

Summary Minutes
City of Sedona
Planning & Zoning Commission Work Session
Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Thursday, September 14, 2017 - 3:30 p.m.

1. CALL TO ORDER & ROLL CALL

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

Roll Call:

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

Staff Present: Warren Campbell, Justin Clifton, James Crowley, Audree Juhlin, Cari Meyer, Ryan Mortillaro, Robert Pickels Jr., Rob Pollock, Donna Puckett and Mike Raber

Councilors(s) Present: Mayor Sandy Moriarty and Vice Chair John Martinez

2. ANNOUNCEMENTS & SUMMARY OF CURRENT EVENTS BY COMMISSIONERS & STAFF

There were no announcements.

3. DISCUSSION REGARDING THE FOLLOWING ITEMS ON THE PLANNING & ZONING COMMISSION'S PUBLIC HEARING AGENDA FOR SEPTEMBER 19, 2017.

Overview: Mike Raber indicated that there are four proposals under review that are considered Major Community Plan Amendments. Two of these proposals also include Zone Change considerations – one is for conceptual and the other is for final review.

Mike explained that Major Amendments are defined in Chapter 9 of the Sedona Community Plan, and by state law, once a city has defined a Major Amendment, there are procedural steps that must be followed, and they be considered once a year in a single public hearing. They are subject to . . . Chair Losoff interrupted to ask members of the audience to step out for their conversation and explained that the work session would normally just go through staff and applicants for questions, but since this is a fairly important subject, we will open it to the public as we get to those points. Mike then continued to say that there are also procedures that are subject to adopted public participation, they must be approved by at least a two-thirds vote of the City Council, and they can be initiated by the City or requested by the private sector. There also are other notification requirements and a 60-day review period that are prescribed by state law as well.

Mike explained the packet includes a cover memo that describes the points to consider in the decision-making process for these proposed Amendments, and it briefly describes each proposal, the Major Amendment criteria, and the process. Three proposals submitted by applicants also involve changing the Community Plan's Future Land Use Map, and those are Sedona Hard Cider proposal to allow for production of hard cider within existing buildings; the Pinon/89A Multi-family Project to allow for development of a 45-unit apartment complex, and the Son Silver West Parking Lot to allow for development of a parking lot to serve adjacent conditionally-allowed commercial use. In the packet, each of those applications include the following: Staff Report; Vicinity Aerial Map; Applicant's Materials that include items such as their Letter of Intent, a Citizen Participation Plan and Report, and Site Plans. Then, you have staff's evaluation that includes items such as staff's comments on the Letter of Intent, and a new Community Plan checklist that is intended to provide an analysis on how each proposal addresses the Community Plan goals and Community Expectations, and if a property is located within a Community Focus Area (CFA) in the Community

Plan, that is also addressed in that checklist. All three of these proposals are located within CFAs. Next in the packets are the staff and review agency comments, and then comments from the public.

Mike pointed out that one proposal is initiated by the City for a Major Text Amendment to the Plan to create a Multi-family High Density Designation that allows more than 12 units per acre if it is tied to future projects providing strategies to address local housing needs. The packet for this item includes a Staff Report, Project Description, Background Report with more facts & figures, Citizen Participation Report, staff's responses to the Planning Commission, and public comments.

Mike added that in all of the Staff Reports there will be a discussion and evaluation of the Major Amendment that asks the Commission to determine whether the Amendment is in the interest of the public and is consistent overall with the Community Plan. In the Conclusion section, the Findings of Fact are presented and finally staff's recommendations on whether the proposal should be approved based on the applicable goals and policies, CFA expectations and overall consistency with the Community Plan. The Commission's role in tonight's work session is to make sure you understand the proposals and the packet materials in preparation for next week's public hearing.

Mike stated that staff would now give a brief presentation on each of the items. Chair Losoff asked if staff wanted the Commission to take each one separately, and Warren Campbell stated yes.

- a. **Discussion regarding a request for approval of a Major Community Plan Amendment to the Future Land Use Map from SFLD (Single-family Low Density) to PA (Planned Area) and Zone Change from RS-18b (Single-family Residential) to PD (Planned Development) 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: Warren Campbell indicated that today is a work session and we are scheduled for a public hearing next Tuesday, then tentatively scheduled for Council on October 11th and 25th, if everything goes as planned. Sedona Hard Cider has two aspects to this application. It is a Major Community Plan Amendment and a Zone Change. Warren then identified the location of the site, the owner John Graham and the owner's representative Alan Everett, and indicated that the site is approximately 3.63 acres, and it is currently a single-family residence, orchard with some cider production, and a guesthouse. Warren showed a vicinity map and pointed out the site's relationship to S.R. 179, and a site plan with an aerial. Warren indicated that the site plan will not be changing as there is no change to the site plan or the buildings.

As a summary of the request, Warren stated that there is a Major Community Plan Amendment to redesignate the property from Single-family Low Density to Planned Area, and if successful, they would ask to rezone the property from RS-18b to Planned Development to effect the changes needed to operate the cider production, so there would be no future applications on this particular request moving forward, if approved.

Warren explained that the proposed request is to use the existing buildings for the production of hard cider. All of the activities would take place within those existing structures, so there would be no new construction proposed. The cider production is proposed to be accomplished from the production of the orchards in close proximity and on the site; however, if there is a bad harvest year, they might have to bring some apples from offsite, but it is anticipated that would be minimal and hopefully few and far between in terms of years. There would be no tasting room on the site, so there would be no public access to the cider production.

Warren indicated that the closest neighboring property to the production would be 100 ft. away, and additional permits will be required from the Federal Alcohol and Production and the state for a winery license, plus a Sedona business license and a health certificate from Coconino County will be needed.

Warren stated that staff reviewed the project with regard to the many categories and the checklist, and some details are provided on each of those items. With there being no changes to the site, there isn't a lot of detail for each one of those. It is within the Copper Cliffs Community Focus Area. There is no adopted plan yet, but there are four bullet points identified in the Community Plan for the CFA. Of particular note, there is one that states that we should retain larger parcels for the rural character, and we believe this would accomplish that as it would establish it with a different zoning and with a Planned Development that would prohibit subdivision without making future changes. Also, the last bullet states, "Evaluate potential non-residential uses if tied to preservation of agriculture uses and protection of the riparian environment on Oak Creek", and by having no new construction on the site and utilizing the agriculture that is already on the site with the existing orchard, we are really achieving that goal.

Warren indicated that there are a number of other Community Plan goals, and as Mike stated, there is an attachment to each one of these applications. Attachment 3 goes through a checklist, and we do a thorough review of the various goals identified in the Community Plan. He highlighted some that talk about economic development, community, etc., and there were some questions from the previous work session that are also included in an attachment with staff's responses to the questions. There were two questions that he can highlight – there was a question as to whether or not a home occupation permit would have been applicable, and staff went through the criteria for a home occupation and explained why that would not have been a successful route, and we give an extensive history of the area that we got by working with the Sedona Historical Society; so hopefully, we have addressed those previous comments. There is a number of public input pieces; only one that was written in support of it, but there has been public outreach, so all of that information is included. In the Findings of Fact, we identified six points; the existing zoning and zoning of surrounding properties, which is all reflective of the same, RS-18b; the designation within the Community Plan is Single-family Low Density; the CFA plan for the area, but none adopted, so we just have those four bullet points we just highlighted, and then the Designation would go to Planned Area for the site.

Warren stated that staff is recommending approval of both applications. The first being the Major Community Plan Amendment to go from Single-family Low Density to Planned Area, and the second to rezone it as well.

Commission's Questions and Comments:

Chair Losoff pointed out that the Commission had a site visit and work session a week or so ago, so this is the Commission's third meeting on this subject.

Commissioner Klein asked if the request is approved for a Major Community Plan Amendment and a Zone Change to PD and they start production of hard cider, because we changed the zoning to PD, could they come in at a later date and request any other changes. Warren explained that pursuant to the process, they would have to come back for any change and have it reviewed like a rezoning request.

Commissioner Cohen asked if the fermentation process to make the hard cider presents any problem, such as fire or explosion. Warren Campbell indicated that the Fire Marshal included in his comments that cider does not have a high enough alcohol content, and he is not requiring any sprinklers to be installed, unless there are some changes to the buildings.

Commissioner Brandt asked if there is any consideration for smells from the fermentation process.

Applicant's Representative, Alan Everett, Phoenix, AZ: Mr. Everett stated that there is a little apple smell. When people are selling a house, a realtor recommends that you put apple cider on the burner to make it smell good, but there is very little odor from that. Most of it will be inside a building anyway; there are 250 trees on the property today, so it is almost negligible

Commissioner Brandt referenced the employees and noted that this is being triggered by the fact that it couldn't be a home occupation and has to go through this process, and there are guesthouses and main houses on the property. He then asked if there was any discussion about providing for the employees onsite, and Warren Campbell stated that there was no discussion regarding providing housing for employees onsite.

Commissioner Mayer noted that it is a seasonal business and most of the properties there have orchards. It is a really special location in Sedona that is absolutely special, and cider is something everyone likes, except you have to be of age; otherwise, he likes that. There are probably about 1,000 apple trees, so it is a great entrepreneurial venture that he supports.

The Chair opened the public comment period and, having no requests to speak, closed the public comment period.

Chair Losoff reminded the Commission that a Major Amendment as defined by state code is a substantial alteration of the City's land use, so as we take any of these considerations into review, we must remember that this is a once a year process and it is very substantial and does make a significant difference in our Community Plan and land codes. We are not making decisions tonight, but we will be going forward next Tuesday.

- b. Discussion regarding a request for approval of a Major Community Plan Amendment to the text of the Land Use, Housing, and Growth Chapter (Chapter 3) to create a Multifamily High Density designation allowing for more than 12 dwelling units per acre for development project that provide strategies for achieving housing diversity, affordability, and availability in order to address local housing needs. Applicant: City of Sedona Case Number: PZ17-00008 (Major CPA)**

Presentation: Mike Raber noted that this item is a Text Amendment only and no specific properties are being redesignated as part of this proposed Amendment. This is the Multi-family High Density proposal. It has been initiated by the City as a Text Amendment to allow for consideration of multi-family developments with densities that exceed 12 units per acre, if the proposed development provides strategies to address local housing needs.

Mike explained that the purpose of this Amendment proposal is to better align our Community Plan's density with our Community Plan's goal to encourage diverse and affordable housing options. This Amendment provides a process to consider projects above 12 units per acre. We currently can't even consider these projects now in most cases, because of that density limit. The proposal would add a High Density Multi-family Designation of more than 12 units per acre to our Future Land Use Map legend, so we would put an item on the map legend that would allow for that if someone was successful in getting that changed. We would add language to the Plan's Multi-family Residential description that projects may exceed densities of 12 units per acre on a case-by-case basis through considering strategies addressing local housing needs, and we would add a new policy to the Plan that reflects that same language as well.

Mike stated that this Text Amendment does not change the density on any properties. As proposed, a project of over 12 units per acre would still need approval of a Major Amendment and Zone Change. A separate Major Amendment request to this new designation has been proposed by an applicant for an apartment project, and that item follows this one on the agenda. It is contingent upon approval of this proposal, so this would set the stage for someone to come in and have their project evaluated and possibly approved, but they would still have to go through the Major Amendment, Zone Change and Development Review processes.

Mike indicated that of the existing housing types in Sedona, multi-family housing makes up about 14% and the national average is about 32%. Out of the City's multi-family housing, rental apartments make up 27%, so out of approximately 6,500 housing units in the City, there are

238 rental apartment units, which is less than 4% of all housing units in the City. In terms of acreage, approximately 1.3% of residential zoning is Multi-family and less than half of one percent is vacant Multi-family.

Mike explained that some challenges to the availability of multi-family housing include a diminishing supply of vacant land. We currently have 18 acres left and the largest of those parcels is actually in an area of extreme topography. We have zoning limitations; there is one Multi-family zoning district that existed before we incorporated that is called the RM-3 zone, and it allows up to 20 units per acre, but there are only two vacant acres of that remaining out of that 18 vacant acres. Land costs are another challenge. The historic trend within the City for large lots has seen residential acreage developed with less homes and units than allowed by zoning.

Mike indicated that some of the development limitations include the Community Plan's density limit of 12 units per acre for multi-family projects. There are two scenarios where a multi-family housing project of more than 12 units per acre could be approved. One is on property that is currently zoned RM-3 that allows up to 20 units per acre, but there are only two vacant acres of that RM-3 zoning left. A property can't be rezoned to RM-3 without amending the Community Plan, which is what we are doing in both this case and the item following. The other scenario where more than 12 units per acre could be approved is within the Western Gateway CFA. As you may recall, that CFA has an adopted plan that supports the higher density, but a development project still has to request a Community Plan Amendment. It would be a Minor Amendment in that case, but they still have to go through a rezoning process.

Mike stated that the maximum density of 12 units per acre is often cited as too low to support diverse and affordable housing options. There are other challenges to development as well, including land cost and fees, plus our development standards and approval process. Other factors that impact housing in Sedona include the high cost of housing, and one of those factors that contribute to affordability is unit size. Smaller units typically rent for a lower price than larger units, but for projects with smaller units to work, they need more units and with a threshold of 12 units per acre, there is no option to build more units, and that has become a real sticking point in trying to successfully see apartment projects come here.

Mike indicated that another factor is short-term vacation rentals. With the passage of SB1350, we've seen many houses that were previously rented for long-term being converted to short-term rentals. Substandard housing, growth in neighboring communities, and changes in housing preferences are other factors as well. The lack of housing impacts local businesses, the community and schools, and traffic patterns are another implication of a lack of walkable or bike-able alternatives for those living in the community.

Mike explained that one of six major outcomes in our Sedona Community Plan is to create an environment that encourages diverse and affordable housing options. This is consistent with the vision in our Community Plan and it also calls for a future that nurtures connections between people, encourages healthy and active lifestyles, supports a diverse and prosperous economy and values the protection of the environment. Those are all things that are consistent with the other major outcome of the Plan to create a diverse and affordable situation for housing. Other Community Plan goals also are consistent with the higher density housing options, including mixed-use, walkable districts; creating a more walkable, bike-able community; supporting local businesses and meeting the needs of the community as well.

Mike stated that the Citizen Participation Report is included in the packet as Attachment 6 and includes comments from our August 22nd open house, our online comment form, and other emails. Additionally, we have received several comments since the packet was distributed, and those were handed out to the Commission tonight. Those comments cover a broad spectrum of both support and opposition to this proposal.

Mike indicated that to recap, the City is proposing a Major Text Amendment to add a new land use category of Multi-family High Density in the Community Plan that would allow consideration of development projects with a density greater than 12 units per acre, if the project is including strategies for addressing local housing needs. This proposal will not redesignate any property to this new category; it does not provide any new entitlements to property owners, and a new project would need to get Community Plan Amendment approval to apply the new designation to the Map, and then obtain a rezoning and Development Review approval. The review includes citizens, the Planning & Zoning Commission, and the City Council. We also have Findings of Fact that reflect what we just covered, and those are included in the Staff Report for your consideration. Staff is recommending approval of this item as cited in the Findings of Fact, through the report, and in the Background Report.

Commission's Questions and Comments:

Chair Losoff thanked staff for a very thorough report and stated again that this is a work session to give the Commission the opportunity to get as much information as possible for the formal hearing next week.

Commissioner Mayer asked about the units per acre on a commercial site, and Mike Raber stated technically it is 12 units per acre, which is kind of the ceiling everywhere, except in the Western Gateway and the RM-3 zone. The Commissioner then asked about lodging, and Mike explained there is no limit within the general lodging limitations in the Community Plan. Some of the CFAs, like the Western Gateway, might provide more of a description on what we want to see with lodging, but per se there is no density limit.

Commissioner Mayer referenced one project that has three acres and 80 lodging units, so he was wondering about the relationship between multi-family housing and that kind of stuff. The Commissioner then asked what kind of people would rent those units; what is the projection of the owner or applicant? Mike Raber explained that there is no applicant on this item. Chair Losoff then suggested that the Commissioner wait for the next item on the agenda; however, Commissioner Mayer stated that he still wanted to know what kind of people are going to rent those units. Are they going to be affordable in such a way that they can be afforded? Chair Losoff stated that he preferred to save that for the next agenda item, but Mike stated that we did talk about that the opportunity to do smaller units equates often with affordability, and that is one option we have here that we currently don't have.

Commissioner Mayer stated that he was an architect of the Community Plan Update for the next 10 years, and he is very proud to have been on that committee, and that was one of the big agendas – affordable housing in Sedona. There is definitely a need now with the Airbnb, etc., everything is gone.

Commissioner Brandt asked if Commissioner Mayer meant that everything is gone since the new state law and people can rent their house short-term, then that kind of blows out . . . Commissioner Mayer interrupted to say, completely yes, there is about 1,000 units according to what he got on Airbnb around here, so there is nothing here to rent. Commissioner Brandt then indicated that another follow-up would be that you say there is no maximum as far as lodging per acre, but the setbacks, massing, height. . . Mike Raber interjected that the development standards often dictate, and the Commissioner noted that would also pertain to multi-family, and Mike Raber stated that is correct.

Commissioner Brandt then asked if this could have been handled within the Community Plan Update in 2014, and Mike Raber stated that he supposes it could have been, but it wasn't at the time. It is an issue that we have acknowledged over the years has been a problem, especially with a lot of our goals in the latest Community Plan, as we are really focused on housing diversity more so than in any of the previous ones. Chair Losoff noted that when the Community Plan was being worked on, the situation wasn't as acute as it is today; it could have

been done, but probably wasn't a high enough priority, and Mike agreed it has definitely become a much higher priority.

Commissioner Cohen asked about the history of why the limitation was put in, in the first place. Mike Raber stated that when the City incorporated in 1988, they adopted the two County's Zoning Ordinances, and when we started the Community Plan process in 1989 that was adopted in 1991, we more or less stayed with a density range that seemed to reflect what we were seeing at the time, not that there weren't higher density projects in place, but with the Development Standards we had then, that seemed to be a logical place to start. Since then, it has really never been rethought and that is why we need to do that now. Our Plan was never intended to be static; it needs to change as conditions change and that is one of the reasons we want to look at it.

Commissioner Cohen asked if staff has a projection for what this might do in terms of density, and Mike Raber indicated that one question asked was if we could do some kind of projection for buildout based on this, and there are a lot of things that complicate that. In your packet, we do have an analysis that was done on the existing RM districts that could accommodate about another 220 units, which is not a lot, but there are other opportunities through our CFA planning, although we would have to see how those come out. Those are all subject to public review, P&Z and Council review and approval, as well as any Amendments to the Plan, as a result of that, so it is really hard to predict until we get a specific development project and are able to analyze it on its own merits to see if it really addresses meeting the local housing needs, is located in the right place, etc. All of those things would be evaluated and go through this process.

Commissioner Cohen stated that one of the things that has driven this is the need for more affordable housing, and one of the reasons that we need more affordable housing is because of the Airbnb regulation, so if we start to go to this, are we creating another situation for more short-term rentals? Mike Raber stated that is precisely the kind of thing you would want to look at, if you got a Major Amendment and rezoning proposal. You will see that addressed in the next agenda item, but that is the very thing we would be looking at as part of the 'if it is meeting local housing needs' test. No short-term rental, or a way to keep a future project from becoming a condominium once it is approved as a rental apartment are all things that should be taken into consideration in each one that comes forward.

Commissioner Klein referenced the public comment portion of the Staff Report and indicated there were seven comments from the public – five were against this proposal and two were in favor, which is about 70% against. Today, we were handed more comments from the public and he hasn't had a chance to read them all, but he sees some are in favor and some are opposed. He then asked if staff has a sense as to whether the majority of residents of Sedona would be in favor or against this proposal, and Mike Raber indicated that he really didn't have an answer for that. The Commissioner then asked if approved, there are three possible zoning changes someone could apply for -- RM-3, PD or PRD, and Mike Raber confirmed that is correct. Commissioner Klein then asked if under any of those there is a scenario in which a developer could build more than 20 units per acre, and Mike Raber explained that under the PD and PRD scenarios that could be possible, but the applicant you will see next on the agenda was originally thinking about that and recognized some of the development standards that have to be adhered to on each site made it difficult to go beyond 20 units per acre. We do have, with our height limitations, parking requirements and lot coverage, etc., some constraints on being able to go much over that in most cases. There might be opportunities to exceed it where there are fairly large tracts of land, but we don't have much left.

Commissioner Klein confirmed that there are only two vacant acres currently zoned RM-3, and the Commissioner then indicated that for someone to want to develop multi-family housing of more than 12 units per acre, they would have to get a rezoning to one of the three

classifications, and Mike Raber stated that is correct, but you can't do that without a Major Plan Amendment in most cases.

Chair Losoff asked if we could cap the number of units at 15 or 20 units, and Mike Raber indicated that you could; it is something you could deliberate and make a recommendation on. The Chair then indicated that it is something the Commission should consider in the next meeting. He then indicated that the words 'high density' have sort of a negative connotation, and he is hearing questions about why we are building 10 or 12-story buildings and putting people into a ghetto-type set-up, so somewhere along the line, we have to make an effort to educate us as to what high density means, and a corollary to that as we talk about affordable housing – what is affordable housing? How do we define it? Who do we expect to move into some of these high-density residences? Is there a salary or income limit for affordable housing? Mike Raber explained that generally it has been defined as a percentage of income – 30%, 35%. Warren Campbell added that in our policy, the Development Incentive Guidelines Handbook for Affordable Housing, it is a percentage of your AMI, and depending on the project, you would determine that through the review process.

The Chair then referenced a school teacher that earns \$30,000 a year, and Warren indicated that would be below the AMI for both counties, and Mike added that would be about \$54,000 to \$55,000, and the Chair indicated that if we set the affordable housing limit at the AMI, a school teacher still wouldn't be able to afford the rent. Warren indicated that they typically want the living expenses to be around 30% of the salary.

Chair Losoff stated that the request today is in order, but he would feel more comfortable if we could define what we talk about as our housing needs and affordable housing. He hears all kinds of stuff. Are we trying to build high density units for the person who works at the hotel at minimum wage or mid-income level employees? We really don't have a good definition and when a project comes before the Commission for a rezoning, how do we condition that application to meet the so-called affordable housing limits. He is not saying anything specific; he is just talking out loud right now. Mike Raber stated that one thing to keep in mind with this Text Amendment is that it provides an opportunity for that review on each project that we don't have right now, and that gets us a lot closer to meeting some of those diversity goals that we have discussed in our Plan, regardless of what that means in terms who might move in where in the future. You may get a better sense of that in reviewing each project that comes in. This at least allows you to evaluate that, and we don't have that opportunity now. It is a Text Amendment; it does not confer any changes to density on the ground. It does not confer any entitlements to any property owners, so that is something to keep in mind. Chair Losoff then noted that in keeping with our Community Plan, we talk a lot about diversity of housing, and it is not just affordable housing; it is for senior citizens, etc.

Commissioner Mayer recalled that there was a Housing Commission in place and maybe they had some data on what is affordable. Mike Raber pointed out that there is some information in the packet on that, including some of the background. Warren added that we do have the developer incentive guidelines for affordable housing on the Web, and staff could provide that for the Commission.

Chair Losoff opened the public comment period.

Henry Turmbly, Sedona, AZ: Mr. Turmbly thanked the Commission for the opportunity to speak against this proposal. It seems that the original Community Plan said that there would be no rezoning whatsoever, so this seems to be contradictory to that. In terms of meeting the goals of the Community Plan, it might meet the goal of affordable housing, but it goes against reduction of traffic. There is all of these proposals of 80 more spaces at the Marriott, 120 rooms at the Oxford Suites, and your Oak Creek historic district could have as many as 200, so there is a lot of housing now that is being talked about, and it seems like there is no assessment of traffic, and even on the next proposal with only 45 units, there is an estimate of about 300 more

traffic trips a day, just with them. It seems that those aren't being considered – that reduction of traffic, nor is the quality of the town, which was supposed to be one of the Community Plan's goals to maintain the small town character of Sedona, so by opening it up to greater development, you are going to lose that character, and it is already being lost. Even though it is only a Text Amendment, you are opening the door for a lot more development to happen, and once it is open, you are going to regret it, because you will have a lot more requests along these lines, and it is not a good idea.

Ronald Martinez, Sedona, AZ: Mr. Martinez indicated that he is a 30-plus year resident of Sedona and has a business in town that employs about 40 people for the last 30 years also. There was a key word in one of the slides that talked about diversity; it also talks about the type of community we want to be. He is involved in discussion with some of the business groups and he is hearing, not only for himself, that our labor pool has not only become scarce; it has become nearly non-existent. He hears, from Jennifer Wesselhoff, who represents the Chamber, and Steve Segner and Bill Holman, who both own hotels in the community, of the struggle they have in trying to have housing and that some of their employees are leaving the community. Mike Raney from Over the Edge lost, in a two-month period, seven employees, because they could not afford to live here. He is totally in favor of the Amendment and the project that is coming up next on agenda #3, and the important thing for him is that Mike Raber mentioned that it is going to allow for consideration. It is not going to redesignate anything; we still have to go through yourselves and all of the Community Plan checks and balances that are in place right now. It is important for us as a community, when we look at the numbers in our school system and how it is gone down in the last ten years, it represents that these young families that come into our community have no place – the AMI is \$54,000 and you are right, a teacher can't afford to come here with their children. He encourages you to consider the type of community we want to be, the type of inclusive community that we want to be, the type of community that allows the people that work here to have some opportunity to live here. Chairman, you asked who are going to be the people; he knows some of his employees would be some of those people that would be there. Talking to some of the other business owners, it would be some of their employees that would be the individuals that would live there. He encourages you to consider this from the type of community that we want to be; the type of inclusive community that allows housing and people that work here to spend their money here. He would also recommend, and there is a letter to you that he wrote, but there is a report from Harvard that addresses all of the issues, many of which, and he would be happy to send you one if you don't have it in your packet, it addresses some of the issues that have been raised and talks about how they really are misconstrued and misrepresented.

Chair Losoff indicated to Mr. Martinez that his time was up.

Susan Ritter, Sedona, AZ: Ms. Ritter stated that it seems that this is a little too wide open. We should have diversity and a mix of housing, but there is a few things left out and the details can be very important. As far as number of dwellings, in some areas 12 is too high. It is a problem particularly in existing residential neighborhoods, and she has a concern about HOAs, because she lives in one, as to whether there is going to be some effort to overpower to put in multi-family when it isn't meant to be that, and the traffic is horrible, so she doesn't think putting in tighter multiple high-density buildings is our answer, and they can create fire problems in some areas. Much of Sedona was designed to preserve our scenic beauty and create a place of beauty where people can have families and safety, and some of this may be good, but this is pretty wide open, this b., on what is going to go there. It is way too wide open and there are not restrictions or considerations for what is around it.

Linda Martinez, Sedona, AZ: Ms. Martinez indicated that she is a 31-year resident of Sedona and she also works in their company, and they actually employ about 48 people in Sedona who struggle with housing. The vast majority of them drive in from Cottonwood, which has been our solution for as long as she has lived here -- let them drive in from Cottonwood. The problem now is that Cottonwood does not have enough housing, and we also lose a huge pool of

volunteers, young families. There is a huge decrease; look at the population of our schools and how they have decreased over the years, because of the high cost. We have lost what it means to be a small town without something that is affordable, so yes, she is in favor of the increase in density and also in favor of the apartments; she is sorry she didn't put the right number down and you won't call her name. A couple of things -- please look at those who are trying to attract workers. We have got people living in their cars; people are renting out closets, crawl spaces. We need to have some housing with dignity. Do not confuse long-term living arrangements or housing with lodging. They are two separate issues; one puts down roots in the community and one passes through. One creates community and one does not. She also trusts our process, and going through the planning & zoning process. She has witnessed it many times; it is a tough process, and there are no guarantees. This gives you an important tool, so we can at least have an opportunity to fulfill the Community Plan to provide diverse and multi-housing; let's call it that. By the way, the apartment complex is not affordable housing. We have eight affordable units in Sedona, and it can be explained. It is done by income, roughly 30-35%. The average income in Sedona is a little higher than Yavapai; it is around \$56,000 --- sounds very generous. That is taking into consideration all income, but let's look at what the majority of workers make. Teachers, lodging, restaurant, tourism, hospitality, police and their range is roughly \$22,000 to \$40,000 a year, so that means that if they were to purchase, it is a \$100,000 to \$140,000 home – try to find one. If they were to rent and making \$11/hour at roughly \$22,000, they could afford \$600/month. That room at \$600/month is now being rented out on a nightly basis, and they are getting triple that amount of money, and she is not here to judge Airbnb; it is what it is.

Chair Losoff advised Ms. Martinez that her time was up.

Jessica Williamson, Sedona, AZ: Ms. Williamson stated that ever since she came to Sedona, every single City Council, except maybe one, has had affordable housing and recognized the need for not only affordable housing -- when we talk about that, we always end up where Marty was – how much money is it, who is going to be able to afford it, teachers can't afford it, blah, blah, blah. We're talking about diversity here; we're talking about providing the opportunity for somebody, a for-profit developer, to build multiple dwelling properties in Sedona. She is not arguing that they are going to be affordable necessarily, certainly, they are not going to be affordable to anybody, but they will be available for people. There is something to be said for political will; is this a time now when people in positions of authority can look past the allegations of tenements and drug dealers and horrible people – can look past that and the 10 units that are going to block out – the 10 stories? Can you actually look at what is being proposed, which in this case is a Text Amendment and say that is the first step forward, and we need to take the first step forward to allow the construction perhaps, in appropriate places of multi-family housing. That is really all we are talking about here; it is really – you can just say you don't want diversity in your community, you want it to be exactly like it is and you don't really care where people live – that is certainly a point-of-view that she has heard a lot of, but as responsible people who are in charge of making decisions about the way the City looks and what is offered to people who work here and live where, it is time to think – can you take this step forward? If you don't do this, there won't be anything, because nobody can build multi-family housing for rental that anybody but the very rich can afford, if you can't have slightly increased density.

Marie Brown, Sedona, AZ: Ms. Brown indicated that she has been a property owner for 40 years and resident for 30 years, and she is in support of the Amendment being proposed, as well as the next project. Housing diversity to provide a greater mix of housing types permitted in appropriate areas through the City and to reduce code barriers to improve housing and affordability was one of the goals in the Community Plan that was adopted to a vote of the citizens of this community. The Community Plan is not law, but rather a set of guidelines, aspirations and wishes by members of the community as to how they want to see their city evolve over time. Currently, as Mike indicated, less than 4% of our housing stock is apartments, and some of these have now turned to Airbnb. Statistics show that the median

cost of a house in Sedona is over \$400,000 and the average salary for service workers, such as teachers and police, is \$38,000 to \$50,000, which precludes many of them from owning their own homes in Sedona. She doesn't know if she walked into Sedona today whether she could afford to live here and buy a house. What is being asked tonight is the addition of a new Future Land Use Designation – Multi-family density greater than 12 units per acre. This language does not result in any zone changes to property. Anyone wanting to build such a project would still be required to receive a Major Community Plan Amendment and a Zone Change that would need to go through P&Z Commission review and recommendation, and Council approval. This Amendment would simply open a dialogue with possible developers willing to build housing for people who want to live and work here. She has been around a long time and seen a lot of projects come forward that never ever got built, so she is amazed when people get so panicked over situations, and she doesn't know about you or anybody else in this room, but she doesn't want to live in a community that is just animated by the arts. She wants to live in a city with a vibrant diversified population, where people who work here can also live here.

Savas Sosangelis, Sedona, AZ: Mr. Sosangelis indicated that he has been in front of this esteemed committee several times as representing the people of Foothills South. He is on the board and is also Architectural Chairman. Basically, he has been pushing things together, but in the last seven days, they've had 47 calls opposing and three in favor. They are actually planning to have a formal petition by the next meeting – that is going to be some doing, to do. A little bit of history, he has been coming to Sedona for 32 years. He comes from the east coast, the beautiful City of Philadelphia and also New York City. Cities that have massive diversity; more than you can possibly comprehend. There are some issues that brought us to Sedona. It was the purity, the lifestyle, the people, the beauty and the environment, and they were refugees from the east coast. It took them 28 years to reorganize their lives, make enough money to come here to support themselves, and they finally did it, so they are people who came here for the true love of Sedona. He realizes we have issues with finding affordable housing for employees. He is a true believer in affordable housing, but not at the cost of the individuals and the homeowners. He has really one large question, and it was never answered tonight; we don't know what the rents are for these houses, and we just had our CPA here who had to leave. It is no longer 30% of your income, because you've got to figure in insurance costs, healthcare costs, since right now most employers are not giving healthcare costs, so their situation could be very dire when actually looking for affordable housing. He did this at one point in his life; he did find affordable housing, it was four of them living in an apartment. There is nothing stopping three or four people from living in one apartment, and we are allowing one car space per apartment, maybe two. We had four cars and when we had friends for a party, it turned to 12 cars, so where is the allotment for these additional cars? You are assuming a model that only has one individual or one family per unit, and that is not doable in this day and age. The other question is why does Sedona have to follow a national model? It is a very unique area in this country.

Chair Losoff signaled Mr. Sosangelis that his time was up.

Joseph DeSalvo, Sedona, AZ: Mr. DeSalvo stated that he has been a Sedona resident for 20 years, and he is here to talk about one of the developments proposed. You have something in front of you that he passed out. This may be premature as was said previously, many projects of this nature never actually get built, but if this gets built, its positioning to his Relics restaurant will put a tenant right from where you are sitting right now to his patio, which is an entertainment venue, and it is simply too close to the business that has been here for 70 years. There must be some better way to position these buildings, so that the tenants will not have the noise that comes out of an established business. The plan you have in front of you is how it is presently proposed, and you can see there is a circle that shows where Relics' patio and courtyard is, but there is a piece of land in back of this development proposal that is set aside for a stormwater retention area. If you turn to the next page, and maybe this is not the solution, but one solution – if the buildings were shifted and that storm sewer retention area was not required by the City, then all of the units would be substantially pushed back from the highway, substantially pushed

back from Relics, and they wouldn't have noise complaints as they do today. Fortunately, not as many as they have had in the past, but they get noise complaints at Relics, where the police are called, from residents on the other side of S.R. 89A over the highway. They get noise complaints from people behind the building today, so putting people literally as close as you are to him right now is just not a good idea. There has to be a better way to position these buildings so that doesn't happen, and they don't have constant complaints, and people that live there are just terribly intimidated by what is going on around them.

Note: Chair Losoff pointed out that the comments were probably more relevant to the next item on the agenda, but the Commission will take them into consideration.

Kenneth Marcus, Sedona, AZ: Explained that he was going to address agenda item 3.c.

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

Commission's Questions and Comments (continued):

Commissioner Klein indicated that one gentleman stated that if the Commission allowed this increase in density, it goes against trying to reduce traffic. Right now, you have a lot of people commuting from Cottonwood that work here, and if those people were able to live here, it would definitely be a reduction in traffic coming in on S.R. 89A, and if people can live here, they might be able to walk or bike to work and that could potentially reduce traffic too.

Chair Losoff referenced a comment that the Community Plan said there would be no rezoning, and Mike Raber indicated that he is not sure what that was in reference to; he doesn't know what the context of that comment is. Chair Losoff indicated that he spent three years on that committee and he doesn't recall a statement that we were not going to be rezoning. The Chair then asked Commissioner Mayer if he did, and Commissioner Mayer responded no, not at all. There was always flexibility as part of that whole program, so depending on the times, you can very much do a lot of things.

Commissioner Mayer indicated that he can tell you a little about his story. He came here 34 years ago as a carpenter – very little income, \$9.50/hour and he worked his way up, owns property now, and he had the opportunity to have affordable housing at that time. It doesn't exist anymore. He is very appalled about comments he hears from many people that Cottonwood is the place where people should live. It was at one time a retirement community; you close the gate behind you and you think nobody else should come back here. It is a travesty what we are going through here. Over and over again, discussing the same thing, same problem, and there is no solution. He hopes this time, we are going to get some solutions and get the people who work here to live here or at least have a chance to live here and work itself out. The Commissioner then stated, thank you; sorry for the passion.

Chair Losoff asked Mike Raber for the next meeting for this project and any future ones that come in, if there is a way that the Commission could get a table when we talk about affordable housing or describe salaries for affordability. Mike Raber indicated that staff could forward the policy. The Chair then stated that if we increase high density, we have some idea or parameters as to what affordable rental might be. Robert Pickels Jr. clarified that we are not talking about affordable housing with this proposed Text Amendment. We are talking about an increase in density that may or may not lead to affordable housing, so we want to be careful not to. . . Chair Losoff interrupted to say that he understood, but one of the rationalizations for increasing high density is affordable housing – that is loud and clear, and we can't disassociate one from the other. He has his own thoughts on that, but that is an issue for another day; the two are very closely tied in. Audree Juhlin indicated that staff could supply the Housing Policy to the Commission, and the Chair stated that would be helpful for the next meeting.

Commissioner Klein pointed out that one of the speakers said that the Community Plan was put to a vote of the public and adopted, and one of the six goals of the Community Plan that the people voted for was housing diversity; Commissioner Mayer agreed.

- c. **Discussion regarding a request for approval of a Major Community Plan Amendment to the Future Land Use Map from C (Commercial) to MFHD (Multi-family High Density), Conceptual Zone Change from C-2 (General Commercial) to RM-3 (High Density Multifamily Residential), and Conceptual Development Review 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, Conceptual ZC, Conceptual DEV)**

Presentation: Warren Campbell indicated that this project is dependent upon the action taken on the previous item discussed. We are going to be discussing three aspects in this next proposal; however, two of them are a Conceptual Review at this time, and it can be a bit confusing to look at images of a site plan and elevations, and realize that we will be discussing those in detail later, when and if a Major Community Plan Amendment is approved to allow for the greater density, we have just been discussing. You will see some information and it may look like you are reviewing a site plan for a very specific apartment complex on Tuesday, but that is not the case. You are going to be looking at a concept, providing some feedback, and in a future meeting when applications are submitted, you would look at a project and a Zone Change at that time.

Warren identified the location of the subject 2.26 vacant acres, the owners Haven Management & Consulting and the applicant Keith Holben with MK Company. He then referenced a vicinity map showing the site and surrounding area and showed an aerial site plan. Warren indicated that the site is largely vacant and has been disturbed over the years with various construction activities.

Warren stated that a summary of the request is that, conceptually, they would be looking to do 45 units on this site. Twenty-five of those units would be one-bedroom units and 20 would be two-bedroom units. The Major Community Plan Amendment, which is the actual action you will be asked to take on Tuesday, is to redesignate the property from C, Commercial, to MFHD if the previous item is approved. It would also remove it from the Lodging Area Limits, which it is currently within, and we are also discussing the conceptual Zone Change from C-2 to RM-3, the High Density Multi-family residential district. And again, it is a 45-unit conceptual plan that may change, when you actually see it in the application at a later date. Today, you will see the site plan with 45 units shown in three buildings, some common area with BBQ, a storage area with an office building, garages, covered and uncovered parking. Again, this is for conceptual comments, and we would be anxious to hear your comments if you have them. Warren then referenced another site plan, some conceptual elevations of how the buildings would look, and explained that the buildings are proposed to be two stories in height and meet our height requirements. We reviewed the project with regard to several aspects, including access and traffic, parking, grading, wastewater and Land Development Code compliance, and a lot of this information is provided in detail in your memorandums and attachments, specifically Attachment 3, in which we do a thorough analysis of the Community Plan. Again, it is being proposed to change to a Multi-family High Density Land Use Designation from Commercial. It is within the Dry Creek Community Focus Area. There is not an adopted plan for that CFA yet, but there are a number of bullets by which we can evaluate the project against. In terms of the goals, looking at "Providing mixed uses and walkable environments that build on a variety of civic, social service, and visitor-oriented uses are in place", etc.

Warren indicated that staff looked at some other Community Plan goals, again talking about how we need to address Economic Development, Circulation, Land Use and Growth, a lot of tentacles from those various items with regard to providing a place for potential workforce

housing, and again, we are discussing a project with a certain number of units, and we are going to be looking at some ideas on how they might be maintained as attainable units, but again, we are not discussing those specifics tonight, as they would come in a future application.

Warren added that the applicant has heard some commentary about that and is proposing a number of things that would hopefully make the units attainable - some of the limits on rentability for 90 days or greater, some ability to say a certain number of units will be available to workforce housing on a first come, and if they don't take those units, they would then be available to the larger population, but again, trying to do a number of things to maintain those. Another proposal that is being suggested, and commentary would be nice for the future application, is self-imposing some limitation on the conversion of the apartments to condominiums in the future, which has been a problem in the past with losing some of our apartment stock.

Warren referenced public input, a myriad of responses – some in support and some not in support. We heard some overlap in some of the commentary just now, blurring the lines between the two, because they are related. There is a number of people who have concerns and a number of people who support it. A number of Findings of Fact are also in your memorandum and some have been highlighted about the CFA Plan and that there is not one adopted, but there are a handful of bullet points, which you can evaluate this against. Staff is recommending that if the prior application is approved, we would further recommend that we forward a recommendation of approval of the Major Community Plan Amendment for this request to the Council. We are not making a recommendation, because there are no applications, for the Zone Change and Development Review portions of this request.

Commission's Questions and Comments:

Commissioner Klein referenced the owner of Relics' concern about noise, because looking at the proposed diagram of how the apartments would be constructed, the first page of the document shows Relics' patio next to those apartments, and on the second page, he redid the proposed structure of the apartments, so they are located more in the rear. The Commissioner then asked if staff had any comment about the potential issue of noise if the units are built as currently proposed, and Warren Campbell stated no, because without having the specific application, some of those elements haven't been thoroughly vetted yet. Again, it was looking at how you might accomplish this, and to give some level of understanding of what would be following the application that is before you, at a future date. Cari Meyer added that the applicant has talked to the owner of Relics about this issue, and he is here and can address it if he has any other thoughts on the issue.

Chair Losoff indicated that at this point, it is kind of blurry between Plan Amendment and rezoning, but from a Conceptual Review point, noise would be an issue, so that is something conceptually that we want to bring up as we move forward on the project.

Applicant, Keith Holben Scottsdale, AZ: Mr. Holben indicated that regarding the question with Relics and Mr. DeSalvo, they met a number of times, and as recent as Tuesday, so they have had several conversations. He well-articulated his concern about noise generated from two of his current uses – one is his patio that occurs on the western side of his property, and the second one is from his live music that he has on occasion, and as he well-recited, he has had some complaints that have escalated to the point of the police coming out to the property and asking him to address the noise, so within the site planning, they are challenged. They have 2.25 acres and are challenged as to where they can locate buildings. They have certain requirements to meet as far as parking locations, ADA requirements, and stormwater retention requirements that need to be in the southeastern portion of the property.

Chair Losoff stated that the Commission didn't want to go into a lot of details; we are just talking conceptually tonight, so noise is an issue. Mr. Holben agreed, and indicated that he suggested to Mr. DeSalvo working with their project architect regarding sound mitigation in the building.

They can add sound mitigation techniques to the building closest to him to help mitigate the sound.

Commissioner Klein asked if any determination has been made as to the range of the rents for these apartments, and Mr. Holben stated that they have not made a final determination. Obviously, they don't have all of the project costs and construction bids, but if they look conceptually at where the market is, current market rates for a one-bedroom would probably be in the \$1,100 to \$1,200 range, so they would expect that would probably be their approximate starting range. They are proposing smaller one-bedrooms, so two sizes of one-bedrooms, some smaller and some larger, and then two floorplans for the two-bedroom units – one with one bath and one with two baths, and those might be in the \$1,350 to \$1,450 range as a ballpark number today.

Commissioner Klein indicated that he has had emails forwarded to him and comments made to him that some people are concerned that if you allow this project, and he is not saying that he agrees with this, but you will be getting tenants in these apartments that might lead to an increase in crime and drug dealing. The Commissioner then asked what staff's comments are on that. Warren stated that staff would have no comment other than we have a Police Department. The Commissioner then asked if staff has any concerns about the minimum 90-day rental, and Warren stated not at this point, because we would discuss those specifics with a future application

Commissioner Klein then stated that even though this is a conceptual zone review, if the applicant submits for a Zone Change, can the Commission put in as conditions of the Zone Change that the minimum rental has to be 90 days and there can be no conversion to condos. Warren explained that during the Zoning application and Development Review, those types of conversations can occur.

Commissioner Klein then asked if the Commission approves this Major Plan Amendment, that we haven't been asked to do a Zone Change, what if the developer decides to do something different with the property if the Commission approves the Major Plan Amendment. What could he do different with a Major Plan Amendment approval other than this proposed apartment complex? Cari Meyer explained it is zoned C-2, General Commercial, and unless the Zone Change goes forward, future development would be under C-2 regulations, which is General Commercial, but the other component that this application would be proposing along with the change from Commercial to Multi-family, which basically requires that if he is not doing C-2 development, it would have to be under the Multi-family density, and that is when we would be able to look at the local housing needs. What this application is also doing is removing the property from the Lodging Area Limits, so right now as it currently is in the Community Plan, if someone wanted to propose a lodging use, they would not have to go through the Major Plan Amendment, but they would have to go through a Zone Change application. If this application is approved and if the applicant does not move forward with the apartment proposal, they would either be able to develop under C-2, propose a Zone Change to Multi-family or go through a Major Plan Amendment to do a lodging use on the site, so there are some other implications even if the apartment complex does not go forward.

Commissioner Klein indicated that he saw in the paper submitted that the applicant is requesting to provide less parking spaces than required by the current code, and he would like staff's comments on that. Warren Campbell indicated that conceptually that is out there for discussion, but through the application process with the rezoning and Development Review, we would get into the specifics and evaluate whether a proposal such as that is valid based on certain aspects being employed in the development and on the site.

Commissioner Cohen indicated that he was interested in the flexibility that the proposal as put forward in terms of trying to do something for the City. The gentleman from Relics raised the

question, can the site plan be different than the proposal, not just for noise, but for privacy, which would also be privacy for the people who reside in the apartments.

Applicant, Keith Holben, Scottsdale, AZ: Mr. Holben stated that there is always the possibility to move some buildings around and do some things. There is some constraints relative to stormwater retention, turning radiuses for firetrucks, the civil engineering aspects, which they have looked at, so in that context, he doesn't want to overcommit that they can do it, because that wouldn't be a very honest answer. The honest answer is there may be some flexibility, but it is probably going to require looking at a reduction of certain requirements like stormwater retention to make those things work. It is a little bit of a square peg in a round hole at times in the site planning process.

Commissioner Cohen commented that he was most impressed with the ingress and egress in the initial proposal, and not adding it into S.R. 89A movements in and out.

Commissioner Mayer asked staff about rents for one and two-bedroom houses in Sedona or if staff could look into that. Warren Campbell indicated that staff could look into that. Commissioner Mayer then asked the applicant if there is a restriction on the maximum occupancy per unit.

Applicant, Keith Holben, Scottsdale, AZ: Mr. Holben stated that they haven't gotten to that level of detail; that would normally be done at such time that they would be finalizing the development plans, but yes, they would be limiting in the leases; it is very common. There are a couple of elements that they employ. One is a maximum number on each lease that permits the actual residents that can be in there, so they are listed by name, and that is a way to control who you know is in the residence and who is allowed to occupy that legally; that is a standard provision. Commissioner Mayer then stated that another one discussed before was that you said there was going to be a manager onsite, and Mr. Holben stated that they will have some representation onsite, whether it is somebody that lives there acting as a resident manager, but they will have some form of management onsite.

Commissioner Mayer indicated that he requested renderings of the outside, so the Commission can look at the floorplans, etc., and Mr. Holben said those were given to staff, and they might be in your packet. He will bring in a couple of conceptual floorplans on Tuesday.

Chair Losoff opened the public comment period at this time.

Kenneth Marcus, Sedona, AZ: Mr. Marcus indicated that he is the President of the association in Park Place, and he is here to oppose the project under discussion for a couple of reasons. First, he would like to know if there is going to be any subsidized housing there. One other thing he would like for the Commission to think about is the public should know for clarity if anyone connected with the City, family or otherwise, has any financial tie to this project.

Note: Chair Losoff explained that the Commission does not get into a dialogue during the public comment period.

Donald Shore, Sedona, AZ: Mr. Shore explained his request to speak is for the next item.

Jim McCabe, Sedona, AZ: Mr. McCabe stated that if he came in here cold and didn't know what was going on, he would say that most people in Sedona are for high density and the multi-family developments. He has to tell you that in speaking to a lot of Sedona residents, if this were put to a vote, it would go down in flames. We have to realize that the people coming up saying they think it is better for their employees, better for this, or better for their development if they are going to bring in a development, they are all lining their pockets. It is actually better for them to have this. He doesn't think they are really interested in Sedona; they are interested in taking their company and extending their company. This is a bad idea for Sedona; he is

against it, and he doesn't only represent himself, he represents a lot of other people. This will ruin the integrity of Sedona. We keep talking about traffic, high density, etc.; the one subject we keep talking about is traffic, and traffic is something that we talk about so much we don't even think about it. We just sort of shove it underneath the couch; traffic is a very serious situation here. We are getting to the situation where you can't get someone with a heart attack from one part of town to the other. So, let me ask you, if you start building more hotels, if you have higher density, if you have a lot more multi-family housing, what do you think that is going to do to traffic? The idea that the people that live in Cottonwood won't have to go this far, so it won't impact traffic that much is nonsense. It is a really bad idea. If you put this to the vote of the people, he knows you all have an interest in this and a financial interest in this, because it helps you, but the people of Sedona are irate over all of this.

Linda Martinez, Sedona, AZ: Ms. Martinez stated that the question came up of do we have any evidence about thugs and crime and drugs, and she would like to say that we do have some evidence through the Accessory Dwelling Unit Ordinance that we used to have, and there were 19 of those. Funny, that is the same number that this apartment complex would have with this density increase -- the additional units that they could have. Over the years that we had the ADUs, we didn't have any complaints over crime or thugs or drugs, and you can check with the Police on that. We have had no new apartments in Sedona in 20 years, and the ones that we have are aging. Take a look at them and look at good quality modern apartments. These are not subsidized, as she understands them. She is going to assume that a developer could build to the 12 per acre, they could build condos and those condos could be bought by investors and turned into short-term rentals, so that is something that could be a consideration in the community, and again, there is no roots or volunteerism; she has already made that point. She lived on Arroyo Pinon for 27 years, and they experienced two lodging units -- one with 88 rooms and one with 40 at the corner of the street, and she remembers thinking that traffic was going to be a mess, and as it turned out, it just wasn't. There would be one or two cars ahead of her making a left turn lane, so she did experience that. The last point she wanted to make is that we have, there have been some projects that have been underdeveloped, to the what they could have built; we could have had a couple hundred units built to their capacity, so this is almost a minor point compared to that. She knows it is difficult, the thought of something new coming in, especially in our neighborhoods, but we need these apartments as a community.

Lorraine Coutin, Sedona, AZ: Ms. Coutin indicated that she always comes to these meetings and she never thinks she is going to speak, and then she is compelled to speak, so she is not prepared, but she is against both this proposal and the one prior to it. She agrees with everything Jim McCabe and everything Savas Sosangelis said. We will be working very hard, diligently to get a petition against these proposals. You are not really considering the residents; it is all about profit. You don't consider how everybody came to Sedona to live here with a quality of life, and what is happening is by all of these procedures taking place, you are destroying our quality of life, so we will be fighting against these.

Mary Parker, Sedona, AZ: Ms. Parker stated that she also did not come prepared to speak, and she has also lived here a long time. She was motivated to speak based on the other people that spoke so vehemently against it. She has a young family who would like to come back to Sedona, but in looking around Sedona, there is nothing that welcomes them. The people that were speaking are the people who have built big houses, come in from other places, and as the saying goes, shut the door behind them. We are a community of families; we have stores and businesses, and she has lived in other places like Aspen, Colorado and watched what they did, and they are all regretting very strongly now that they didn't put something in place, because they also can't get people and the people now living in their low-income houses are the attorneys and the City Manager and the people that have good jobs, so this is a problem that has been talked about and kicked around for a long time, and for people to come in and say it is all about profit, they've never made profit in their life? People are going to build these and make profit, but people also need a place to live, and if we want Sedona to

be a real community and not a place for rich people to come in and build their big houses and go out to fancy restaurants and not support the community, that is not what we wanted. That is not what Sedona was ever about; it is beautiful. We have beautiful air, we have beautiful mountains, but that doesn't mean that people aren't allowed to live here that don't retire well. That is all she has to say.

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

Commission's Questions and Comments (continued):

Chair Losoff stated that in his several years on the Commission, he doesn't think we have ever entertained a project based on economics or based on what it would do for a developer. We go by our criteria, which is pretty clear, and we don't take into consideration who is going to profit from it, individually or collectively, so he does take exception to that comment.

Commissioner Klein noted that this is just a conceptual zoning review, but he would like to know if the applicant comes forward with this project for a Zone Change, will there be a back-up on Pinon Dr. from traffic. Right now, if you are driving in rush hour in the morning or in the evening and you are coming from Pinon and want to turn onto S.R. 89A, that can be a very difficult turn. He knows because he lives in Juniper Knolls, so one thing he would like to see, if we are going to have a Zone Change application on this, is some study as to whether or not if you build this many apartments, there is going to be back-up on Pinon Drive. It is not that far of a distance from the access on Pinon Dr. to S.R. 89A, so that is something he would like to see explored. He doesn't know if he remembers the numbers right, but they were something like if these 45 units are built, there will be like 220 additional trips/day, but he doesn't remember how many in the morning or evening rush hour, but that is something he would be concerned about.

Commissioner Mayer stated that he lives there too. It is a common issue, which he agrees with and he brought it up last time. That should be something, which he is not comfortable with.

Chair Losoff stated that we have two issues at hand for next week. One is the Plan Amendment itself and the other is the rezoning, which you don't have any specifics on, just conceptually. On the rezoning aspect, conceptually, you have heard talk about noise, traffic/parking, and when we had our site visit and our first work session, that came up quite a bit in terms of where the entrance is, where we would be turning around, the Fire Department, and others, so that is a concern. We heard a request for a traffic study, which would be a normal thing we would do in any case. He thinks we also would be interested in Conditions of Approval. If we go forward with this rezoning, how do we ensure that the things we want to accomplish such as no short-term rentals, no condos, etc. are in the Conditions of Approval? You heard some of those comments, and there was a discussion about occupancy levels. He doesn't know if we can work that into Conditions of Approval – that may be a legal issue, but something conceptually was brought up as a concern that was raised. Again from a conceptual point-of-view on the rezoning, those were the issues you heard from the Commission. On the actual Plan Amendment, we didn't hear much other than the need for density and the need for more apartments. We talked about affordable housing; he knows that may be a separate issue, but the bigger issue is the Plan Amendment will provide the City of Sedona with more housing flexibility, and that is what we need to consider when we look at the Plan Amendment next week. These are pretty blurred areas, but staff is doing a great job moving this all forward. Again, Plan Amendments are serious events and we should not take them lightly. We need to look at what the benefit to the community is and how we make sure going forward it really sets up the City for long-term improvements.

Chair Losoff then stated that the Commission received a lot of comments handed to them tonight on mostly the Multi-family High Density, and he doesn't know if we all had a chance to read it, but we have a meeting on Tuesday, so he would make sure Commissioners take time before the next meeting to go through these public comments and see where we are with them.

We may have heard most of them from our speakers, but there may be a few things that are not duplicates.

The Chair recessed the meeting at 5:20 p.m. and reconvened at 5:31 p.m.

- d. Discussion regarding a request for approval of a Major Community Plan Amendment to the Future Land Use Map from SFLD (Single-family Low Density) to PA (Planned Area) 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)**

Audree Juhlin asked if the Commissioners had received the item that staff received from the applicant late last night. We emailed it to you, but recognize that you haven't had enough time to look at it. If you haven't received it, let her know and she will make sure you get a copy, but you will have time between now and Tuesday to look at the document that was provided last night.

Presentation: Audree indicated that the property we are talking about is located on S.R. 179. She identified the address of the subject property, named the owners, Ms. Linda Rose Robson and Mr. William B. Robson, and identified the applicant's authorized agents, Mr. Francis Slavin and Ms. Heather Dukes – both the representatives and the property owners are present and prepared to speak to the Commission and answer any questions you might have.

Audree stated that the property is just short of one-half acre and it is currently vacant. On an aerial of the Vicinity Map, she pointed out the location of the subject property on S.R.179, just south of the roundabout. With a zoomed-in version of the aerial, she also showed the property and its relationship to the Son Silver West Gallery, the Broken Arrow Subdivision, and the Morgan Road roundabout.

Ms. Juhlin explained that the applicants are requesting an Amendment to the Community Plan to allow for potential rezoning for the construction of a private parking lot, and to do this, we would need to redesignate the Future Land Use Designation on the property from its existing Single-family Low Density to a Planned Area designation. With that approval, it would allow for the consideration of a Zone Change, and in this case, the applicants are proposing to change the existing Single-family zoning designation to a Parking designation, and although in this case, there are a number of other zoning designations that would work, C-1, C-2, PD and of course the Parking, their proposal is for Parking, and we have received that Zoning application.

Audree showed the revised Conceptual Plan that the applicant has submitted. It is different from the original Conceptual that you received, in the respect that the area of about 10 ft. is the south border of tract 40, and with the adjacent tract 39, they share on each side a 10-ft. vehicular easement, so they are preserving that vehicular easement on their portion of the property, and that is one of the primary differences that you are going to see. Again, this is conceptual and you will look at the Zoning application in more detail of what is being proposed at that time.

Audree then showed an illustration of the grading plan for Son Silver West Parking Lot in relationship to the existing parking lot, and . . . Chair Losoff interrupted to ask if at this point we don't have an application for parking, and Audree explained that the City has received the Zoning application just recently, and we are in the process of sending it out for review. We will get it in the pipe for consideration. The Chair then commented that the Commission is not acting on it tonight, and Audree confirmed you are not and explained that tonight's discussion is only on the Community Plan Amendment.

Audree then referenced 'a very beautiful conceptual site plan' of the proposal showing its relationship of the proposed parking to the existing parking area, and stated that again, that is something new that you received.

Audree explained that when we look at Community Plan Amendments, we really look at the compatibility. In the future with a Zoning application, we are going to be looking at the standards that apply, such as parking, grading, access, heights or heights wouldn't apply, landscaping in this case.

Audree stated that specifically with the Community Plan, it is located within in the Morgan Community Focus Area, so we would pull up that area and evaluate the Community Expectations identified for that Community Focus Area to see how the proposed future land designation of Planned Area, in this case, meets these expectations, and then we consider the other Community Plan goals. In this application, as you recall when we spoke about it in August, it was originally a proposed Community Plan Amendment with a Zoning application going forward at the same time, but because of timing and gathering everything that they needed to have for the Zoning application, they did remove that from running concurrently with this process, and that made it really difficult for staff to look at just the Planned Area Future Land Use Designation by itself, because it is a broad category and it allows for other things besides a parking lot – other non-residential things besides a parking lot that could be considered, so it was difficult for us to determine if there are any other aspects of the Community Plan that might be supportive or not of this proposal.

Audree indicated that going more specifically into that, one of the difficulties we had is that we have tract 40, the vacant lot, supporting the Gallery, which is tracts 41 and 42, but tracts 41 and 42 were not submitted as part of this application, so we are then tasked with looking at just this vacant lot from the Community Plan perspective only – not the existing uses, but from the Community Plan, so when we look at that, we need to determine if the Planned Area is appropriate or not, and without it being tied to tracts 41 and 42, it was really difficult for us to make that determination, and with the removal of the Zoning application, some of the assurance or some of the proposals for the zoning, parking lot, we can't guarantee that those are going to happen, what they are offering to provide, because we cannot condition a Community Plan Amendment. We cannot say that we are going to approve the Planned Area based on these conditions that it is only going to be, for instance, a parking lot. That was a difficult part for staff.

Audree indicated that she wanted to step back for a minute and explain that a little more for the Commission's perspective. You have received comments from the public, you received the applicant's materials and you are receiving staff's report. Your job is to essentially weigh all of these three components in making your decision, so it is not just what staff is saying, it is what the applicants provide and the public as well.

Audree stated that what it boils down to for staff, and you can take this into consideration as well, is does it make sense or is this proposal – Planned Area consistent with the Community Plan and the Morgan Road CFA, and is it compatible with the surrounding neighborhood? That was the struggle she was just describing a few minutes ago, because this property, the vacant lot, Community Plan Future Land Use Designation is the Single-family Low Density. All of the other properties, regardless of the use on them, surrounding this one property are also with a Future Land Use Designation of Single-family Low Density, so that is what you are asked to weigh -- does it make sense, is it consistent with and compatible to the neighborhood? Also, because it is a Planned Area and we cannot condition the Community Plan, what other non-residential uses would be appropriate on this vacant lot?

Audree indicated that we did receive the applicant's Citizen Participation Report, and it is in your packet. We have received a number of comments, both supporting and against the proposal, and again, those comments are in your packet, and we have provided some facts of

findings that are in your packet as well. These facts of findings are what we boiled down to our evaluation that led us to recommend denial. Again, if we had an application that had tracts 41 and 42 provided, it would have made it a lot easier to understand the need, the demand of parking, and if there are other ways in which we could address parking in that area, but we didn't have that benefit of having the ability to look at 41 and 42, so we had to look at it by itself.

Commission's Questions and Comments:

Chair Losoff indicated that we would see if the Commission has any questions of staff or the applicant, and we will ask the applicant's representative to be at the podium in case we have questions. The Cahir then pointed out that the Commission has had a site visit and a work session on this item.

Commissioner Klein asked to clarify something with the City Attorney that was said at the last meeting, and asked if it is correct that we cannot take into account whether or not Son Silver West is in compliance with the CUP previously issued. Robert Pickels Jr. explained that he is not going to tell you what you can or can't take into account as far as your overall process, but what he tried to make clear, and maybe not as effectively as he would have liked, is that it is certainly not a bar to consideration for this application, so the fact that there may be other variables that exist does not mean that the application shouldn't be considered in due course, but again, it is up to the Commission to formulate what those influencing standards are.

Commissioner Klein stated that since they aren't applying for a Zone Change concurrent with wanting to do a Major Community Plan Amendment, isn't that the same situation, we just had with the Pinon/89A project? Audree Juhlin stated yes and no; the difference between these two applications is the prior one does not have the ability to even submit a Zoning application without the Text Amendment, so the property owner, in that case, decided not to spend a lot of money upfront on the zoning materials required, and did the conceptual. The other difference is that it is going down to essentially a downzoning, so you are going from Commercial to Multi-family, and it is restricting their uses, whereas in this case, you are going from Single-family that is extremely restricted to a more broad category, which is Planned Area, so those are the two more prominent distinctions between the two.

Commissioner Klein asked, if we were to approve the Major Plan Amendment and change the designation to PA, what else they could do besides parking, and Audree stated that they could bring forward any kind of other non-residential use, but it would be weighed against those Community Plan Expectations, and the examples provided in the CFA for that area are basically good pedestrian access to neighborhoods, open space retention, and enhancements next to the highway. When you consider the Zoning application for the parking lot in the future, one of the things you could look at is the landscaping, in that case, that could be considered an enhancement to the highway, so whatever comes in, in the future, would have to adhere to that, and the other consideration related to the CFA is consider new non-residential development only if compatible with the character of the neighborhood, so it will be on a case-by-case basis of other uses that could come in that are non-residential and how it relates to the neighborhood.

Commissioner Klein asked, if we deny this Major Community Plan Amendment, then the zoning of this property will stay RS-18b, and Audree explained that the Commission would make a recommendation as a body to the City Council and it would depend on what happened there. If the Council did not support it, then it would remain the same Single-family Low Density Designation for the Community Plan. The Commissioner then asked if staff thinks it is realistic that a house would ever be built on this property, given that it would be next to the commercial enterprise. Audree indicated that staff did address that a little bit in the Staff Report. There are a number of houses that have been constructed across the street, and we have talked to the property owners on tracts 38 and 39 directly south of tract 40, and they bought with the purpose of constructing a home.

Commissioner Klein stated that in the Staff Report, staff suggested that the best course to pursue approval of the parking lot may be through a more comprehensive submittal that addresses all affected properties, which would also be parcels 41 and 42; what would you expect Son Silver West to ask for approval of if they were going to include 41 and 42 in this?

Audree Juhlin explained that the reason we made that recommendation is you have a nonconforming use on tracts 41 and 42; it is a legal nonconforming use. It was approved through a Conditional Use Permit and that Conditional Use Permit process is no longer in place, so they are really frozen in time in what they can and can't do. They are a very successful commercial business as we can all see, and for them to come in with a more comprehensive plan, they would be able to get the underlying zoning or Community Plan Designation that would support their business and also Zoning that would support the Gallery along with the associated need for parking, but we would do it in a more comprehensive evaluation and process. We would be able to look at other things that mitigate some of the concerns that the neighbors have currently spoken about.

Commissioner Klein then asked if staff would expect them to come in and ask for a Zone Change on 41 and 42 to Commercial. Audree indicated that it would be staff's recommendation that if they were to come forward with an application for the Community Plan Amendment next year, to include all three tracts – 40, 41 and 42 for the Community Plan Major Amendment, as well as a Zone Change to allow for, and she would recommend a PD again, but it would be a Planned Area that addresses all of the business needs, while at the same time addresses the neighborhood concerns.

The Commissioner then asked how staff can realistically look at this without taking into account what is going on, on 41 and 42. Don't we have to look at the fact that they've got this commercial business there and that is why they want additional parking? Audree responded that is the struggle. They absolutely have a commercial business adjacent to this vacant lot, but we are only being asked to consider the vacant lot, so when staff reviews the vacant lot, we are looking at it, in and of itself, as a Planned Area. It doesn't make sense as a standalone parking lot. We are saying it is associated with this business, but we can't assume that will always be there, so we are looking at it in isolation. If it was something like a neighborhood market, that use would not be dependent upon another adjacent use, so that is the difficulty in our struggle in evaluating this project. Commissioner Klein indicated that he is struggling with that, because he doesn't know how you can look at this and not consider what is going on in the adjacent parcels. The public is concerned, because one thing is that people or customers and employees are parking on Arrow Dr.; Audree stated that is correct. The Commissioner then stated that if we vote against this, how is that going to help the situation of people, customers and employees, parking on Arrow Dr.? Audree indicated that it won't do anything to address that, but through the Community Plan Amendment process and even in the future, it also does not eliminate the problem on Arrow Dr. necessarily. We still can't say that you can't park on a public street.

Commissioner Klein then asked if staff thinks that if this was approved and the Zoned Change to Parking was approved, and they were allowed the additional parking, that would alleviate the parking on Arrow Dr.? Audree stated that staff has no way to determine that. It is something we can evaluate better at the zoning stage, because we would have some traffic analysis and more information related to parking needs and requirements that we don't have at this point.

Commissioner Klein then referenced the residents' concerns about noise, deliveries, overall expansion of the business, and asked if that has anything to do with the issue of them wanting to get additional parking. Is additional parking going to change noise, etc.? Audree stated that she couldn't answer that question. That may be a good question of the property owners and their agent.

Francis Slavin, Attorney, Phoenix, AZ: Mr. Slavin indicated that also with him is Attorney Heather Dukes; they work together in the same law firm, and she has been doing most of the heavy work and he gets a chance to stand up and talk occasionally.

Mr. Slavin stated that he is not here really to make a . . . Chair Losoff interjected that the Commission just wants . . . and Mr. Slavin added, answer his question, yes sir. Commissioner Klein, first of all, and some of the responses that you were given – first of all, there is an absolute driving need to have some additional parking associated with this business. As you mentioned, this is a successful small business and has grown over the years in terms of its volume of sales and repeat sales, if not from some expansion, which they believe was allowable, or just taking the number of sales per square foot as the existing space. There is no question there is a lot more traffic coming in this area. Number two, you all know these statistics, but the tourist trade in Sedona is incredible -- anywhere between two and four million visitors a year to the City of Sedona. There is basically two ways to get here, S.R. 89A and S.R. 179, and he suspects, and he is one of those visitors that have probably been here 50 or 80 times; he doesn't know from the City of Phoenix, but he suspects most of them or a large number of them would travel on S.R. 179. Today . . . Chair Losoff asked if the addition of the parking lot would cut down on noise, and Mr. Slavin stated that he thinks it will to this extent, right now, we have a parking attendant that is there, and when the lot is full and he is trying to direct people in and out of there, people pull in and there is no parking, then he is out there working with them to turn them around and they have to leave the area, so to the extent that is additional activity, perhaps some additional noise, that could be corrected, but as far as a parking area itself, you can't get much more of a passive use in connection with any other commercial activity associated with that, with parking, and it is not uncommon and has been his experience. By the way, he grew up in a town of 1,200 people, so he is not saying that he doesn't know about small cities and towns, and his parents were small business owners. Having said that, parking is used frequently in Maricopa County and the cities there as a buffer and a transition from residential to commercial uses, but in terms of the parking there, probably not address all of that, but in terms of loading and loading, right now, there has been some unloading done on the commercial drive, and the commercial drive for this property came about after the 1992 CUP was approved and ADOT was coming in to basically take Sedona Rimrock Highway, which basically was somewhat of a rural road back then, and make it into a modern parkway, and in that case, ADOT came up with a four-way turning movement in front of the Robsons' property, so that required a large parking area -- you can see the median break at the bottom of the screen, and then you see where that commercial parking area comes in there. Most of that commercial driveway is on tract 40, which is zoned Residential, but that was something that was approved by ADOT and the City and was acceptable to the Robsons, and it was a stipulation for the 1992 CUP that these improvements be made, so they were made, not necessarily paid for by the Robsons entirely, but nevertheless, those were made.

Chair Losoff asked Commissioner Klein if that answered his question, and the Commissioner stated that he thinks so. Commissioner Klein then noted that given what the City Attorney said, he is not sure how much we could consider this, but at the last . . . Chair Losoff interjected that if we pursue this, he will ask the City Attorney, at a point in time, tell us if we have to go into Executive Session. Robert Pickels Jr. pointed out that he didn't know what you are pursuing.

Commissioner Klein then stated that at the last meeting, a member of the public got up and said that apparently in the lawsuit between the City and Son Silver West, there was a judgment that apparently was rendered, but not yet signed by the judge, requiring Son Silver West to reduce their commercial space from maybe 5,000 sq. ft. to 1,500 sq. ft. He then asked if that is an accurate statement. Robert Pickels Jr. stated that he is not sure what the relevance is of that information. The Commissioner stated that the reason he asked is because if in fact that is true, and you have to reduce your retail space to 1,500 sq. ft., then do you need this additional parking?

Mr. Slavin stated that if it was reduced to 1,500 sq. ft., hell no. That is as straight as he can make it, but that is not what is going on. That is not even close, what was reported to you. Robert Pickels Jr. then stated, with due respect to Mr. Slavin, he doesn't want to get into any more detail about that. Mr. Slavin also stated that they don't want to get into that and indicated that it is appropriate not to get into that, but no, that was a misstatement by some person.

Chair Losoff stated that the purpose of this work session is to ask questions of staff and the applicant, and Tuesday is a formal meeting, and for any kind of presentations or discussions you want, you will have more opportunity at that point. Today is just kind of a give and take, questions and answers.

Mr. Slavin asked to address one more thing and this was also raised by Commissioner Klein, and that is why not do all three parcels at the same time, and what their idea was, was to sort of take the most pressing issue right now, which is the parking issue, and he thinks Ms. Juhlin would agree that the vast majority of the telephone calls she receives are from neighbors who claim that there is illegal parking occurring on tract 40, notwithstanding the fact we have 'no parking' signs out there, we have tape up out there, and we have a parking attendant out there. Right now, if you were to recommend approval and if this were to go to the Mayor and Council and they recommended approval, and then we came back and got approval of the P, Parking, what you would basically have would be restricted uses on tracts 42 and 41. They are restricted to what they are right now; they can't be changed to any other use. It is a gallery and a gallery only. If you go to rezoning, then there potentially could be other uses that could be placed on it. If you go to a PA on everything, and some of this zoning then goes to Commercial, there is no way to restrict the uses in a Commercial zoning district to a particular use, because by state statute, all uses must be allowed uniformly in each zoning district under a Zoning Ordinance. So right now, you have a better situation, because you have a very restricted use; a gallery only and parking goes with it. If the parking goes in, you have restricted uses and the parking. If and when we come back and ask for a change in the zoning, then he doesn't know of any way that could be restricted to just an art gallery use for the property, and he can discuss that further with Mr. Pickel and Ms. Juhlin, but that is his knowledge and understanding of the way the Zoning Ordinances work.

Chair Losoff asked Commissioner Klein if he had any more questions, and the Commissioner stated not of the applicant, but one question for staff. In staff's materials, they say that staff believes that a more comprehensive submittal that includes concurrent applications for both the Major Community Plan Amendment and Zone Change for all SSW properties involved, tracts 40,41 and 42, is a better approach and one which City staff would likely support to seek approvals for a parking lot, so when you say one you would likely support, are you just referring to the idea of putting them all together as opposed to what City staff would approve or recommend? Audree Juhlin stated that application process, yes, they do support that. They would support not Commercial, as Mr. Slavin was talking about for a future rezoning for all three, but we would support a Planned Area in the Community Plan and a PD Zoning application, because the PD zoning district does provide some guarantees in locking in what those uses are, unlike Commercial which, as Mr. Slavin correctly stated, opens up to uniformity in the application of commercial uses.

Commissioner Cohen referenced the tour of the site and, in the last meeting, Ms. Duke's answer to this piece of business. There is a long driveway to the south that wasn't approved, but it exists, so would if this was approved, does that also approve the driveway, and if it is not approved, what does that do to that roadway. Audree Juhlin explained that this Community Plan Designation would not legitimize that driveway. Chair Losoff then asked what happens to it, and Audree stated that would be an enforcement action or maybe we can talk to . . . Mr. Slavin interjected that he would be glad to address that. That is a private easement that was entered into between the Robsons and the owners of tract 39; no, actually it was entered into before the Robsons acquired the property. It is a cross-access easement on each of their properties, which creates a total of a 20 ft. wide access way for those lots to S.R. 179. When

ADOT came in, they put the curb in there and sidewalk and everything else, so a person would have to go to ADOT if you want access, because this is a limited access state highway, in order to be able to access from that private easement area, but they have eliminated that from their application, and they pulled it back like Ms. Juhlin stated. This property does not include the southernmost 10 ft., so the southernmost 10 ft. of their property is not included in this site plan. Audree then stated that what they have done is preserve this easement access, which he was talking about for 39 and 40, and eliminated from the 365 Bowstring property access this way as well.

Commissioner Cohen asked what that means, and Audree indicated that on the site visit, you saw that they have a drive and a beautiful kind of arched gate that comes down into this property that is their current use, but with this proposal, they're saying that they will landscape this area and eliminate that drive that they are currently using. Commissioner Cohen indicated that answered his question.

Commissioner Mayer stated that he is here to listen right now, and it is a very complicated issue compared to the previous application that's small, but still more complicated than the previous, so he is going to just listen today to the attorney and whoever else is going to speak.

Chair Losoff commented that from staff's perspective, the Commission has always talked about that when we do projects, sometimes we work in a vacuum. It would be nice if this was all together, but we will have to deal with that as it comes up.

Chair Losoff opened the public comment period.

Donald Shore, Sedona, AZ: Mr. Shore thanked the Commission for the opportunity to talk about this and for the work they do. He stated that he is opposed to the proposal by the Robsons, and please know that he is not opposed to business. He is not even opposed to the Robsons, but what he is opposed to is the commercial creep that continues to happen in Sedona, and it threatens his greatest asset and probably the greatest asset for many people and that is your property value. He has trained as an artist; he is a college professor and college administrator and spent his career teaching young people about balance and harmony, all through a lens of equity, and this proposal perpetuates or exacerbates an already out-of-balance situation in this community. It asks to expand commercial access while his understanding, and what we have heard previously, is that there is a judgment to decrease retail space on this property, and it has already been made.

Mr. Slavin interrupted from the audience to say, there is not, and Mr. Shore pointed out that it is his time, and Mr. Slavin indicated that he knows, but don't keep repeating that please. Mr. Shore responded that he is going to say that again, because it is his understanding; it is what he has been told. It is what he understands that there has already been a judgement to decrease retail space on this property.

Chair Losoff interrupted to say that is kind of a subject off the agenda, and he would prefer that you didn't bring it up. Mr. Shore stated that it is just his comment. Audree Juhlin stated that if she may interject, the public has the opportunity and she is going to stop the clock for you to speak right now uninterrupted, and right now he is being interrupted in his sharing of his perspective of the proposal. The Chair then stated alright then, go ahead.

Mr. Shore stated thank you and continued to say that this proposal does nothing to nurture the harmony for the citizens of the area that are already plagued with noise, traffic, the commercial blight of this corner, and the unloading and loading of traffic. As was mentioned earlier, there is nothing in a PA that would prevent employees from continuing to park on Arrow. They park on the side of the road and it is what it is, and this only serves a one-sided effort for commercial expansion, though the paperwork purports to do something else, so it is his hope that you will

find denial of this proposal would be a great step forward to finding balance and harmony and equity for all of the citizens in this area that they deserve.

Thomas Jackson, Sedona, AZ: Mr. Jackson stated that last night in the mail, he received this packet from the lawyers representing Son Silver West, and essentially it is a description from them about building this parking lot; how it will be a win-win situation for the City and the surrounding neighborhood, and of course for the owners of Son Silver West. He doesn't believe it is a win-win situation at all; he believes it is an either/or result. Someone will win and others will lose. If the tract is rezoned, Son Silver West will have more parking and the nearby residents will suffer with the additional noise and congestion. The noise isn't a question of customers talking, of the music that they play. They have to clean the area and they clean the area with leaf blowers, and if you are going to approve another half-acre of parking, the debris that is going to accumulate, particularly in the winds that we had today, the leaf blowers that are going to be used to clean this, he finds that very offensive. He bought his house 14 months ago; it is tract 53. It is essentially catty-corner from the Robsons. They are friendly and always eager to waive and say hello; they are nice people, but he bought a home in a residential area and not a business area, and he believes it is unfair for people to be moving the goal posts on people like himself, who bought a home thinking they were in a residential district. In the 70s, the songwriter Joni Mitchell wrote, "You don't know what you've got until it is gone". "They paved paradise and put up a parking lot." We all had the good fortune to live in paradise; the corridor between Arrow roundabout and Poco Diablo is beautiful with 'Elephant Rock' there in our background. Do we really want to add a parking lot here? He would like the Commissioners to consider this and say, you know, not on my watch.

Christine Adams, Sedona, AZ: Ms. Adams stated that she lives across the street across S.R. 179, and she has been there since 2002, and when she came, Son Silver West was a gallery and she really loved it. It was small and intimate, and there was some good art there, but over the last 10-15 years, that has gradually expanded from a small gallery, which was someone's home at one time and, in that neighborhood, that is what business really meant. It is a small home with maybe an office with no employees, so now it is a huge store and it has crept to that size illegally. They had a CUP, which they are out of compliance with. They have had many code violations, which the City can do nothing about, because they keep appealing any decision that is made, which keeps the City from having to be able to do its job. Now, we have a business that has expanded into a commercial business, and they are asking the City and all the neighbors to help them out to create a parking lot for a mistake they made to create a commercial business. She just can't entertain how anybody could even entertain this as a concept; this is a residential neighborhood. It is a very sweet, delicate place; really the way it is right now it doesn't belong there, so for her it is really a travesty. She hopes to be living there for a long time; she has property values to consider. She knows there are other owners on that corridor who are just waiting for a change in the zoning. She knows that a couple of lots have been bought for that purpose, and she knows that the two little houses across the street that were just built love living there, and building a house on S.R. 179 is not an issue, because if you look up the road in the Mystic Hills, you will see a 1.5 million or 2 million dollar houses that are right on the road. It doesn't matter; if there is a good piece of land to build on, somebody will build there, so that shouldn't be taken into consideration. She begs you, please, think about what the City has been through with this business, and what other legal businesses have to go through to stay legal, and then to allow a business that has been out of compliance to get something special – it just sets a bad example.

Karen M. Farmer, Sedona, AZ: Ms. Farmer indicated that she and her husband live in one of the little houses that are across the street. In fact their property is immediately adjacent to the vacant lot in question. She wants to talk a little on intent, history and accountability. She has read the Staff Report, and although she agrees with it, she thinks there are more compelling reasons why you should consider voting no. First is along the lines of intent. There have been decades of noncompliance, long before they purchased their property, and unapproved growth of the adjacent Son Silver West property that is cited as providing the need for this parking, but

yet it is not part of the application, so there has been a lot of conversation about what can be considered or what can't, and she doesn't believe that if you have a basis to understand how dire the need is for parking, it is fair to ask herself and other neighbors to really take a hit in our property value and lessen the quiet enjoyment of our properties. There has been quiet speculative purchase and use of residential properties by the Robsons for commercial activity, contrary to zoning restrictions. It has been ongoing; she has observed it and provided summaries of the violations that she has observed to the planning committee, and then finally, continued use of residential and vacant properties, including the vacant lot, and that shows a disregard for neighbors and an intent to really not comply with the rules. The rules don't apply to this business. In terms of history, the Morgan CFA does not have a plan, and there is widespread, both Broken Arrow community opposition to further growth. There is a court order that she understands is requiring a reduction of 10,000 sq. ft. of commercial and outside property; that right there would provide more than ample space to provide the parking requirements to support the business. Finally, she doesn't think there is any question that this application is showing intent to accelerate growth and circumvent compliance of the business that the parking application in support of. In terms of accountability, continued use of all three adjacent properties, since the Board of Adjustment meeting last year, she has observed these; they are documented and despite what Mr. Slaving says, as she was driving here there was illegal parking on the vacant lot; there were two cars parked in the drive and last year, Labor Day weekend, she saw a commercial delivery, despite the fact that the Robsons have a commercial warehouse. She just thinks it is very disrespectful to her and the quiet that she would like to have on her property. In terms of accountability, these uses have been hidden and obviously on the vacant lot that is not possible, but it has been hidden during inspections with property being moved.

Chair Losoff notified Ms. Farmer that her time was up, and she indicated that she didn't get to summarize, so she will email the Commission the rest of her statements. The Chair suggested that she email staff.

Walter Shrode, Sedona, AZ: Mr. Shrode indicated that his home has been their family home since 1952, so he has personal first-hand knowledge of what went on with La Galleria. Ernestine was a family friend, came over to their home and asked them to help her get community support to put a small gallery in her home that she lived in. She used that gallery to support Sedona artists and let them show their work. Contrary to this documentation that you have been given stating that they had all kinds of outside display area is just flat untrue; they did not. They had it in their home. They used this as a justification for expanding outside. Talks about 1964 when Coconino County started doing zoning, that they had a lot of outdoor display area; they did not – he was there and visited their home all the time, so he doesn't know where they are coming up with this, but it is untrue, and you need to take that into consideration, and so many other untruths that have happened with this business. And their '93 CUP, they signed an affidavit saying they would make certain conditional things happen in order to get the CUP; many never happened, so when they tell you that they are going to do this parking lot with shrubbery, don't count on it – look at the history with this organization. They have time and time again not done what they said they were going to do. A lot of that space that they have, there used to be a driveway in front, and they were referring to the fact that ADOT came in and said they could build a new driveway. What did they do with the old driveway? Did they use it for parking? No, they did not; they took it and expanded that fence out, which by the way was illegal under the '93 CUP and they expanded more selling space. They didn't comply with the screening fencing that was required in the '93 CUP, they put up a big wrought iron fence without a permit, he may add. They got a permit after the fact, but they did not have a permit when they did it, so just look at the track record. Do not believe that they are going to do what they say they are going to do? Look at the track record; look at the documentation, do not believe what they say.

Rob Adams, Sedona, AZ: Mr. Adams indicated that he was really surprised that we are even having this discussion for two main reasons. There is a pending order in the Superior Court of

Coconino County. They have been in constant communication with two staff members about that and getting that order signed. What that order would do, would order the Robsons to reduce the footprint of their property back down to 5,000 ft. The other thing is that normally for a Community Plan Amendment, you need to go, and Audree brought this up, you need to go through the CFA before you do that. That really sets the precedent in terms of what the vision is for that area, so he is kind of shocked that they are moving forward with a Community Plan Amendment before doing the CFA, so he doesn't think we should even be here. That being said, here is the bottom line, the neighborhood opposes this, because the Robsons have been a nonconforming illegal use of this property for 36 years – ever since they took possession of it. They have expanded it from a 600-sq. ft. little gallery, which the intention was, to over 15,000 sq. ft. of use. They are in violation of multiple codes, which the City has been unable to enforce, because of the fact that they have gone through appeal after appeal and have been denied in all of these appeals to expand their business. That is going to happen after this judge's order is issued. He is sure there is going to be another appeal; they are going to continue to be in noncompliance. So, the original intent of the restrictions of the Broken Arrow was a 600-sq. ft. business that was contained within a home within which someone lived that operated that business, and another key word is 'business'. There was a mention of business use – never commercial use, and as you all know, probably more than anybody else, there are multiple categories of business use, and probably the closest intention that he can determine would be an Office/Professional use, not a Commercial use as they are presently using this property for, so they continue to violate the law, operate on a whole different level of principles that no other business is allowed to operate under, and they have gotten away with it for 36 years. It is time to put a stop to that and it is time for a unanimous vote from the Commissioners to recommend denial of the parking lot.

Chair Losoff expressed his appreciation for the speakers staying on time, and having no additional requests to speak, the Chair closed the public comment the public period.

Commissioners' Questions and Comments (continued):

Chair Losoff expressed concern about some mention of a business doing business without permits and asked if that is true. Audree asked if he meant that this business is doing business without permits, and the Chair indicated yes. Audree then indicated no, they don't have a business license, but we are not enforcing that, because of the pending issue that is going on right now, so that is not an issue.

Robert Pickels Jr. suggested that if there are any unresolved legal questions for which the Commission desires his advice, we could convene in Executive Session prior to the public hearing on Tuesday, if that would be the pleasure. . . he doesn't know if you have any questions, but if you do and would like some advice prior to the hearing, we could do that. Chair Losoff noted that he sees Commissioners shaking their head yes, and Robert Pickels Jr. explained that the only caveat to that is that it is not a discussion item; it is a question and answer session for you to ask questions and him to give you answers and that is it.

Chair Losoff indicated that we should probably plan on that, although Commissioner Cohen won't be present, so Vice Chair Levin and Commissioner Cohen will not be here. We should tentatively plan on it, and we will see how it goes. If between now and then, some of these questions can be cleared up, we may not have to do that, so if you do have questions that can be answered ahead of time, that would help, but if not, we could go into Executive Session.

4. FUTURE MEETING DATES AND AGENDA ITEMS

- a. Tuesday, September 19, 2017; 5:30 pm (Public Hearing)**
- b. Thursday, September 28, 2017; 3:30 pm (Work Session)**
- c. Tuesday, October 3, 2017; 5:30 pm (Public Hearing)**
- d. Thursday, October 12, 2017; 3:30 pm (Work session)**

Audree Juhlin pointed out that in the dates on the agenda, there is a misprint on Tuesday, September 19th. It says 5:30 p.m. and that should be 3:30 p.m., and that meeting is the public hearing for the items we have discussed tonight and it starts at 3:30 p.m. Then the next meeting will be Thursday, September 28th for a work session. This will be a public hearing Conceptual Review on a project. Cari added that it is the Oxford Hotel Village at Saddlerock; the one at Soldiers Pass, and we will have the packet out next week, but the application materials are online. Audree stated that Tuesday, October 3rd will be the continuation of the public hearing discussion on the Wireless Master Plan and Amendments to Article 17 of the Land Development Code. The last item is Thursday, October 12th and we have a work session item related to the Marriott Residence Inn. Chair Losoff indicated he will not be here on the 12th.

5. 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.

6. ADJOURNMENT

Chair Losoff called for adjournment at 6:30 p.m., without objection.

I certify that the above is a true and correct summary of the work session of the Planning & Zoning Commission held on September 14, 2017.

Donna A. S. Puckett, *Administrative Assistant*

Date