

Summary Minutes
City of Sedona
Planning & Zoning Commission Work Session
Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Tuesday, March 6, 2018 - 3:30 p.m.

[Note: The beginning of the meeting was not recorded because of an error, and the following minutes have been prepared from staff's input and notes up to the time the recording began.]

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, Vice Chair Kathy Levin and Commissioners Randy Barcus, Eric Brandt, Kathy Kinsella, Larry Klein and Gerhard Mayer.

Staff Present: Warren Campbell, James Crowley, Andy Dickey, Audree Juhlin, Cynthia Lovely, Ryan Mortillaro, Rob Pollock and Molly Spangler

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

Audree Juhlin announced that the City now has the new Microsoft Office 365 software and outlook email program, and she explained that we are experiencing glitches in the migration to these new systems.

3. Discussion/possible direction regarding the Draft Shelby/Sunset Live/Work Community Focus Area Plan.

Presentation: Cynthia Lovely indicated that the presentation will start with an introduction from Warren and herself, then Molly will present the economic development portion. She then introduced Molly Spangler, Economic Development Manager.

Warren Campbell then presented the following "imagine" vision of living in Sedona:

Live

Imagine living in Sedona and waking up to views of Thunder Mountain and Coffee Pot Rock. You make your cup of coffee and head out onto your balcony to enjoy the fresh air and the warmth of the rising sun. As you prepare to start your day in this magical place, you think about the opportunity you have to live in a place where people from around the world choose to visit for a few precious days.

Work

As you prepare yourself for work you grab your cup of coffee and head out the door. You don't get in your car; you walk to the ground floor where you open the door to your business. Just as you are opening the door your employee arrives on their bike. As you greet your employee, again you realize how fortunate you are not to just live in Sedona but to get to pursue your dream of owning a business and provide your services to the citizens of Sedona.

Play

As you close your business for the day you decide it's time to enjoy the beauty that Sedona has to offer. Now you have the toughest decision of the day: Should you go play tennis at Sunset Park, go for a hike, or take the new mountain bike out on the trail. You decide to go for it and grab your bike and head to the trailhead at the end of the street to the Carol Canyon trail.

Meet

As you roll back into your neighborhood, you remember you have plans to meet your friends at the brewery just down the street. As you enter your favorite hangout, your friends already have your drink awaiting you. You see many familiar faces from the community at the adjacent tables. You wrap up this perfect day with conversation about plans for the weekend.

On this perfect day in this perfect place, you never had to get in a car or leave your neighborhood to enjoy being in Sedona and one of the best views to be had.

Cynthia Lovely explained that the presentation would follow the format of the draft CFA Plan; however, we will not go through the Plan page-by-page. If you want to follow along, we will be presenting in the same order as the Plan and will start with the introduction.

Cynthia showed the CFA area map, provided an overview of the location and major features, and showed several images to illustrate the fact that the CFA is difficult to see from afar as well as the excellent views from different points in the CFA.

Regarding land uses, Cynthia indicated that each of the different types of land uses were covered and example photos of each were shown. Notable is that there are already some apartments in the area. Additionally, Cynthia provided an overview of a current land uses pie chart with an explanation of what constitutes vacant/undeveloped land and a summary of the zoning of the vacant properties.

Chair Losoff asked what the different zoning types are in this CFA and Cynthia indicated Multifamily, Light Industrial, Single-family Residential, Office Professional and Planned Development. The Chair expressed a concern that there might be too many zones.

Cynthia read the Vision Statement as follows: "This is an industrious, creative and active district where people live and work, bordered by a city park and National forest with an abundance of trails and scenic views." She then explained that regarding recommendations, the remainder of the presentation would cover each of the four topics in the Plan: Economic Diversity, Housing Diversity, Neighborhood Connections and Sense of Place.

[Note: The recording of the meeting began at this point and the remainder of the minutes is based on the recording of the meeting.]

Molly Spangler expressed her excitement about the project and indicated that it is a wonderful opportunity to help businesses develop, and it really ties into our business diversification strategy. Economic Development is one-seventh of our overall Community Plan, and diversification from our main industry of tourism is incredibly important. We want to focus on how to diversify our business investment portfolio, and this project is leaning in the right direction to help us get there. Having that thriving mixed community there will help maintain our existing workforce, attract additional workforce and help local businesses expand.

Molly stated that she used to work in a community where she had 700 acres to market all the time, and she would discuss where in that 700 acres you could locate your business, but we don't have that opportunity in Sedona. This is one of two areas that businesses can expand, and routinely, she is talking to businesses that are thriving in Sedona so well that they need to expand their footprint, hire ten more employees, and they are looking at neighboring communities and in the Valley and Flagstaff, because they have space to expand. We want to keep those jobs here, so that is the genesis of the diversification component of this overall CFA.

Molly stated that our objective is that there is a dynamic mix of thriving businesses in community services. We think the views are amazing there; it is a desirable place for businesses to have headquarters and their employees would have access to great views, trails for their breaks, etc. She was talking with someone who said industrial is so cool; this is what we should be doing. She was

excited, and this could be a cool project. This is a turning mindset all over the country, and it is really the right time to start looking at something like this in Sedona. This is a place for that creative business hub where the workforce wants to be, where there is a culture they like, such as biking to work and having that beer waiting at the end of the day.

Molly indicated that the first strategy is engaging in the diversification of the City's economy through those partnerships and incentives, and we want to explore all the different ways we can leverage existing partnerships for different workforce opportunities in perhaps grants and loans, whether the City or the businesses are the recipient, and have an ongoing conversation about those needs for people to thrive in this environment.

Molly stated that we recognize that this light industrial land use is an important character in this area, and we would like to continue to capitalize on that, and this is one of the only places for light industrial. Having that in this area just adds to the overall vibe that Warren walked us through in the beginning. A mixed use is encouraged, including production industries -- our makers, our entrepreneurs, our craftsmen and light manufacturers and having that live-work combination.

Molly explained that Strategy 4 is the most important one. Infrastructure is paramount to the success of business development there. It is a foundational need; the upgrade of that road and the availability of wastewater is necessary for businesses to thrive there. In a lot of conversations with businesses, this is the number one issue they bring up regarding whether or not they are willing to expand or relocate to the area. When staff hosted the public comments, the quality of the road was consistently brought up. They indicated that they would love to have an office space there, but only if their customers didn't have to use the existing road, and some said they would look at expanding if they had sewer access. Many people have said, "Oh, you are going to upgrade the road and get sewer", and we didn't commit to it, but you could tell that they were excited about the opportunity, so this infrastructure is a key part to the success of the overall CFA.

Vice Chair Levin asked if Molly had done an inventory of the number of jobs that are represented in that industrial sector and whether they are in manufacturing. She saw that Soderberg Bronze is up there now and asked if they are part of this. It might enhance the Plan to know the existing users, the trades and the professions they represent.

Molly indicated that is a great suggestion and we can certainly do something like that and even look at the overall Sedona inventory of jobs and those wages to better articulate what the median wage is and how those jobs are at or above the median wage.

The Vice Chair noted that some are obviously long-term employers in the area, like Bark 'N Purr, but it would enhance our understanding of the niche that area represents so that can be built upon if we know what the base looks like. Molly then asked if it would also be helpful to understand the average or median of the jobs that we further envision there as well.

Chair Losoff stated that from P&Z's point-of-view, he doesn't know that is something that we need to get into. Vice Chair Levin agreed that communitywide that information is helpful, but she is not sure it needs to be specific to a neighborhood.

Commissioner Mayer asked if the Commission could get the kind of businesses that are there and how big they are or if there are a lot of little stalls there that have one or two people working there, like the air-conditioning repair. He would like to see what is there and how big the properties are or the square footages. There are bigger places that have yards like the roofing company and body shop, etc., so a lot more comprehensive study of that area would be very helpful to get that diversity. Molly indicated that she thinks staff can do that, and then she confirmed it was the current businesses' square footage, and the Commissioner said the overall niche of this area.

Chair Losoff suggested that it be done in the big picture and explained that we don't want to get into too much nitty-gritty; we're talking about the overall CFA, and we don't want to get into micro-

managing the units. Commissioner Mayer stated that it is not micro-managing; it gives a better idea of how many people are working out there.

Audree Juhlin suggested doing an inventory of those businesses and the building square footages, but we won't go into individual units given our resources and time, but that would give you an assessment of the uses and the structures they are in. Commissioner Mayer again asked about how many people are employed. Audree explained that providing the employment information is a little more difficult without literally hoping they will give us that information. It is not necessary that they do so. The Commissioner stated it would give us an idea if we are talking about working in the vicinity and living in the same vicinity, so we would know how many people are working there and need a place in multi-family or apartments. Audree explained that staff won't be able to speak with every business owner, but where we can we will ask those questions. The Commissioner then stated that he would also include the church to see if they are susceptible of doing something. Audree Juhlin stated that we have already met with them, and this Plan was developed around their input. The Commissioner asked if they are open . . . , and Audree stated yes, this Plan is being created with their input. Commissioner Mayer stated great, because they have a large parcel that could be rezoned from Single-family Residential to something. Audree emphasized that they are very aware of the process and have been involved, and they can continue to give us input as well.

Cynthia indicated that regarding Housing, she would start with the vision for housing, because one question has been why anybody would want to live in an industrial area. The first answer is that they already are; there are existing apartments and some that perhaps aren't legal inside the CFA, and there are houses right next door, across the park. We are envisioning a little more of an urban feel than you would find in Sedona, and there are people that like the action and activity that might be going on in an area like this. It would have a distinct character, unlike anything else in Sedona, and part of that activity is the social side of it with a lot of people around, and some people are looking for that. It could be mean that it is more affordable than other places in Sedona, plus the other positive things we have pointed out, such as the amazing views and opportunities for recreation, and for some people that is going to overpower living next to a roofing contractor, etc. We also look at things like compatibility, and some of those businesses are only open on weekdays, so if people are living and working in the area, then when they are home recreating and going to the park, etc., it is most likely on weekends when those businesses are closed, so having an industrial area with housing is not quite as bad as some might envision.

Cynthia explained that the objective is a full spectrum of housing options in this Sunset-Shelby Drive corridor, and we are looking at the whole area. There is already a variety of condominiums and townhomes on Sunset and Shelby, plus a couple of grandfathered apartments in the industrial area, but we are also thinking of a full spectrum that Sedona doesn't already have, and most of them are smaller units. For some people that is all they are looking for, and they don't want a single-family house with a backyard. If you lived here in a small apartment or condominium, your backyard is the National Forest with Sunset Park next door, so we think that is a good mix. As far as what is already in the area, the dark gold is multi-family, which includes Nepenthe and some apartments in the Wyndham area, and along Sunset there are about three major complexes with a variety of townhouses and condos.

Cynthia stated that what staff really wanted to point out was the vacant Multi-family at the end of Sunset, and since we have so little vacant property zoned Multi-family, there is a lot of potential to fill a need for Sedona's affordable housing as well as just multifamily housing.

Cynthia indicated that next on the list is Neighborhood Connections, and this area is probably one of the best connected in Sedona, so the Community Plan emphasizes walkability, and this is a very walkable neighborhood compared to others, because Shelby has sidewalks and Sunset has sidewalks and bike lanes. People walk and bike along Sunset all the time. The distance is not very far, from the CFA to the corner of Walgreens is only a one-half mile walk, so it is not too bad. You already have the trail system for the National Forest surrounding the CFA and the park that has a little urban trail plus the pedestrian bridges as part of Sunset, which makes a nice loop that people

walk going through Sunset Park, the urban trail, up Shelby, and then down North Monte Verde. You see dog walkers and people getting their exercise, so they are already doing it, and our proposal is to make it even better, because we are missing some connections and extensions, and we have sidewalks that just end. The objective is that these neighborhoods have easy access to the trail system, Sunset Park and local businesses through a connected network of paths for walking, hiking and biking.

Cynthia explained that local businesses were mentioned, because you may want to walk to the business from home, whether you live in the subdivision on the north side or within the CFA. We would like to encourage people to walk or bike more, not just for recreation, but also whether you are going to a business such as Walgreens or a business within the CFA. Therefore, it would help if the sidewalks were continued. Cynthia pointed out in a picture of the entrance to Sunset Park how people are basically walking up the bike lane, so she would like to see a sidewalk extended to the park as the highest priority.

Cynthia indicated that regarding specific proposed connections, there is a bike lane on both sides of Sunset Drive, but there is no bike lane on Shelby where you see quite a few mountain bikers riding, because they are accessing the trail system. There is a sidewalk that ends at Sunset and South Monte Verde so to continue that to Sunset Park and eventually all the way down Sunset and around Shelby. As far as trail connectors, long-term would be a trail that comes down Carroll Canyon Wash, and a portion of it would be dependent upon a stormwater improvement project. We also have a couple more items taken from our Transportation Master Plan like a proposed bicycle boulevard that would cut through all these neighborhoods.

Cynthia stated that as far as Trail Connectors, you have the existing Airport Loop Trail, and there are a couple more connections proposed. Currently, there are some unofficial trails, so if some of those links were made, you would not only be connecting neighborhoods to things like the park, but also the trail system.

Cynthia added that we also want to add some amenities in addition to those improvements. Some are as simple as signage; they saw that a couple of access points to the trail system are hidden. There is a sign that says, "Trail", but it is tiny and brown, so it blends in. She then showed a picture of the Flagstaff Urban Trail System signage and indicated that something like that plus benches, bike racks, kiosks, etc., would encourage people to hike. Some people just don't know that you can make these connections, such as the trail at Sunset Park where the pedestrian bridge is.

Cynthia also pointed out that trailheads don't have to be just some parking spots; there are plenty of examples where they are like mini-parks with picnic tables, maps, kiosks, etc. As an example of the signage, Cynthia showed a picture of the sign on Sunset Drive next to the park and indicated there are a couple of tiny signs that say, "Trail". If you don't see those or know it is there, you probably would not notice the trail. Cynthia then showed a picture taken when, on the other side on Shelby, the three spaces at the office building were full, so three mountain bikers parked on the side of Stanley Steamer and Shelby. She also watched a family of three trying to find the trail and the dad finally found it hidden behind the shrub, so there is kind of a lack of signage and other issues there plus a need for parking areas.

Cynthia indicated that the map shows all the other trailheads found in West Sedona, and the parking areas are designated by circles, while the smaller red dots are walk-in access points with no actual parking lot, and the numbers indicate how many parking spots there are. Again, if you go to other cities, their trailhead parking lots are big. Some in Tucson are up to 50 parking spots for a neighborhood trail into the National Forest. The other problem is that they are parking on neighborhood streets, in front of houses, and some neighborhoods are worse than others. Soldiers Pass Trailhead probably gets the most complaints. The idea here is to better distribute our trailhead parking areas, and there is a definite lack of parking on the south side of SR 89A, so the neighborhoods don't really have access, and if those three parking spots are full, you would go over

to Airport Road, which is always full, or go to the high school, and that is pretty much it for the south side and why this is a perfect location for a proper trailhead.

Commissioner Mayer asked how many parking lots are on Sunset Park and Cynthia stated that the Park has 32 spaces for the Park, and the Parks Manager has indicated that is too small; there is not enough parking on weekends if there is an event, etc., and they really don't want people parking there for the trails.

Commissioner Mayer asked if creating parking lots would take away the possibility of developing the CFA in a different way, such as apartments, etc. If we create acreage for cars, that wouldn't be something that he sees in that CFA. When people live and park there that is a different story. Cynthia explained that you can partner with other businesses to share parking, which happens in Uptown, and that works well with a business that is open weekdays and most of the trailhead parking is on weekends.

Chair Losoff commented that the improvement of Shelby Drive needs to be highlighted someplace, and Cynthia explained that it is under Economic Development, because it is so critical and there is a page dedicated to Shelby Drive.

Regarding Sense of Place, Cynthia noted that this is one of the Vision themes in our Community Plan, so in this CFA like others, we are proposing that we design for a Sense of Place. We have discussed that each CFA should have a distinct and unique character, so for this one, the objective is a distinct character that melds modern and efficient living and work spaces with the surrounding landscape.

Cynthia indicated that the proposal is to enhance that industrial character and keep that. The first strategy is that buildings and site layouts are to be designed with the setting in mind -- both the built and the natural environment, including site location, terrain and viewsheds. At a couple of the viewpoints on the site visit, we were trying to point out the elevation differences, and how this CFA can be viewed from different parts of town. She then showed a Google image looking toward Airport Mesa and pointed out the high point on the left at the end of Sunset, and then all the way down to the lowest point where Carroll Canyon Wash exits the CFA. Therefore, you have a variety of terrain and that is what we mean by working with the terrain, site layout and placement of buildings to make thing blend better, such as terracing into the hillside, using colors, etc.

Cynthia stated that the next strategy is flexibility in development standards will be considered when projects sufficiently address CFA goals and objectives, such as affordable housing, a mix of uses that includes affordable housing, mixed-use development like live-work buildings, and improved connections and access to public lands, so this is tying all of this together. If you have a unique setting and we have these citywide needs, we propose to compare those together.

Cynthia showed pictures of two mixed-use buildings where shops might be on the first level and apartments on the second level. There are a variety of live-work examples, but these are the most common. Most of the pictures they found were at least three stories and, for Sedona, that may seem like a lot but in the rest of the world, they are typically taller than three stories, but they are still good examples, because if you are in one of the lower spots of the CFA, you could have a three story that wouldn't stand out.

Cynthia indicated that as far as the distinct character, going back to the Community Plan, the vision was to reflect a unique Sense of Place in architecture and design, and the Community Plan is referring to Sedona as a whole, but with the CFA, we would like to see character that is distinct to this area, enhancing that industrial look. That is the hot thing right now in other cities, like Austin, Portland and even parts of Flagstaff. The hip place to be is in the industrial more urban areas, and the distillery is not complete yet, but you see that type of architecture and style in that building.

Cynthia stated that the final section is Implementation, and this is like other CFA Plans in that these plans will be implemented over time. It will be an incremental process, not sudden or overnight. It is also going to be a partnership thing; some of these proposals would be through private development, while others like street and stormwater improvements would be a City project, and some will be partnerships, plus the Plan itself will be used in different ways. You might have Development Review when a project comes in, but it is also policy direction for the Commission and Council when reviewing projects, and then also partnerships. The best example of partnerships would be the street -- partnering with the City and private owners, but there are others like trailhead parking lots that might be shared uses as well as economic partnerships. Things like grants would also fall into this implementation area, and there are economic development grants that maybe the City wouldn't have gone after in the past, but now we have Molly to help with that.

Commission's Questions and Comments:

Chair Losoff stated that of the CFAs the Commission has dealt with, this is one that really gives us an opportunity to change part of the City in a vision that you are describing. The other CFAs had major changes, but were in certain boundaries. This is one that give the opportunity to really do something different, almost like creating a mini-subdivision within a subdivision, and he was excited by what you described. Some of the key things that stand out are where you talk about partnerships, and we have always talked about getting everybody together at the same table and on the same page -- owners, tenants, City, County, whoever, to get these partnerships going. For this to happen we need a true partnership with everybody. We need for the City to provide incentives, buy land, subsidize, etc. We need for the owners to start thinking differently, and hopefully, with some incentives, etc., this vision can really happen.

The Chair stated that he likes the vision. You have urban development with mixed use and different structures, light manufacturing, housing, connectivity -- all of the things that can really be exciting for this part of town, so he would encourage going forward on this overall. Specifically, he would be interested in some of the comments from the open houses. He knows they were talking about the roadway, water and sewage, but other comments. He would also like to see if anything can be done to combine some of the zones in there. If we are going to develop this property, we have too many and are really spread out with too many zones and too many districts, but he doesn't know if there is a way to combine them to make this vision achievable. It is possible maybe with the Land Development Code update going on that there are ways to get some ideas, but there are all of these different owners and a lot of different zoning codes in there.

Chair Losoff indicated that he like what you were proposing for Sense of Place; that would be great if we can achieve some of that. He has relatives in Seattle and the area they live in was condemned by the City and taken over by the City and developers, and they are creating nice apartment buildings for workforce housing that look lovely. The whole neighborhood is being transformed, so things like that could be done. It could be very exciting, but it takes guts and vision, and maybe more emphasis in Molly's area where we must get some of the economic development people more directly involved in what we want to do. He applauds everyone for coming up with these ideas.

Commissioner Barcus indicated that he wanted to echo what the Chair said about partnerships. Obviously, incentives are one end of the spectrum as the carrot and the stick is condemnation, which is what he also mentioned. Those are opposite points of view, and he hasn't seen much evidence that this community is very embracing of incentives or condemnation. We always seem to want to be in the middle and just be opportunists. What worries him more about this area is, using the distillery as an example, the distillery went in without any kind of strategic thinking about the right or wrong or how it will work with the whole, and he is very supportive of that development and that people are willing to put their money where their mouth is and do exciting things like that, and hopefully, it will act as a catalyst, but it is an opportunistic type of activity if we didn't think it was right, but they are bringing in jobs, etc., so it is like how could you say no. although we don't have an overriding strategy for development of vacant spaces or redevelopment of existing spaces. This seems like a very complicated CFA; it seems to be the one with the most complexity. If you started from scratch with a blank piece of paper, you might be able to do something that has all of the

connectivity, ideas and mixed use, etc., but since we have one or two dozen different property ownership groups in the area and a lot of existing buildings that aren't close to their end of life, he sees this as a really hard CFA to have it not be ignored -- to have someone do progressive, positive things is going to be difficult.

Commissioner Mayer referenced a cup half-full or half-empty. He would say it is half-full; he is very optimistic about this. It is going to be achievable. Hurdles are there to overcome and jump over, and he also sees the rezoning of light industrial to multi-density housing. The Commissioner then asked if that is something that could be done easily or not. Warren explained that there is a prescribed process, but with the CFA in place that process gets easier, although there could be Major Community Plan Amendments necessary and the rezoning process, but there is a process in place, and the CFA would support that process.

Chair Losoff referenced what Commissioner Barcus mentioned and indicated that if we have an overall plan and a rezoning is in order, then it is in order. Commissioner Mayer stated that another thing is condemnation and asked if all of the light industrial businesses are complying with Light Industrial or are there some businesses that seem to be . . . ; are they complying with the zoning or not? He would like to look into that, because some of them look like junk yards. Cynthia indicated that is consistent with Light Industrial. Warren pointed out that we are in the process of redoing the Land Development Code and some changes to the Industrial-types of zoning would allow for that mixed use, so be thinking about these areas and how we might write the zoning district to affect the outcome. The Commissioner then commented that most of them are grandfathered, and Warren indicated yes, but there will be changes to the Code and they would apply if the owner made changes. Commissioner Mayer then stated that is a possibility; his glass is still half-full.

Commissioner Brandt stated that it is actually about two-thirds full, but backing up a step, if someone sees that this CFA is live-work, and they want to come in and do a live-work in a Commercial zone and the CFA says that is doable and suggests that there might be incentives, what are the parameters or guide to allow those things to happen? Cynthia explained that currently in the C-3, Light Industrial zoning, you could do live-work, because you can have housing associated with whatever that commercial use is, so that is not impossible now. In some sense, you wouldn't necessarily have to rezone if you wanted to go that route; it probably would depend on if commercial is your primary use. If not and you are going to have more housing, then you could be looking at rezoning.

Commissioner Brandt referenced the photos of the three-story building and noted there is more residential than work in those pictures, so that wouldn't meet the zoning although that is what you are trying to encourage, to have more life and things going on in a place in town that really operates as a town. That is the goal, and that is awesome and should be the goal for the whole town – not just individual CFAs, but he understands that doing these incentive places is a good step and a place to focus the energy, planning, thought process, etc. As you know, he would rather this be the whole town and not just individual places, but he is wondering how, when someone sees this Plan, they know they could do a three-story live-work like the pictures. What allows that? Do we need more for implementation?

Warren indicated that the Land Development Code and this CFA are going to be important to be thinking of as we work on that Land Development Code district. We are changing the districts to allow for a much more mixed-use feel in these industrial areas, and if we write them appropriately, they will reflect what might get adopted in this CFA, so the two tools will begin to work. The Commissioner then noted that it is a two-step process and there is more to come.

Commissioner Brandt then asked what happens if this is so successful that people complain that there is industry in the neighborhood, and that is where the zoning came from way back when. When you have zoning and too many people are complaining or getting hurt or breathing fumes, etc., but everything was separated, and the businesses there are like the biggest economic diversity we have in Sedona. There are hardly any tourists; it is mostly services for residents, so how do we keep them from getting pushed out? Right now, they are kind of off in the corner of the world and he wouldn't

want to lose that. He sees the words that say it is an existing industrial area and is to be encouraged, but maybe he is saying that it needs to be more in the heading of things, not just in the text as food for thought.

Molly indicated that she liked it; she hears what the Commissioner is saying in that you want to do more than recognize light manufacturing and somehow protect that, because it could get so cool that it is . . . , Commissioner Brandt added that people start complaining about it being there and why are the back hoes running at 6:00 a.m. Molly indicated that we will have to think about how we protect that mixed use and that component of business development, and take that out for public input on what would be tolerated. She knows from the businesses and developers that we don't have enough. A couple of years ago, Audree took her on a ride to see industrial parks, and we don't have smokestacks and things that are huge impediments to residential lives. We need to do a good job of educating what light manufacturing means and that it will not have some of those negative impacts to the residents that industrial development does.

Vice Chair Levin asked if, along the same line of promoting mixed uses and retaining industrial, there is any advantage to creating a district like the Heritage District with Schnebly Hill or in the new Land Development Code there is a mixed-use district, does that include industrial? Warren stated that we are trying to incorporate districts that are a little broader in scope and inclusive of the mixed-use concepts. You would probably hear from the consultants and staff at this point that creating more zoning districts is something we are trying to get away from. We are looking for zoning districts that fit modern thinking around development and incorporation of layering land uses, so he will be thinking of how to contemplate ideas like this.

Audree Juhlin added that when we brought the zoning districts forward to the Commission, we maintained that Industrial, C-3 zoning in our current code, and it is going to change a little in the proposed code, but the whole intent of modifying that Industrial District is to ensure we have the capability to have mixed use, and it is a balance, so we don't lose the industrial uses we need, but we're also to integrate other compatible uses, and you will see that in the consolidated draft.

The Vice Chair stated that this created a really dynamic vision and she is in awe of the Plan put together. It is elegant and artful; it is precisely written and very strategic in the recommendations that would help fulfill the vision that you have put in front of the Commission. It seems that infrastructure is going to drive this process, and we can't say that any more strongly than that, because that will give the incentive for new development and redevelopment to take place. The Vice Chair then asked, given that we craft this, and it becomes part of the Community Plan, how do you marry this with Council priorities and the capital improvements prioritization process. It specifically calls out bridge, repaving and sewer. Chair Losoff commented that we are getting ahead of ourselves; at this point, we are talking about a CFA and later on how it is budgeted is a Council . . . ; however, Vice Chair Levin pointed out that we have an implementation section in this CFA and logically that discussion falls there. The Chair stated that it is early in the game.

Audree Juhlin indicated it is a good discussion and we do have an implementation page, because we do not want it to be a stagnant document. We want it to be implemented and Andy can talk about how we can prioritize with limited funds and competing projects. The Vice Chair added that it gives some fuel behind this Plan that will help drive the reinvestment.

Andy Dickey explained that a placeholder has been put in the Capital Improvement Plan; it is in the area of Neighborhood Connections. We look at this as Sunset Drive and Shelby Drive are public streets, but the connection between the two is private, so essentially it is a neighborhood connection. We've placed that placeholder in that strategy area, because it hasn't been prioritized at this point and as he recalls it is a couple of years out, but it is in the Plan. If it gains traction, it could move up in relation to all of the other projects, but now, it is a couple of years out.

Vice Chair Levin then stated that wastewater will drive new residential activity, so that is the other component in the infrastructure plan that potential investors need to know. Andy stated that when

the storm drainage project crossing of Shelby Drive was completed, a line was put in underneath the culvert, so it wouldn't need to be done in the future. When we were building the large box culvert, it was a minimal effort and we knew it would be better to do it then. The idea was that in the future, we would likely be looking at some collaboration with residents or private group to extend the sewer facilities in that area.

Commissioner Klein indicated that his main question was how staff envisioned that improvements were going to be made to the private part of Shelby and extending the wastewater system, because no matter how great this Plan is, and it is great, he isn't sure that any of this is going to happen if that doesn't happen.

Commissioner Klein stated that another question is he is not sure of the purpose of putting a bridge over the wash; how is that different from the existing Sunset Road that he presumes goes . . .; he knows that right before they got to Sunset Park, the wash was on the right, so where is the bridge going to be and what is the purpose of it? Cynthia identified the proposed location on the map, and Andy explained that we will typically close that crossing at least once a year, because it is at grade and it doesn't have capacity. It has to be closed if there is any depth of flow, because as they say, two feet of water will float a car, so it doesn't take a lot because the cross-section of that crossing is fairly narrow, and when you turn it and look at the capacity of the wash, it is not huge, so it doesn't take a lot of flow before you get a good depth in there. In the past, we had a couple of improvement projects planned in 2005 and it went out to bid, but we could not get projects to come in within budget and the City decided it wasn't worth the additional cost. It is not a new concept and we considered even separating a pedestrian crossing structure, because we recognize the need for a minimal pedestrian crossing there, but that also came in too high, so we tried but were not able to get the projects done, although it is something that should stay on the radar.

Commissioner Klein indicated that he loved the idea of mixed-use buildings with commercial on the bottom and residential on top. That is something we really need, so people can live and work in the same place and don't have to commute. He assumes that we are talking about the mixed-use structures being built along the private portion of Shelby Road, but asked if that is where we are primarily talking about. Cynthia explained that they could be pretty much be built anywhere in the CFA, but they would have to rezone if we are talking about a full mixed-use, although we are looking at a new Mixed-Use District in the new code. The Commissioner then referenced in Figure 5 a vacant Medium-Density Multi-family area along Sunset Drive on the northern portion and asked if that is within the CFA. Cynthia indicated that the RM-3 is 20 units per acre and the referenced location is RM-2 with 12 units per acre and that is out of the CFA, but we wanted to highlight it, because there are so few of those properties in town.

Commissioner Kinsella indicated that we need to be conscious of the potential conflicts between use types. She lived and worked in Manhattan on a Planning & Zoning Board and there was an area called the Flatiron District, which was a manufacturing, publishing and commercial district that went through an economic downturn with a lot of vacant properties. People then said they could address their housing shortages by changing the zoning to allow mixed use, and a lot of conflict happened between the use groups. The success of it led to newer people coming into the neighborhood than the existing commercial properties, and they formed associations to try to drive some of the businesses out, because of their impact on the promoted residential use. She doesn't see that it would happen on the same scale here, because we're talking about different types of uses, so it is something to be conscious of. She really wants to see mixed-use development, multi-family housing and affordable alternatives, but at the same time, she wants to respect job retention. We want to develop new opportunities for businesses to grow and employ more people and shy away from using words like condemnation or seeing this area as completely redeveloped with an entire character change, because job retention is very important to people who live and work in Sedona. We have a large retirement population and a large group of people who work here and come in from other areas, but some of the jobs that are not entertainment and tourism-related are in this area with the body shop, foundry and pet boarding, etc., so she wants to see those jobs protected in Sedona. She wants someone to come to Sedona, find an affordable place to live and find a job that allows them to have

that affordable place to live. She wants some language to say we are achieving balance; she doesn't want to sacrifice one for the other.

Commissioner Kinsella agreed that this is dependent on the infrastructure, so it is impossible to have a discussion in any depth or give staff guidance unless we talk about the infrastructure needs, especially the road. Obviously, if there is wastewater and water hook-up coming in, we would want to talk about that at the same time a road is being put in, but the road is a practical concern, because that is where the limitations will occur. If you get the rights to the roadway, the expansion and the ability to bring it up to standards, then it makes sense to put in all of the underground infrastructure, but if you can't get the lots deeded over or if we don't understand the impact on the property assessments at the county level, it is hard to frame the discussion.

Commissioner Kinsella then stated that the information she needs is, from your discussion with property owners, she wonders if there was a willingness on their part about offering some of their land for deed to the City without a condemnation process, so to talk about the deeding, to understand if they did lose land their assessment would change so what services would have to be provided by the City, how is it going to affect that and how will the cost of the road and infrastructure put in and maintained be spread throughout the rest of the City. Andy Dickey asked to clarify some of that; however, Chair Losoff stated that we ought to be careful. Our concern is infrastructure and how the City deals with that is how they deal with it. We can oversee it to an extent, but we don't want to start telling the City how to do it. Commissioner Kinsella stated that it is part of our role to vet these questions to say that we think this is a good idea, but now you have to figure out how to pay for it. At least, they deserve to know that we were cognizant of that when we started the conversation.

Cynthia explained that in the CFA Plan, for those strategies referring to the infrastructure, we talk about multiple options and the CFA is proposing those multiple options, which could be partnerships amongst the property owners, not necessarily involving the City, so that is as far as the CFA Plan goes. We are not at a point where we would discuss things like taking over easements, etc., because we haven't even gotten past the point of all of the options to deal with the road – one of them being where the private owners would give an easement to the City. We haven't gotten to that level of discussion, because we still need to go through all of the alternatives with them.

Chair Losoff referenced the fact that it is a complicated CFA and this is an initial conceptual draft, so we are trying to give an overall picture as to what we are thinking, and staff is hearing infrastructure issues, wastewater, etc., and we will be looking as to how you are going to deal with them in future meetings. Commissioner Kinsella stated that there had been a reference to there being some preliminary discussions, so she would like to get the flavor of those and hear from the Engineer.

Andy Dickey clarified how the project has been proposed by explaining that we thought of these things, but the way the project was contemplated was that it would be based on the property owners donating the land. We see this similar to the way we do drainage projects, because the benefit we are providing is so great, we feel that it is not a worthwhile project unless the landowners are willing to come forward as a partner, and at least give that much to the project.

Chair Losoff indicated that in summary, staff is talking about this draft Plan proposing a bold vision and he would underline bold; it is a good word for this CFA. While many of the existing features and mix of uses will remain, the Plan calls for building on the distinctive strengths of this area to transform it from an obscure area of the City to an active district with a focus on more dynamic residential interactions and uses. It is a great vision. Whether it is pie-in-the-sky, he doesn't know, but the things we have talked about -- infrastructure, incentives, etc., is going to take a bold step to accomplish. Commissioner Barcus mentioned a plan, and an overall plan – not just what we've drafted here, but a plan. For example, should the colors apply to all of the buildings, even existing ones, and can we say that if we are moving forward, we are going to do that and have all buildings comply? If so, will there be incentives for current owners to go along with that? The Plan has to be very comprehensive; we can't just say that some of the new CFA buildings will comply but existing ones don't have to. If we are going to really transform this area and be bold, we have to look beyond what we have been

doing over the years. We've also heard a lot of concerns in getting this done, and that is true of any major change. We have to recognize those but put them aside and not let them hinder us in moving forward. We need to go forward, and if we find out later that the incentives aren't strong enough or we can't do the infrastructure or the bridge is too expensive, etc., maybe the bridge is too expensive, but that shouldn't be a major priority. Look at the other issues in the CFA. He is encouraging to really move forward on this but look beyond our current thoughts and think bold; don't let it get in the way of other things.

Audree Juhlin added that it is also going to take some boldness on the Commission and Council's part, because you are going to get some proposals, if we are using incentives, that may push the boundaries of what is normally accepted. You may see some three-story buildings, and they will be asking for some flexibility in our design standards and review process, so we're going to need to partner in every respect. With all of us working together, we can achieve this goal.

Chair Losoff indicated that we use the bridge as an example, but if we look at the whole Plan, and there are other expenses and add-ons involved, maybe that is not a high priority given what the City can afford in other areas. We need to look at the whole picture, the big vision and continue working with partners, getting everyone around the table to see how it is going to play out. It is exciting and, when you talk about taking an obscure area of the City and making it an active district, that is terrific. Maybe it becomes a district unto itself; the Vice Chair added, "The Cool District".

The Chair stated that if he heard the group, there is a consensus that we like the idea; how it plays out is another issue. Commissioner Mayer referenced the environmental impact from the existing industries -- tilling and earth movement, etc., with several excavators there, so there is the possibility of dust pollution. He then asked how that is going to affect the people who live there. Those were things which were not brought up.

Audree Juhlin stated that staff has some very clear questions and items to address for further information for the Commission. This document is considered to be 75% to 80% complete, and we will work on the items brought up tonight to bring you more data and inventory of the area to have something that will be approvable.

4. 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.

5. ADJOURNMENT

Chair Losoff called for adjournment at 5:00 p.m., without objection and indicated that the Commissioners would reassemble at 5:30 p.m. for the next meeting.

I certify that the above is a true and correct summary of the work session of the Planning & Zoning Commission held on March 6, 2018.

Donna A. S. Puckett, *Administrative Assistant*

Date