Index



GIS, City of Sedona  
06/12/2017  
g:/pubreq/projects/  
kdmr/posp/mxd/christoforello  
408-24-496c\_vicinity.mxd

This map is designed to provide information about Sedona, and has been prepared for general planning and informational purposes only. It is not necessarily accurate to engineering or surveying standards. Every effort has been made to make this map as complete and as accurate as possible; however, no warranty or fitness is implied.

The information is provided on an "as-is" basis. The City of Sedona shall have neither liability nor responsibility to any person or entity with respect to any loss or damages in connection with or arising from the use of this map.



**Project Application**



**City Of Sedona**  
**Community Development Department**  
 102 Roadrunner Drive Sedona, AZ 86336  
 (928) 282-1154 • Fax: (928) 204-7124

The following application is for:

- Conceptual Review     
  Final Review     
  Appeal     
  Time Extension  
 Development Review     
  Subdivision     
  Variance  
 Conditional Use Permit     
  Zone Change     
  Major Community Plan Amendment  
   
  Minor Community Plan Amendment

<b>PROJECT CONTACT:</b>	Chris Tortorello	Phone:	203 236T	App. #:	PZ17-00011
Address:	Po 4449 Sedona	Cell Phone:	300 7882	Date Rec'd:	6/12/17
E-mail:	ctorel123@gmail.com	Fax:	204 9798	Rec'd by:	can
<b>PROJECT NAME:</b>	140 Navajo rd.	Parcel #:	408 24 496C	Fee Pd:	
Project Address/Location:	Same	Acres:	1	Zoning:	Rm1

Project Description:	Zone Confirmation Rm1 Zone
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<b>OWNER NAME:</b>	Summo Holdings	<b>APPLICANT NAME:</b>	Chris Tortorello
Address:	<b>CHRIS AND BETH TORTORELLO</b> P.O. BOX 4449 SEDONA, AZ 86340	Company Name:	<b>CHRIS AND BETH TORTORELLO</b> P.O. BOX 4449 SEDONA, AZ 86340
Phone:		Address:	
Cell Phone:	300-7882	Phone:	300 7882
E-mail:		Cell Phone:	
		E-mail:	
<b>ARCHITECT/ENGINEER:</b>	—	<b>AUTHORIZED AGENT/OTHER:</b>	
Company Name:		Company Name:	
Address:		Address:	
E-mail:		E-mail:	
Phone:		Phone:	
Cell Phone:		Cell Phone:	
ID #/Exp. Date:			
City Business License #:			

To: Audree Juhlin Director of Community Development  
Cari Meyer Senior Planer

**Letter Of Intent**

6/12/2017

Dear Staff,

Simno Holdings LLC is submitting to maintain the multi-family zoning as follows. The property is located at #140 Navajo Drive in West Sedona. Parcel 408-24-496C. The property will be zoned medium density RM-1 and our intention will be to divide the 1 acre lot into 3 parcels (see attached Alta-site plan) and develop according to the RM-1 district guidelines. This split will not require counsel review and is not a subdivision. The lot split can be done through an administrative staff review. A single family home or duplex can be done through a staff review as well. If any of the lots were to develop with more than 2 units, Planning and Zoning Commission approval of a Development Review application will be required.

Site improvements will commence upon building department approval and build out will be within 1 year.

The following utilities are available: APS electric, Suddenlink cable, Century Link phone, Arizona water and Unisource gas.

The Sedona Fire Department will be required to approve the plans as well.

The property to the West is Shadow Brook Apartments; the property to the north is vacant residential land. The property to the south is an office building. This project is consistent with the apartments that border it and will greatly enhance the aesthetics and value of the neighboring properties.

**Background/History of the Property**

- Property is designated as Multi-Family Medium Denisty (4-8 units per acre) in Community Plan
- 2002: Property rezoned from from RMH-10 (Mobile Home and Single Family Residential) to RM-1 (Medium Density Multifamily Residential) and development review for construction of a multi family residential project approved.
- 2006: Building permits were not issued by deadline, zoning expired
- Zoning was not reverted to RMH-10 and the expired RM-1 zoning was left on the map.

Simno, bought property in 2013: Development review and zoning reestablishment approved for development of 8-unit apartment complex.



- 2015: Building permits were not issued by deadline, zoning expired

### **Original Zoning Approval Community Benefits**

1. Implementation of the Community Plan, approval of apartments in an area suited for apartment development and supplying a much needed demand for moderate-priced apartments in a rental market in Sedona. As rental units were seen as a community benefit, the units were conditioned to remain as rental units and were not permitted to be subdivided.
  2. Installation of a new fire hydrant at the Navajo Drive/Aria Street intersection. (There is a hydrant at the end of 140 Navajo on the West side of street)
  3. A drainage study and required engineering showing possible solutions to drainage problems along with dedication of a 10 foot drainage easement along the southern property line.
- 2017 The applicant will not be providing above items 1-3, “community benefits”, since that related to an apartment project that was not feasible for the applicant.
  - If RM1 zoning is declined, the applicant will accept the original RMH10 zoning. (Mobile Home and Single Family Residential)

### **Citizen Participation Report**

The neighborhood citizen participation will be mailed as per the guidelines to all 45 neighbors on the list and the date will set for July 1st for an on site community meeting. The notification will include a comment card. I will give the property owners several methods to contact me with comments:  
Return postal mail, fax, email, phone or show up at the on site meeting.

Respectfully,



Chris Tortorello

6/12/2017  
Simno Holdings, LLC / Torel Custom Home

### **Citizen Participation Report 5/24/2017**

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The neighborhood citizen participation will be mailed as per the guidelines to all 45 neighbors on the list and the date will be set for July 1st for an on site community meeting. The notification will include a comment card. I will give the property owners several methods to contact me with comments:  
Return postal mail, fax, email, phone or show up at the on site meeting.



**From:** Chris Tortorello <ctorel123@gmail.com>  
**To:** Cari Meyer <CMeyer@sedonaaz.gov>  
**Date:** 6/30/2017 9:36 AM  
**Subject:** 140 Navajo neighborhood meeting

Hi Cari,

I wanted to give you an update in regards to the neighborhood community meeting at 140 Navajo.

I only heard from one property owner, Elsa by phone, who owns Shadowbrook apartments. We had a nice talk on the phone she wished me good luck. At the site meeting today her project-property manager came for a talk.

They seem fine with what I was doing and had no comments and wished me good luck.

Regards,

Chris Tortorello  
Torel Homes  
Sent from my iPhone using Siri voice dictation.

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**RESOLUTION NO. 2017-\_\_**  
**140 NAVAJO DRIVE ZONING**  
**ZONE CHANGE**  
**PZ 13-00012 (ZC)**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,  
ARIZONA, REMOVING THE SCHEDULE FOR DEVELOPMENT (CONDITIONS) OF  
ZONE CHANGE PZ13-00012, CONCERNING THE PROPERTY AT 140 NAVAJO  
DRIVE (APN 408-24-496C).**

WHEREAS, Arizona law (A.R.S. § 9-462.01.E) and the Sedona Land Development Code (LDC 400.10) allow the City Council to approve a zone change conditioned upon a specific schedule of development, and

WHEREAS, on April 3, 2002, a zone change (ZC 2002-04) was approved (and re-confirmed as PZ-13-00012) for the property at 140 Navajo Drive (APN 408-24-496C), rezoning the property from Mobile Home and Single-family Residential (RMH-10) to Medium Density Multifamily Residential (RM-1) and was approved conditioned upon a schedule of development, and

WHEREAS, the only remaining outstanding item on the approved schedule of development is the physical development of the property, and

WHEREAS, future development of the property will be required to conform to the Land Development Code's requirements for development within the RM-1 zone, and

WHEREAS, A.R.S. § 9-462.01.E requires the City Council to take action to extend, remove, or determine compliance with a schedule for development or to take action to revert the property to its former zoning classification, and

WHEREAS, the Sedona Planning and Zoning Commission duly considered the proposal on September 5, 2017 and recommended approval of this application,

THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA:

1. The area previously rezoned consists of approximately 1.00 acres of property located at the northeastern terminus of Navajo Drive. This property is further described as Yavapai County Assessor's Parcel No. 408-24-496C.
2. The previously approved schedule of development (conditions) is removed.
3. By making this removal, affected property owners have the opportunity to propose development in accordance with the general standards of the Land Development Code.

APPROVED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 24<sup>th</sup> day of October, 2017.

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Sandra J. Moriarty, Mayor

ATTEST:

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Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

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Robert L. Pickels, Jr., City Attorney



**CITY COUNCIL  
AGENDA BILL**

**AB 2301  
October 24, 2017  
Regular Business**

**Agenda Item:** 8a  
**Proposed Action & Subject:** Discussion/possible direction regarding short term vacation rentals and the effects of SB1350 in Sedona.

<b>Department</b>	Community Development
<b>Time to Present</b>	15 Minutes
<b>Total Time for Item</b>	1 hour
<b>Other Council Meetings</b>	June 28, 2016, AB 2124
<b>Exhibits</b>	N/A

City Attorney Approval	Reviewed 10/15/17 RLP	<b>Expenditure Required</b>	\$ 0
City Manager's Recommendation	Discuss and provide direction regarding short term vacation rentals.	<b>Amount Budgeted</b>	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:**

During the 2016 state legislative session, Senate Bill 1350 was introduced with the intent of streamlining the collection and distribution of transaction privilege taxes for online booking agencies that marketed short-term vacation rental properties. As the bill progressed, an amendment was offered by Sen. Debbie Lesko that would have the effect of prohibiting local government entities from enacting or maintaining local ordinances that would disallow short-term vacation rental activity within their jurisdictional boundaries.

SB 1350 was signed by the Governor on May 12, 2016 with an effective date of December 31, 2016.

Prior to SB 1350, the City of Sedona Land Development Code prohibited the rental of any single-family dwelling in residential areas for less than 30 days. The purpose of the prohibition was to safeguard the peace, safety, and general welfare of the residents of Sedona and their visitors and guests by eliminating noise, vandalism, overcrowding, neighborhood uncertainty, high occupant turnover, diminution of neighborhood character,

and other secondary effects that are perceived to be associated with the short-term rental of single-family dwellings.

While the concerns supporting the previous prohibition of vacation rentals are still valid today and the associated impacts of the passing of SB 1350 are unknown, the intent of this discussion is to acknowledge concerns, discuss monitoring mechanisms and any known or perceived impacts of SB 1350, as well as explore educational opportunities and any other regulatory action that may still be available to the City.

Important Context:

- SB 1350 rendered Sedona's ordinance prohibiting short term rental invalid.
- Any new regulations must demonstrate a health, safety, and welfare issue AND must be consistent with regulations applied to other housing types.
- SB 1350 authorizes the City to require an emergency contact for a rental property, which could prove a valuable mechanism to track short term rental activity.
- The City currently requires a business license as a means to collect emergency contact information. However, the Goldwater Institute appears ready to challenge this practice, claiming that it is a regulation not applied to other housing types.
- It still remains unclear if rental activity will proliferate or whether the activity will cause negative impacts greater than those experienced with other residential uses.
- SB 1350 provides for collection of sales tax.
- It is still unclear how the state will enforce sales tax collection.

Information Gathered:

September 15, 2017, Community Development sent an informational letter to all residential properties (6,564) regarding vacation rentals highlighting the following points:

- Vacation rental owner's responsibilities to comply with rules and regulations.
- Temporary amnesty (enforcement relief) to come into compliance for those residents operating a vacation without a business license and/or transaction privilege tax license and/or remitting applicable taxes.
  - Property owners engaged in vacation rentals who come into voluntary compliance with all applicable rules and regulations (including any current and/or back taxes owed) before October 31, 2017 will receive relief from any additional fines, penalties, or interest related to noncompliance issues and code violations.
- Neighbors' rights.
- Protecting Sedona neighborhoods.

As a result of the letter mailed, the City has received (between September 15 – October 10, 2017):

- 51 inquiries about TPTs (transaction privilege tax)
- 28 inquiries about the applicable sales tax rate
- 31 inquiries if a business license is required for renting out a room only
- 24 general inquiries (e.g., Is my property eligible? Do I need zoning approvals? Is there a frequency that vacation rentals can be rented out?)
- 80 calls regarding business licenses in general

- 27 new business licenses.

Community Development staff have created a spreadsheet to track all known communications, concerns, or complaints associated with short-term vacation rentals. The following summarizes what is reflected in the spreadsheet through October 10, 2017. This list will continue to be updated.

- 70 entries:
  - 11 code violations/issues
  - 19 complaints/concerns
  - 2 building safety concerns
  - 23 inquiries to construct new or convert to vacation rentals
  - 6 general inquiries
  - 9 new construction.

Since January 2017, 146 business licenses for vacation rentals have been issued, with an additional 7 applications in different stages of review. Staff estimates there are as many as 50 tax remitters associated with vacation rentals, but ADOR has not provided a separate identifier to be certain of the taxpayers for vacation rentals vs. other lodging (e.g., hotels, bed and breakfast establishments, etc.).

Prior to the formal tracking system, Community Development staff received a number of concerns related to:

- Eviction practices and renters rights
- Substandard living conditions for rental spaces (walk-in closets, crawlspaces, sheds, decks, unsafe spaces, etc.)
- Inquiries for help in locating places to rent from workers who were evicted their long-term rental homes.

The Police Department has collected data on criminal activity since 1350 went into effect. While the rate of crime does not suggest anything outside of the norm, the following cases have been reported:

- 1 case of burglary
- 3 cases of fraud
- 1 case of trespassing
- 3 cases involving civil matters
- 3 cases of noise complaints
- 1 case of a welfare check

Discussion Points:

- Arizona Department of Revenue provides the City with one lump sum payment without any specific or detailed information.
- Can the State track individual remitters and locations?
- It appears that AirBnB is remitting taxes for its clients.
- It does not appear that AirBnb is informing their clients to obtain a Sedona business license or State transaction privilege tax (TPT) license.
- Request that the State conduct audits and ask permission for the City to conduct audits.

- Conduct annual audits at the time of business license renewal.
- Create a list of all known vacation rentals for educational and enforcement purposes.
  - Identify vacation rental properties on the City’s GIS maps.
- Identify which homeowner associations do not allow vacation rentals.
- Consider other ways to educate property owners and rental management agencies.
  - Include messages on wastewater bills and water bills
  - Use social media resources
  - Outreach to homeowner associations
  - Others?
- Research what other communities are doing.
- Research and identify what agencies are managing vacation rentals.
- Continue to gather information.

Current Inventory

According to the CEO of Harmari, a company that specializes in identifying and monitoring vacation rental properties, Sedona currently (as of October 10, 2017) has approximately 900 listings for properties located within the City limits and advertised on AirBnB, VRBO, Flipkey, and Craigslist. AirBnB had the most at approximately 500 listings, followed by VRBO at approximately 275 listings, and Flipkey around 125. Harmari reports that of these listings:

- 54.2% are homes, 24.3% condominiums, and 21.6% other types of units
- Number of bedrooms per property:
  - 10.6% 0 bedrooms
  - 36% 1 bedroom
  - 31.1% 2 bedrooms
  - 15.6% 3 bedrooms
  - 5.2% 4 bedrooms
  - 1.3% 5 bedrooms
- Nightly rental rate range between \$40 per night to \$1,250, with \$100 to \$360 the more common range for nightly rates

**Community Plan Consistent:** Yes - No - Not Applicable

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** N/A

**MOTION**

**I move to:** for discussion and possible direction only.





**CITY COUNCIL  
AGENDA BILL**

**AB 2304  
October 24, 2017  
Regular Business**

**Agenda Item: 8b**  
**Proposed Action & Subject:** Discussion/possible direction regarding the City's small grant annual award and funding process.

<b>Department</b>	City Manager's Office
<b>Time to Present</b>	10 minutes
<b>Total Time for Item</b>	60 minutes
<b>Other Council Meetings</b>	December 13, 2016 July 12, 2016 January 8, 2013
<b>Exhibits</b>	A. City of Sedona Grant Application FY17-18 B. FY17-18 Grant Evaluation Criteria

City Attorney Approval	Reviewed 10/15/17 RLP	<b>Required</b>	\$ 0
City Manager's Recommendation	Discuss and provide direction regarding the city's small grant program.	<b>Amount Budgeted</b>	\$ 0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** The City of Sedona created a small grants program to encourage and fund activities, programs, or events developed by 501(c) organizations that serve the public and provide a fair return value to the City. Eligible programs, activities, or events include those that promote public health, safety, general welfare, and/or foster the well-being and prosperity of the City and its residents.

During the FY2017 Small Grants Awards process, a citizen committee came together to review applications and make recommendations for funding. This was consistent with processes used in previous years. During that process, concerns were raised that the interpretations and assumptions made by the group may not have been fully consistent with Council's intent. It was agreed that when the new Council was seated, these aspects of the small grants award criteria and process would be revisited and clarified.

That discussion took place on December 13, 2016 and the following direction was provided regarding the process and funding criteria:

By majority consensus, Council agreed that they will determine public purpose through the action of awarding grants, and they shall only make awards for programs, activities, and events that, in their assessment, serve a public purpose. Council further directed staff to do the following:

1. Help provide guidance to applicants and reviewers on what constitutes a public purpose, to include examples of what types of things have been previously funded (and therefore considered public purpose) in the application materials, and to lean on the following existing criteria:
  - a. Eligible programs, activities, or events should:
    - Promote public health, safety, general welfare, prosperity, or contentment
    - Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation
    - Demonstrate that City funding is essential to the success of the program or service
    - Directly benefit City of Sedona residents and preferably occur within the City limits
    - Strive for programs that are innovative and distinctive
    - Provide documented benefits directly to City of Sedona residents
    - Advance the goals established in the Community Plan;
2. Assess financial need but don't automatically lean toward "weaning" applicants [off of City funding simply because they may receive funding year after year];
3. Examine balance sheet but don't withhold funding if funds are being saved for a building fund or other designated purposes;
4. Remove ability to obtain funding from multiple City sources;
5. Don't allow multiple applications from same non-profit;
6. Remove the three different categories from application process;
7. Continue with the work group process for the upcoming fiscal year; and
8. **Make it a Council priority to reexamine the grants process as a whole.**

#### FY2018 and FY2019 processes

Council directives 1-7 were incorporated into the FY2018 process for the Small Grants Awards Program (FY2018 revised City of Sedona Grant Application and Grants Criteria Form are included as Exhibits A and B). The FY2018 process flowed seamlessly and Council unanimously accepted all of the \$161,500 of funding recommendations made by the review committee. Based on the successful process and total consensus on the 17 grant awards recommended by the review committee, it would appear that the changes made to the FY2018 process based on last December's Council direction, worked well.

Although the last process was successful, based on the 8th Council directive from the December 2016 discussion, "to reexamine the grants process as a whole," further discussion may be needed. Without knowing exactly which elements of the grants program and/or

process Councilors may have concerns with or wish to revamp, this item is being re-agendized for further direction.

Should there be Council consensus that the program needs to be examined further, staff recommends that a subcommittee of City Councilors be formed to work towards making those additional changes. In order to meet the FY2019 Small Grants Awards Program timeline, which includes opening the grant application period by February 2018, this work should be completed by end of calendar year 2017 so that recommendations can be brought to the full Council and final direction given to staff by end of January 2018.

**Community Plan Consistent:** Yes - No - Not Applicable

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** Maintain existing program criteria and processes for FY2019.

## **MOTION**

**I move to:** for discussion and direction only.

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# City of Sedona Small Grant Application Fiscal Year 2017-2018

## INSTRUCTIONS

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Carefully read and follow the instructions as some information has changed. Incomplete applications will not be reviewed for funding.

Due Date: Applications must be received, not postmarked, by **April 17, 2017 at 12:00 p.m. (noon)**.

Only one (1) grant application will be accepted from each organization. An organization may not be eligible to receive grant funding if already receiving City funding through another source. For example, the organization has an existing service contract or agreement with the City.

The Grant Application must include the following sections in the order indicated below:

- One (1) completed **Grant Application** form signed by Board Chair/President or Executive Director.
- Completed **Financial Information** section with clearly marked headers including income and funding information as requested, financial statements, 501(c) IRS letter, organizational budgets, and specific program/activity/event budget on the provided worksheet. For any financial questions that require a narrative response, the answer must be typewritten and include the question prior to your answer.
- Completed **Narrative Response** section with clearly marked headers including Organization Overview and Supplemental Questions with answers fully included.
- If your organization received funds in the FY16-17 grant cycle, attach a copy of your **Final Report (also due April 17, 2017)**. If your organization has been granted an extension for the submittal of its Final Report, please attach a **status update** on the use of the funds, expenditures and accomplishments to date, and timelines to complete the program, activity, or event.
- If you are partnering with another organization on your program, activity, or event, attach a **letter of support** from the partner organization.

If applying for funds to be used for destination marketing, you are encouraged to contact the Chamber of Commerce to identify possible partnerships for marketing opportunities and to ensure marketing efforts being pursued by your organization and the Chamber are complimentary, and efforts are not being duplicated. Also, it is suggested that your organization work with Sedona Events Alliance calendaring to avoid event conflicts and/or seize partnership opportunities for event marketing.

Use white paper. Number all pages of your application. Provide responses in the order listed in the application. Narrative responses should have clearly marked headers and must be typewritten leaving at least 1-inch margins and using a 12-point Arial font.

Do not put the information in a binder and do not include color photographs or other color materials. Do not bind or staple application. **Use only a paper or binder clip.**

Do **not** include materials other than those specifically requested at this time.

## OBJECTIVES, CRITERIA, EVALUATION

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The City of Sedona encourages and may fund programs, activities, or events provided by 501(c) organizations that provide a public service or benefit and are consistent with the City's funding priorities.

### OUTCOME OBJECTIVES

- Assurance that all funding provides a public service or benefit (see examples under "General Criteria for Grant Funding" below).
- Fair, equal and open opportunity for all not-for-profits to participate.
- Potential access to higher funding level for all organizations.
- Structured, objective and consistent selection process.
- Stimulate creative proposals and innovation in use of public funds.

### GENERAL CRITERIA FOR GRANT FUNDING

#### Eligible programs, activities, or events should:

- Promote public health, safety, general welfare, prosperity or contentment.
- Significantly impact the well-being and prosperity of Sedona residents.
- Demonstrate that City funding is essential to the success of the program or service.
- Directly benefit City of Sedona residents and preferably occur within the City limits.
- Strive for programs that are innovative and distinctive.
- Provide documented benefits directly to City of Sedona residents.
- Advance the goals established in the Sedona Community Plan.

These may include but are not limited to:

- A wide range of arts and cultural activities that are free or nominal cost. (Past examples: youth art programs, public workshops, exhibitions and special public performances.)
- Events or programs designed to foster a greater sense of community or provide a social service, primarily serving Sedona residents. While visitors or others outside the community may attend or participate, it is meant to enhance the quality of life in Sedona. (Past examples: St. Patrick's Parade, Community Fair, Film Festival and Mitzvah Day.)
- Events or programs designed to enhance the quality of life for, or provide a social service to, Sedona residents. (Past examples: recycling programs, trail maintenance and enhancement, youth mentoring programs, special needs transportation)

#### Ineligible programs, activities, or events:

1. An organization may have members, but the program, activity, or event funded by the City shall not discriminate based on membership status or economic status. (For example, members have first right of refusal on participation in a City funded program, activity, or event.)
2. Fund travel or training for organization officers, members or volunteers.
3. Provide direct grants or scholarships to individuals.
4. Fund organizational deficit reduction, endowments or fundraising campaigns.
5. Religious or other faith-based programs, activities, or events.

The following criteria apply to the program, activity, or event that receives City funding.

Eligible organizations:

1. Recognized by the IRS as a 501(c) organization.
2. Provides documented benefits directly to City of Sedona residents.
3. Have an independent Board of Directors (of at least three or more).
4. Demonstrates the leadership and financial capacity to create significant and long-lasting benefits to the community or to the target population.

Ineligible organizations:

1. "Conduit" organizations, and/or fiscal agents, using City funds to support other organizations or individuals.
2. Religious or other faith-based organizations.
3. Organization is already receiving City funding through another source (Examples: an existing service contract or agreement, etc. with the City).

**EVALUATION PROCESS**

Grant applications will be evaluated on their individual merits. Funding will be allocated to requests based on their merit scores. Applications will be evaluated on a 1 (low) to 5 (high) scale and scored in accordance with the Grant Evaluation Criteria. Requests must have an average of 2.5 or higher (on a 5 point scale) to be considered for funding. Each applicant will be scheduled for a brief interview with the Grant Evaluation Committee. The purpose of this meeting is not for the applicant to make a presentation to the Committee but rather to allow the Committee an opportunity to ask questions and/or seek clarification regarding the application materials submitted.

**GRANT EVALUATION COMMITTEE**

A Citizen Work Group experienced in grant review will evaluate all grant applications.

The Committee will provide recommendations to the City Council for final funding approval. The Committee will treat all applications equally, unless otherwise directed by the City Council.

**TIMELINE**

Below is a preliminary timeline for the fiscal year 2017-2018 funding process.

- February 15, 2017 Grant applications available.
- March 9, 2017 Optional Applicant Workshop (10 a.m.-12 p.m.)
- April 17, 2017 **Grant applications due by 12:00 p.m. (noon)**
- May 31, 2017 Evaluation Committee meets with applicants, reviews and scores applications and makes funding recommendations to City Council
- July 2017 City Council approves funding awards

For questions regarding the application, please contact Stephanie Giesbrecht at (928) 639-6040 or [Stephanie.Giesbrecht@NAhealth.com](mailto:Stephanie.Giesbrecht@NAhealth.com)

**Return completed applications by April 17, 2017 at 12:00 p.m. (noon) to:**

City Manager's Office  
City of Sedona  
102 Roadrunner Drive  
Sedona, AZ 86336





**FY17-18 Small Grant Application (cont.)**

<b>Establishment Date of Organization:</b>	
<b>Dates of Organization's fiscal year (i.e. Jan. - Dec.)</b>	

**Your Organization's staff composition in numbers:**

<i>Paid Full Time</i>	<i>Paid Part Time</i>	<i>Unpaid Staff, Volunteers &amp; Interns</i>

**PROPOSAL INFORMATION**

<b>Grant amount requested:</b>	<b>\$</b>
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<b>Estimated Number of unduplicated City of Sedona Residents Served (by program, activity, or event):</b> <i>For example, a teacher has 30 students. This number would be 30 and not 150 students per week.</i>	
<b>Estimated Number of City of Sedona Businesses, if applicable, served (by program, activity, or event):</b>	
<b>Estimated percentage of Residents vs. Non-Residents Served (by program, activity, or event):</b>	
<b>Geographic area served (specific boundaries) (by program/activity/event, if necessary):</b>	

**AUTHORIZATION**

*The undersigned **Board Chair/President or Executive Director**, does hereby certify that the information set forth in this grant application is true and correct, that the Federal tax exemption determination letter attached hereto has not been revoked and the present operation of the organization and its current sources of support are not inconsistent with the organization's continuing tax exempt classification as set forth in such determination letter.*

<b>Printed Name:</b>	
<b>Title:</b>	
<b>Signature:</b>	
<b>Date:</b>	

## FINANCIAL INFORMATION

Provide the following financial information as attachments with clearly marked headers. Financial questions that require a narrative response must be typewritten using a 12-point Arial font and include the question prior to your answer.

1. Provide a list of organization's income sources and amount and percentage of total income.
2. Provide a signed income and expenses statement and balance sheet for the most recent year end.
3. Provide proof of current IRS recognized 501(c) status.
4. Provide the current year line-item budget for revenues and expenditures, for your organization as a whole.
5. List total City of Sedona funding received by your organization for the previous three (3) fiscal years:
6. What will be the impact/consequence(s) to your activity, event, or program if only partially funded by the City?
7. Provide the current year line-item budget for the specific Program, Activity, or Event for which you are seeking funding. This must be submitted on the Program, Activity, or Event Budget Worksheet provided (*see next page*).

## PROGRAM, ACTIVITY, OR EVENT BUDGET WORKSHEET

This worksheet must be submitted for each program, activity, or event for the organization's current fiscal year. Attach a budget narrative explaining your numbers, if necessary.

### INCOME

<u>Source</u> <i>(Support from)</i>	<u>Amount</u>
Government grants	\$
Foundations	\$
Corporations	\$
Individual contributions	\$
Fundraising events and product sales	\$
Membership income	\$
Investment income	\$
Revenue	\$
Government contracts	\$
Earned income	\$
Other (specify):	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Income:</b>	<b>\$</b>

### EXPENSES

<u>Item</u>	<u>Amount</u>
Salaries and wages, benefits and other related costs	\$
Insurance	\$
Consultants and professional fees	\$
Travel & Training	\$
Equipment	\$
Supplies	\$
Marketing, promotions, & advertising	\$
Printing and copying	\$
Telephone and fax	\$
Postage and delivery	\$
Rent and utilities	\$
Credit card and bank charges	\$
Taxes (liability)	\$
Facility maintenance	\$
Other (specify):	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Expense:</b>	<b>\$</b>
<b>Difference (Income less Expense):</b>	<b>\$</b>

## NARRATIVE RESPONSE

Narratives must be typewritten using a 12-point Arial font and not exceed **six (6) single-sided (or 3 double-sided)** pages for all responses (not including attachments or charts/diagrams). Be brief and to the point and number all pages. Include the question prior to your answer.

### ORGANIZATION OVERVIEW

1. State the organization's mission statement, purpose and goals.
2. Brief description of organization's current programs, activities, or events, including statistics and specific accomplishments. Highlight new or different activities within the last year, if any, for your organization.

### SUPPLEMENTAL QUESTIONS

1. Describe the activity, program, or event for which you are seeking funding.
2. How does your activity, program or event provide a public service or benefit, as defined under *Eligible Programs, Activities, or Events*? Describe how it will:
  - a. Provide a direct benefit to Sedona residents.
  - b. Promote and serve the health, safety, general welfare, prosperity or contentment of Sedona residents.
  - c. Provide equal and open access for all members of the community or the target audience with no one being easily excluded.
3. Describe the administrative strengths and experience of those who planned and will conduct your activity, program, or event. Please address:
  - a. The administration, leadership, and management experience of all primary individuals involved in conducting the program, activity, or event.
  - b. Specific skills and record of past success of those in organization leadership roles in conducting the type of proposed activities.
4. What specifically will you accomplish with the City's funding?
  - a. What result do you anticipate and why?
  - b. How will your program, event, or activity ensure activity that would not otherwise occur without this funding?
5. How many Sedona residents will your program serve and how will your program impact those residents? Please address:
  - a. If you plan to involve other sectors of the community to demonstrate community support (i.e. businesses, faith communities, not-for-profit sector).
  - b. Describe the demographic make-up (consider if target population is primarily residents or visitors) of unduplicated Sedona residents that are expected to benefit in the program, activity or event and the basis for your estimate. If possible, provide an estimated ratio of residents versus visitors.
  - c. The type of experience, information, education, or community connection will the target population gain from this program, activity, or event.
  - d. If your program, activity, or event generates on-going benefits to the City of Sedona.

## NARRATIVE RESPONSE (cont.)

6. How will you measure the success of your program? Please describe:
  - a. What success will look like.
  - b. Your overall measurement strategy, types of qualitative and/or quantitative data to be collected, collection process and evaluation methods you will apply.
7. Describe the needs that exist in Sedona (and how your program, activity, or event address those needs?)
8. Describe the financial strength and stability of your organization. Please connect this response to financial data provided on the specific Program, Activity, or Event Budget Worksheet. Be sure to address:
  - a. The diversity by percentage of funding sources used overall by your organization.
  - b. The diversity by percentage of funding sources for the specific program, activity, or event for which you are requesting funds.
  - c. What percentage of your total expenses is used for administrative overhead versus all of your organization's programs, activities, or events.
  - d. What percentage of the public funds you receive will be used for administrative purposes versus the activity, program or event budget for which you are applying.
  - e. What percentage of your organization's total financial resources will be dedicated to this program, activity, or event.
9. What additional benefits, if any, will your program, activity, or event provide?

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# Grant Evaluation Criteria

Rating Scale of 1-5, 1 = low, 5 = high

- A. Meets a public service or benefit per the General Criteria for Grant Funding
  - 1. Provides documented benefits to City of Sedona Residents:
    - a. Direct public benefits as opposed to an indirect or remote benefit,
    - b. Programs and services that promote public health, safety, general welfare, prosperity or contentment, and,
    - c. Equal and open access to all members of the community with no one being easily excluded.
  
- B. City Priority/Need
  - 1. Funding request is in line with the Community Plan and City Council's Priorities
  
- C. Community Impact
  - 1. Breadth and depth of reach into community
  - 2. How well is target population identified
  - 3. How well is target population served
  
- D. Organizations' Administrative Capacity
  - 1. Capacity- Can the organization able to accomplish their goals with the staff/volunteers they have?
  - 2. Mix of employees and volunteers
  - 3. Leadership/management depth
  - 4. Board of Directors
  
- E. Financial Strength
  - 1. Ability and active pursuit to generate other revenue streams
  - 2. Cash reserves- reasonableness of reserves for this type of organization (too much? too low? just right?)
  - 3. Financial sustainability
  - 4. Overall strength of financial statement
  
- F. Performance Indicators
  - 1. Provided specific measurements against objectives
  - 2. How appropriate and adequate are the tools used to measure performance?
  - 3. Quantitative and qualitative analysis
  
- G. Financial Need
  - 1. Does organization have other sources of revenue?
  - 2. Percentage of City funding for program vs. outside funding
  - 3. Adequately demonstrate need for monetary assistance
  - 4. Is City funding essential to provide the service/program?
  
- H. Overall recommendation
  - 1. This is a subjective rating of the reviewer's impression as to whether the City should fund the organization