

# AGENDA

# 3:00 P.M.

CITY OF SEDONA, SPECIAL CITY COUNCIL MEETING

WEDNESDAY, MAY 23, 2018

## NOTES:

- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

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

## GUIDELINES FOR PUBLIC COMMENT

### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.
- The decision to receive Public Comment during Work Sessions/Special City Council meetings is at the discretion of the Mayor.

### PROCEDURES:


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

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

## 2. ROLL CALL

## 3. SPECIAL BUSINESS

LINK TO DOCUMENT = 

- a. **AB 2372 Discussion/possible direction** regarding a request for approval of a Zone Change to increase the number of permitted lodging units and Development Agreement to allow for construction of a new 85 room hotel (Marriott Residence Inn), 5 employee housing units, and associated site improvements at 4105 W State Route 89A. The property is zoned Lodging (L) and Open Space (OS). A general description of the area affected includes but is not limited to the southeast corner of W State Route 89A and Upper Red Rock Loop Road. APN: 408-11-430B Applicant: Sunridge Hotel Group (Paul Welker) Case Number: PZ16-00009 (ZC). 
- b. **Discussion/possible action** on future meeting/agenda items.

## 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 Council may hold an Executive Session that is not open to the public for the following purposes:

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

## 5. ADJOURNMENT

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

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

Susan L. Irvine, CMC  
City Clerk

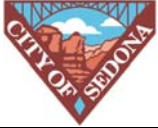
Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote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

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

**CITY COUNCIL CHAMBERS**  
**102 ROADRUNNER DRIVE, SEDONA, AZ**

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

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**CITY COUNCIL  
AGENDA BILL**

**AB 2372  
May 23, 2018  
Special Business**

**Agenda Item: 3a**

**Proposed Action & Subject:** Discussion/possible direction regarding a request for approval of a Zone Change to increase the number of permitted lodging units and Development Agreement to allow for construction of a new 85 room hotel (Marriott Residence Inn), 5 employee housing units, and associated site improvements at 4105 W State Route 89A. The property is zoned Lodging (L) and Open Space (OS). A general description of the area affected includes but is not limited to the southeast corner of W State Route 89A and Upper Red Rock Loop Road. APN: 408-11-430B Applicant: Sunridge Hotel Group (Paul Welker) Case Number: PZ16-00009 (ZC)

<b>Department</b>	Community Development
<b>Time to Present</b>	20 minutes
<b>Total Time for Item</b>	2 hours
<b>Other Council Meetings</b>	N/A
<b>Exhibits</b>	<ul style="list-style-type: none"> <li>A. Staff Report, Planning and Zoning Commission, April 17, 2018</li> <li>B. Conditions of Approval, as recommended by Planning and Zoning Commission</li> <li>C. Public Comments</li> <li>D. Draft Minutes, Planning and Zoning Commission, April 17, 2018</li> <li>E. Excerpt from Draft Minutes, Planning and Zoning Commission, April 17, 2018, Commissioner statement for no vote</li> <li>F. Draft Development Agreement</li> </ul>

City Attorney Approval	Reviewed 5/14/18 RLP	<b>Expenditure Required</b>
		\$ 0
City Manager's Recommendation	Discuss and give direction on the proposed request to construct a Residence Inn.	<b>Amount Budgeted</b>
		\$ 0
		Account No. N/A (Description)
		Finance Approval <input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

This is a work session in preparation for the June 26, 2018 public hearing regarding the proposed Marriott Residence Inn at 4105 W State Route 89A. The work session is for discussion only. The June 26<sup>th</sup> public hearing will include possible action by the Council.

**Background:**

The following is a summary of the proposal; for more specific information about the proposal and staff's analysis, please review the Planning and Zoning Commission's April 17, 2018, Staff Report provided in Exhibit A. Public comments are included in Exhibit C and the draft minutes from the Planning and Zoning Commission's April 17, 2018 meeting are provided in Exhibit D. This project is being recommended for approval by the Planning and Zoning Commission in a 5-1 vote (Commissioner Klein opposed, Chair Losoff excused). Commissioner Klein's reasons for his no vote are provided in Exhibit E (Excerpt from Draft Minutes). Additional project documents, including architectural plans, engineering reports, and meeting materials for the Planning and Zoning Commission's meetings on the project can be accessed through the project page on the City's website at the following link:

<http://www.sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/marriott-residence-inn>

**Project Summary:**

The property is located in west Sedona at the corner of State Route 89A and Upper Red Rock Loop Road. The project site is currently vacant but is located on the same property as the recently completed Marriott Courtyard Hotel.

- The entire property is approximately 8.16 acres
  - Approximately 4.33 acres is developed with a Marriott Courtyard Hotel
  - Approximately 0.77 acres is zoned as Open Space
  - The remaining approximately 3.06 acres is currently vacant and is the site of the proposed project
- The property is currently zoned Lodging (L), allowing for a maximum of 121 lodging units
  - Current zoning was approved by the City Council on October 28, 2014 for the Marriott Courtyard Hotel
  - Construction was completed and the hotel opened in October 2016
- The Community Plan's Future Land Use Map designates the site as Commercial
  - The property is located within the Lodging Area Limits as defined by the Community Plan (page 29)
- The project would use the existing vehicular and pedestrian access to the site from State Route 89A and Upper Red Rock Loop Road
- The property is legally required to provide emergency access through the site from Park Place and Foothills South
- The existing vegetation onsite consists of a mixture of mature trees along with some shrubs
- The site is adjacent to a City wastewater pump station

The applicant's original proposal included a new lodging development, consisting of 88 lodging units. The proposal consists of 3 separate buildings on the south side of the property with the majority of the parking being located on the north side of the property closest to

State Route 89A and showed a mix of studio, 1-bedroom, and 2-bedroom units, with the majority of the units being studios. In addition, the original proposal included the following:

- Two (2) employee housing units
- Contribution of \$50,000 to the City's affordable housing fund
- Trailhead connection (to Skywalker Trail), trail parking (15 spaces), and USFS kiosk
- Shuttle service for guests
- Access easement to the City's odor treatment facility
- Public Art
- Other associated site improvements.

The applicant first met with City Staff in summer 2016 to discuss the project. The following is a timeline of the project to this point:

- September 2016: Application submitted for Conceptual Review
- November 1, 2016: Planning and Zoning Commission Site Visit and Conceptual Review Public Hearing
- January 2017: Application submitted for Comprehensive Review
  - Revised application documents submitted to staff in May 2017, July 2017, October 2017, January 2018, and March 2018.
- October 12, 2017: Planning and Zoning Commission Comprehensive Review Work Session
- April 17, 2018: Planning and Zoning Commission Comprehensive Review Public Hearing
  - The initial motion to recommend approval failed in a 2-4 vote (Chair Losoff excused)
  - The applicant proposed increasing the two (2) work force housing units to five (5) while maintaining other proposed community benefits. The 3 additional work force housing units would be obtained by converting three (3) lodging units into housing units, reducing the total number of lodging units to 85.
  - A second motion to recommend approval carried in a 5-1 vote Commissioner Klein opposed, Chair Losoff excused)
  - The associated Development Review and Conditional Use Permit applications were approved with 6-0 votes (Chair Losoff excused).
- May 23, 2018: City Council Zone Change and Development Agreement Work Session
- June 26, 2018 (Tentative Date): City Council Zone Change and Development Agreement Public Hearing

### *Zone Change Proposal*

The proposed zone change would increase the total number of permitted lodging on the property from 121 units to 206 units (increase of 85 units).

### *Need for a Zone Change*

The property is currently zoned Lodging (L). However, the City's L zoning district (LDC 629.03.B, Approvals Required) states:

*“Existing projects, properties or units, both within and outside of an existing L District designation or Planned Development District, including without limitations, those*

*presently owned and operated as hotels/motels, condominiums, town homes, planned developments, bed and bed breakfasts, country inns, and temporary use facilities, shall not increase the number of lodging units or be converted to hotel, motel, timeshare or similar lodging projects without first obtaining a rezoning approval.”*

Therefore, construction of additional lodging units would not be permitted under the current lodging zoning.

### **Evaluation of Proposal (Zone Change)**

When considering this Zone Change request, Staff evaluated the proposal based on the following:

- The Community’s Vision
- The Community Plan Land Use Designation of Commercial and the location of the property within the Lodging Area Limits
- Overall consistency with the Community Plan
- General consistency with Western Gateway Community Focus Area
- Community Benefits

After review and evaluation, staff believes that the request is generally consistent with the Community’s Vision, the Community Plan Land Use Designation of Commercial and its location within the Lodging Area Limits, the Western Gateway CFA Plan, and applicable goals and policies as enumerated in the Community Plan and outlined in this staff report, subject to the recommended conditions of approval (Exhibit B).

Further, the applicant is proposing community benefits that address housing, trail access, trail parking, and inclusion of a visitor information kiosk. The proposed development agreement will ensure that the representations made by the applicant are realized as the project is developed. For Staff’s complete and detailed evaluation, please refer to the Planning and Zoning Commission Staff Report, Exhibit A. However, because traffic is a significant concern, the City’s Public Works/Engineering traffic comments are included here:

#### *Traffic Report Review:*

Public Works staff completed their review of the amended traffic study, submitted on November 6, 2017 by Lyon Engineering. Many developments face traffic impact concerns and staff has ensured outstanding concerns have been addressed for this development proposal. Please see the following main issues, and their solutions.

1. **Concern:** How much will the traffic volume increase on Upper Red Rock Loop Road (URRLR) and SR89A?

**Analysis:** The traffic study has projected traffic increases in accordance with the Institute of Transportation Engineers (ITE) trip generation standards. The proposed development is expected to result in approximately 518 daily trips and a total of 41 to 43 peak hour trips.

**Result:** Per the City Code Chapter 14, ADOT requirements, and the Manual on Uniform Traffic Control Devices, further analysis and traffic mitigation is not warranted

based on the minimal traffic impact. However, an amendment was provided to address city concerns.

2. **Concern:** How is the intersection at URRLR and SR89A impacted? Will the intersection signals require adjustment?

**Analysis:** With the projected traffic volumes due to the development, queue time at the intersection of URRLR and SR89A will increase by an average of 3 to 4 seconds when heading westbound or eastbound on SR89A.

**Result:** The anticipated congestion impact to the intersection is minor, and the intersection will continue to operate with a good Level of Service (LOS). LOS is the measurement of quality of traffic service. No additional traffic controls or signal timing adjustments are warranted. Additionally, under the previous project, the Marriott Courtyard, two new right turn lanes, (one installed on URRLR heading northbound, and one installed east of the intersection) were constructed to mitigate projected traffic.

3. **Concern:** Do the roadway improvements from the Marriott Courtyard project on URRLR and SR89A need further improvements due to the Marriott Residence Inn?

**Analysis:** Queue times and queueing length have been accounted for when initially designed and constructed. There will be a minor queue time impact in the peak hour. Improvements to PZ16-00009 (ZC, DEV, CUP) Residence Inn the right turn lane are not necessary, and the length of the right turn lane on SR89A is as long as allowed by ADOT, due to existing site constraints.

**Result:** The impact from the Residence Inn development will not warrant further improvements to the roadway on URRLR and SR89A.

4. **Concern:** Was traffic data updated appropriately to account for new and existing peak traffic?

**Analysis:** The high school traffic was accounted for with input from school staff. Data was collected initially in June of 2014, and re-collected for this project on October 24, 2017. The actual traffic volume for right turn movements off of URRLR to SR89A is determined to be 9% lower than projected and left turn movements 68% lower than projected. The traffic analysis utilized the conservative projected numbers.

**Result:** Traffic volumes have been adequately accounted for including the high peak traffic during the school year. Existing traffic mitigation systems and infrastructure are adequate in its current state and shall only see minor impacts.

### **Development Agreement**

In order to ensure the various elements of the project are carried forward through the development of the project and after construction is completed, the recommended conditions of approval include that the applicant enter into a Development Agreement with the City. A Draft Development Agreement is included as Exhibit F and includes the following:

- A. Provision of five (5) employee housing units in compliance with the City's Development Incentives and Guidelines for Affordable Housing (DIGAH), including, but not limited to:

- i. All five (5) rental units shall be targeted to households earning up to 80% of the area median income adjusted for unit size in Yavapai County.
  - ii. Two (2) of the rental units shall be one (1) bedroom units, each approximately five hundred eighty five (585) square feet in size.
  - iii. Three (3) of the rental units shall be studio units, each approximately four hundred sixty three (463) square feet in size.
  - iv. The property owner shall adhere to DIGAH's Eligibility Criteria and Marketing and Application Process when renting the units.
  - v. The rental units and the property owner shall comply with all applicable development guidelines including, but not limited to:
    - 1. Tenants are entitled to the use of all on-site amenities, including pool, club house, BBQs, etc.
    - 2. Interior finish and quality of construction should be at a minimum be comparable to applicable entry level rental housing in the Verde Valley
    - 3. The units shall be available and remain affordable from the date of initial occupancy for as long as the Residence Inn remains a lodging use.
  - vi. Tenant preferences, in addition to income restrictions, shall be made first available to qualified Residence Inn and Courtyard Hotel employees. Second preference is for qualified school district and city of Sedona employees. Third preference is for qualified citizens at large.
  - vii. Any other applicable conditions.
  - viii. An annual report shall be submitted to the Community Development Department demonstrating compliance with conditions of approval and the DIGAH
- B. Contribution of \$50,000 to the City's Affordable Housing fund
  - C. Provision of trail connection, kiosk, and trail parking, including a public access easement for access to the parking and trailhead as well as signage allowing for public parking near the trailhead during daylight hours.
  - D. Provision of a shuttle for use by hotel guests to locations within a 10-mile radius of the hotel.
  - E. Developer shall record permanent emergency ingress and egress easements for both Park Place and Foothills South Subdivisions, at the locations depicted on the Residence Inn Site Plan.
  - F. Developer shall record a permanent access easement to the City for the ingress and egress and for the service and maintenance of the City's odor treatment facility, at the location depicted on the Residence Inn Site Plan
  - G. Connection to the Wastewater system
  - H. Payment of all applicable fees.

**Staff Recommendation**

Staff is recommending approval of the proposed zone change and development agreement based on compliance with ordinance requirements as conditioned, general consistency with



the Land Development Code and the requirements for approval of a zone change, consistency with and conformity to the Sedona Community Plan and Western Gateway Community Focus Area Plan and the compatibility with surrounding land uses and character of the surrounding area. These reasons are expounded on in this agenda bill, the Planning and Zoning Commission staff report (Exhibit A), the recommended conditions of approval and development agreement stipulations.

### **Planning & Zoning Commission**

The Planning and Zoning Commission held one site visit, one conceptual review public hearing, one work session, and one public hearing on the Zone Change, Development Review, and Conditional Use Permit applications. During the public hearing on April 17, 2018 for the zone change and development review, the Commission discussed the proposal at length. Comments and concerns related to the Zone Change application include the following:

- Concern about the traffic impacts from this project.
- Concern about the traffic associated with this project and how future traffic related to the development of the Cultural Park property will be managed.
- The need for more employee housing is not isolated to this project, but is a big picture, city issue.
- Employees who can live on site, helps reduce traffic impacts
- This type of project may help reduce the demand for Airbnbs
- A building of this size should use darker colors
- Landscaping fits the natural landscape, but more should be done to hide the parking lot
- Gabion wall works well
- Need to enhance entrance, perhaps give up a few parking spaces to add more landscaping
- Is inconsistent with the CFA Plan which provides for mixed use development
- Concern about Airbnb impacts
- Would like more information about the guests staying at a Residence Inn
- Does Fire have any issues with egress?
- Would like to see more than 2 work force housing units
- Whether a lodging moratorium is possible

Twenty-two members of the public spoke at the hearing – 10 expressed support for the project, 10 were not supportive and 2 were not clear on their position. The speakers comments are provided in the draft meeting minutes, Exhibit D.

The Commission's initial motion for approval failed in a 2-4 vote (Chair Losoff excused). However, after the applicant proposed increasing the work force housing from 2 units to 5 units, the Commission moved 5-1 (Commission Klein opposed, Chair Losoff excused) to forward a recommendation of approval to the City Council regarding the Zone Change with additional stipulations for a darker building color, enhanced entranceway landscaping, reduction of lodging from 88 to 85 units and an increase in work force housing units from 2 to 5, in addition to the other proposed community benefits.

Commissioner Klein's statements regarding his "no" vote are included in Exhibit E. The following is a summary of his reasons for opposing the project:

- Desire to look at the big picture, not just at this project [in isolation], regarding issues such as traffic, lack of housing for employees, and lack of use [on the City's part] of existing affordable housing fund
- His belief that the project does not comply with the Community Plan's Major Outcomes:
  - Housing Diversity. He believes that the project does not do anything for housing diversity; Would be more in favor if project included 12% of the lodging units as employee units [in accordance with the City's Development Incentives and Guidelines policy]
  - Community Gathering places. He did not believe that the projects provides community gathering places, as the BBQ and pool amenities are mainly for guests
  - Economic Diversity. He believes that the project does nothing for economic diversity. Most jobs are low paying, service related, so people can't afford to live here; He also cited Community Plan sections stating we should be less dependent on tourism and should attract more business owners and professionals.
  - Goal of Reducing Traffic – this project will increase traffic.
- Concluding statement from Commissioner Klein:
  - "We don't want to hurt our economy; we are a tourist-based economy and we want to make sure that is stable, but are we getting too many tourists here, looking at the amount of sales tax revenue? Finally, whether you say we don't need to comply with the little old language of the CFA, but the spirit, I don't think it complies with the CFA. The CFA that was put into place after the Development Agreement with the Marriott says that we should have a mix of use here – commercial, lodging and housing, and that is not happening, so I am not voting in favor of this"

At the same public hearing, the Commission moved unanimously (6-0, Chair Losoff excused) to approve the Development Review and Conditional Use Permit applications.

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

Staff believes that the proposed zone change as amended during the Commission's public hearing is in compliance with applicable Community Plan goals as enumerated in this Agenda Bill, the Planning and Zoning Commission Staff Report (Exhibit A), and accompanying background material, available online at:

<http://www.sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/marriott-residence-inn>).

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

On April 17, 2018, the Planning and Zoning Commission, in a 5-1 vote (Commissioner Klein opposed, Chair Losoff excused), recommended City Council approval of the zone change.

Exhibit E provides an excerpt of the Commission's draft minutes with Commissioner Klein's statement of reasons for denial.

**Alternative(s):**

**MOTION**

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

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**Staff Report**  
 PZ16-00009 (ZC, DEV, CUP)  
 Residence Inn  
 Summary Sheet



**City Of Sedona Community  
 Development Department**  
 102 Roadrunner Drive Sedona, AZ 86336  
 (928) 282-1154 · [www.sedonaz.gov/cd](http://www.sedonaz.gov/cd)

**Meeting Date:** April 17, 2018

**Hearing Body:** Planning and Zoning Commission

**Action Requested:** Consideration of Zone Change, Development Review, and Conditional Use Permit Applications

**Staff Recommendation:** Recommendation of approval, with conditions, of Zone Change; Approval, with conditions, of Development Review and Conditional Use Permit

**Location:** 4105 W State Route 89A

**Parcel Number:** 408-11-430B

**Owner:** Sedona Hospitality Group, LLC (Paul Welker)  
 7255 E Hampton Ave, Ste. 122; Mesa, AZ 85209

**Authorized Agent:** Architecture Plus (Mark Fredstrom)  
 2929 E Camelback Rd. #120; Phoenix, AZ 85016

**Project Summary:** Construction of a new 88 room Marriott Residence Inn, 2 Employee Housing Units, and associated site improvements

**Site Size:** ± 8.16 acres (entire site including the Marriott Courtyard)  
 ± 3.06 acres (Residence Inn project)

**Sedona Community Plan Designation:** Commercial

**Current Zoning:** Lodging (L) – 121 rooms and Open Space (OS)

**Proposed Zoning:** Lodging (L) – 209 rooms and Open Space (OS)

**Current Land Use:** Marriott Courtyard Hotel, Vacant

**Surrounding Properties**

	<b>Subdivision</b>	<b>Community Plan Designation</b>	<b>Zoning</b>	<b>Current Land Use</b>
<b>NORTHWEST</b>	n/a	Commercial, Public/Semi-Public, Planned Area	C-1, PD	Office Building, Yavapai College, Vacant
<b>NORTH</b>	n/a	Commercial/Lodging	PD	Sedona Summit (Timeshare)
<b>EAST</b>	Park Place; Foothills South	Multifamily Medium/High Density, Single Family Low Density	RM-2, RS-18a	Residential
<b>SOUTH</b>	n/a	National Forest	NF	National Forest
<b>WEST</b>	n/a	Commercial, Public/Semi-Public	C-1, CF	Vacant, Sedona Red Rock High School

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

## Attachments

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2. Applicant Submitted Materials <sup>1</sup>	
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<sup>1</sup>The following applicant submitted materials are not included in the Planning and Zoning Commission Packet but are available online on the Project Page (<http://sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/marriott-residence-inn>)

- i. Engineering Reports (Geotechnical Report, Traffic Study, Sewer Report, Water Report)
- ii. Surveys, Supplemental Maps, Letters of Serviceability



## **PROJECT SUMMARY**

The applicant is seeking a recommendation of approval for a Zone Change, and approval of a Development Review application, and Conditional Use Permit to allow for construction of an 88-room hotel, 2 employee housing units, and associated site improvements.

## **SITE CHARACTERISTICS (EXISTING)**

- The project site is one parcel of approximately 8.16 acres. Of that, approximately 4.33 acres has been developed as the Marriott Courtyard Hotel and approximately 0.77 acres is zoned Open Space, leaving approximately 3.06 acres for this proposal.
- The property is in Yavapai County.
- The property is partially developed with a Marriott Courtyard Hotel. The area proposed for this project is currently vacant.
- The property is not part of any subdivision.
- There is existing vehicular and pedestrian access to the site from State Route 89A and Upper Red Rock Loop Road.
- The property is not within a designated floodplain.
- The existing vegetation onsite consists of a mixture of mature trees along with some shrubs.
- The property is legally required to provide emergency access from Park Place and Foothills South through the site.
- The site is adjacent to a municipal pump station (part of the City's sewer system).

## **BACKGROUND**

The property proposed for development is zoned both Lodging (L) and Open Space(OS) and is currently partially developed with a 121 room Marriott Courtyard Hotel (Courtyard Hotel). The L zoning was approved by the Planning and Zoning Commission and City Council in 2014 (PZ14-00005) to allow for the construction of the Courtyard Hotel. Construction was completed and the Courtyard opened in October 2016. The property owner is now proposing to develop the remainder portion of the site with a Marriott Residence Inn (Residence Inn).

The applicant first met with City Staff in the Summer 2016 to discuss the current proposal. The following is a timeline of the project to this point:

- September 2016: Applicant submitted application for Conceptual Review
- November 1, 2016: Planning and Zoning Commission Site Visit and Public Hearing, Conceptual Review
- January 2017: Applicant submitted application for Comprehensive Review
  - In working with City Staff to address comments generated by the application materials, the applicant provided revised application documents to staff in May 2017, July 2017, October 2017, January 2018, and March 2018.
- October 12, 2017: Planning and Zoning Commission Work Session, Comprehensive Review
- April 17, 2018: Planning and Zoning Commission Public Hearing, Comprehensive Review
- Future Date TBD: City Council Public Hearing, Comprehensive Review (Zone Change)

Development of this site is permitted in accordance with the Land Development Code (LDC) requirements, including Article 6 (District Regulations), Article 9 (Development Standards), and Article 10 (Design Review Manual). However, the zoning designation of L requires a zone change for any project that increases the total number of lodging units on a property. The zoning approved under PZ14-00005 allowed for a maximum of 121 lodging units. Therefore, to build the additional 88 lodging units, a zone change to increase this number to 209 is required, along with Development Review for the buildings and site plan. Because the proposed site plan shows drainage facilities on the Open Space (OS) portion of the property a Conditional Use Permit (CUP) is required for construction of the drainage facilities.

## **PUBLIC INPUT**

- The proposal documents were placed on the Projects and Proposals page of the Community Development Department website ([www.sedonaaz.gov/projects](http://www.sedonaaz.gov/projects)).
- The applicant notified property owners within 300 feet of the subject property and held open houses on October 25, 2016 and January 17, 2017.
- The applicant's Citizen Participation Report is included in [Attachment 2.a](#).
- Required public noticing, including a posting on the property, a mailing to property owners within a 300-foot radius, and a notice in the Red Rock News, was completed for the Planning and Zoning Commission's April 17<sup>th</sup> Public Hearing.
- All notices contain contact information or directions on how to submit comments. All public comments received as April 10, 2018 are included in [Attachment 5](#).

## **REVIEWING AGENCY COMMENTS AND CONCERNS**

The application documents were routed to review agencies for comments. During the Conceptual and Comprehensive stages of review, comments were received from the following agencies and are included as [Attachment 4](#):

- a. City of Sedona Community Development
- b. City of Sedona Public Works
- c. Sedona Fire District
- d. United States Forest Service (USFS)
- e. Arizona Department of Transportation (ADOT)
- f. UniSource Energy Services
- g. Yavapai County Community Health Services

If multiple rounds of comments were provided by a single review agency, only the most recent comments are included.

## **COMMUNITY PLAN**

The project site is designated as Commercial on the Future Land Use Map and is within the Lodging Area Limits. The Commission should evaluate how this project implements the Community Plan, including recommendations for land use, housing, circulation, environment, and economic development.

In addition, the property is located within the Western Gateway Community Focus Area (CFA) in the Sedona Community Plan. Though the City has adopted a CFA Plan for this area, the lodging designation for this property was in place prior to the adoption of the CFA Plan; therefore, staff's review of the proposal is from the perspective of the spirit of the CFA as intended rather than a literal interpretation.



## **DEVELOPMENT PROPOSAL**

The applicant is proposing a new lodging development, Residence Inn, consisting of 88 lodging units. The proposal shows a mix of studio, 1-bedroom, and 2-bedroom units, with the majority of the units being studios. In addition, the proposal includes the following:

- Two (2) employee housing units
- Contribution of \$50,000 to the City's affordable housing fund
- Trailhead connection (to Skywalker Trail), trail parking (15 spaces), and USFS kiosk
- Shuttle service for guests
- Access easement to the City's odor treatment facility
- Public Art
- Other associated site improvements.

The proposal consists of 3 separate buildings on the south side of the property with the majority of the parking being located on the north side of the property closest to State Route 89A. For the lodging development to be constructed, the following must be approved:

1. Zone Change (ZC), rezoning the property to increase the number of allowed lodging units from 121 units to 209 units (an increase of 88 units)
2. Development Review (DEV) for the proposed buildings and site plan
3. Conditional Use Permit (CUP) for the placement of flood control (drainage) facilities on the Open Space portion of the property.

### *Phasing*

The project is proposed to be developed in a single phase.

### *Access and Traffic*

- Vehicular access to the site is existing via the restricted right-in/right-out entrance on State Route 89A and two additional access points on Upper Red Rock Loop Road. The access to Upper Red Rock Loop Road provides access to a signalized intersection.
- No new access points are proposed; the Residence Inn would share access with the Courtyard Hotel.
- A traffic study has been submitted.

### *Pedestrian Traffic and Connectivity*

- There is an existing sidewalk along both the northern (State Route 89A) and western (Upper Red Rock Loop Road) property lines.
- Pedestrian connections are provided from the existing sidewalk to the building(s) and between the proposed Residence Inn and existing Courtyard Hotel.

### *Parking*

- The proposed development requires 108 parking spaces. The Site Plan shows 112 spaces.
- Though not designated as separate spaces, parking by the proposed trailhead will be available for public use during the day time when parking demand for the hotel is lowest.
- The parking lot will be asphalt.
- Parking areas are proposed to be screened by landscaping along with a 3-foot-tall screen wall on top of a 2 foot tall berm in response to Commission input at previous meetings. The landscaping and screen wall will be a continuation of the screen walls and landscaping at the Courtyard Hotel.

#### *Preliminary Drainage Report and Grading Plan*

- The applicant has provided a preliminary drainage report and grading plan.
- The site plan shows subsurface retention under the north and west parking lots.
- The site plan shows a riprap channel and retaining wall on the open space portion of the parcel, which requires approval of a Conditional Use Permit.

#### *Wastewater Disposal*

- The property can connect to the City's Wastewater System.
- The applicant has submitted a sewer analysis.

#### *Sedona Land Development Code: Article 9 (Development Standards) and Article 10 (Design Review Manual)*

- Staff has conducted a comprehensive review of the plans for conformance with the City's Development Standards and Design Review Manual. Staff's evaluation is included as [Attachment 3.b](#) (Development Standards Checklist) and [Attachment 3.c](#) (Design Review Manual Checklist).
- The Letter of Intent includes the applicant's summary of how the project complies with the intent of LDC Articles 9 and 10.

#### *Vegetation and Landscaping*

- The applicant has provided a full landscape plan.
- The applicant is proposing to continue the landscaping theme and style from the existing Courtyard Hotel onto this project site.
- An evaluation of the landscape plan is included in the Development Standards Checklist ([Attachment 3.b](#)).

#### *Signage*

- The applicant has submitted proposed sign plans showing a monument sign at the driveway entrance and a wall sign on the building.
- The applicant is proposing to use halo lit channel letters for the wall sign and an internally illuminated sign.
- As the project was submitted prior to adoption of the City's new sign ordinance, the previous sign ordinance is being used in evaluating the signs. However, the applicant has made changes to bring the signs into closer conformance with the new sign ordinance.
- Prior to approval of the monument sign, the property must be split from the Courtyard property.

#### *Outside Lighting*

- The applicant has submitted an outdoor lighting plan.
- Based on the size of the Residence Inn portion of the property, a total of 306,000 lumens would be permitted.
- The outdoor lighting plan shows a total of 64,540 lumens.
- An evaluation of the outdoor lighting plan is included in the Development Standards Checklist ([Attachment 3.b](#)).

#### *Mechanical Equipment*

- Mechanical equipment will be screened by parapets or screen walls.

- The dumpster enclosure is shown on the north side of the site near the lift station enclosure and will be constructed to reflect the character of the building.

#### *Utilities*

- All required utilities are on site and in use at the Courtyard Hotel. These utilities will be extended to provide service to the proposed Residence Inn.

### **EVALUATION BY OTHER CITY DEPARTMENTS**

As part of the review application for development applications, City departments other than Community Development are given the opportunity to review, comment, and evaluate the proposal for compliance with any applicable plans. For this project, a response was received from the Public Works Department and the Economic Development Department.

#### **Public Works Department**

##### *Traffic Report Review:*

Public Works staff has completed their review of the amended traffic study, submitted on November 6, 2017 by Lyon Engineering. Many developments face traffic impact concerns, staff has ensured outstanding concerns have been addressed for this development proposal. Please see the following main issues, and their solutions.

1. **Concern:** How much will the traffic volume increase on Upper Red Rock Loop Road (URRLR) and SR89A?

**Analysis:** The traffic study has projected traffic increases in accordance with the Institute of Transportation Engineers (ITE) trip generation standards. The proposed development is expected to result in approximately 518 daily trips and a total of 41 to 43 peak hour trips.

**Result:** Per the City Code Chapter 14, ADOT requirements, and the Manual on Uniform Traffic Control Devices, further analysis and traffic mitigation is not warranted based on the minimal traffic impact. However, an amendment was provided to address city concerns.

2. **Concern:** How is the intersection at URRLR and SR89A impacted? Will the intersection signals require adjustment?

**Analysis:** With the projected traffic volumes due to the development, queue time at the intersection of URRLR and SR89A will increase by an average of 3 to 4 seconds when heading westbound or eastbound on SR89A.

**Result:** The anticipated congestion impact to the intersection is minor, and the intersection will continue to operate with a good Level of Service (LOS). LOS is the measurement of quality of traffic service. No additional traffic controls or signal timing adjustments are warranted. Additionally, under the previous project, the Marriott Courtyard, two new right turn lanes, (one installed on URRLR heading northbound, and one installed east of the intersection) were constructed to mitigate projected traffic.

3. **Concern:** Do the roadway improvements from the Marriott Courtyard project on URRLR and SR89A need further improvements due to the Marriott Residence Inn?

**Analysis:** Queue times and queueing length have been accounted for when initially designed and constructed. There will be a minor queue time impact in the peak hour. Improvements to

the right turn lane are not necessary, and the length of the right turn lane on SR89A is as long as allowed by ADOT, due to existing site constraints.

**Result:** The impact from the Residence Inn development will not warrant further improvements to the roadway on URRLR and SR89A.

4. **Concern:** Was traffic data updated appropriately to account for new and existing peak traffic?

**Analysis:** The high school traffic was accounted for with input from school staff. Data was collected initially in June of 2014, and re-collected for this project on October 24, 2017. The actual traffic volume for right turn movements off of URRLR to SR89A is determined to be 9% lower than projected and left turn movements 68% lower than projected. The traffic analysis utilized the conservative projected numbers.

**Result:** Traffic volumes have been adequately accounted for including the high peak traffic during the school year. Existing traffic mitigation systems and infrastructure are adequate in its current state and shall only see minor impacts.

### **Economic Development Department**

Workforce is a relevant and significant concern for businesses and the overall Sedona community. Housing for our labor force is also a serious concern for employees and employers.

The business will designate two units for employee housing as well as contribute to the city's affordable housing fund. Additionally, this project may have the potential to serve interim housing needs for visiting employees and those residents who may need a place to stay while in between housing options.

While this may help move in the right direction of addressing affordable workforce housing in Sedona, the Residence Inn may still have issues with acquiring and maintaining its own employees. The business is encouraged to think outside of the box as it thinks about hiring and retaining staff. This may include additional housing options, competitive wages and benefits, and other employee recruitment strategies.

### **PUBLIC COMMENT**

The following is a summary of the comments received by Staff. All written comments received by Staff are included as [Attachment 5](#).

- General support for the project, particularly as it will be developed in a manner that will complement the Marriott Courtyard.
- Support for a hotel in this location rather than other commercial uses.
- Questions regarding the landscape plan, particularly regarding the landscaping between the site and the Foothills South Subdivision
- Concern regarding a potential increase to trash on the trails.
- Comments regarding the need to ensure that the existing emergency access from the neighboring subdivisions be maintained and given a permanent easement.

The applicant held public meetings for the project on October 25, 2016 and January 17, 2017. These meetings are summarized in the Citizen Participation Report ([Attachment 2.a](#)). In addition, the applicant has included a letter of support from the Foothills South Owner's Association with their Letter of Intent.

## **PLANNING AND ZONING COMMISSION REVIEW**

The Planning and Zoning Commission conducted a site visit and conceptual review of this project on November 1, 2016. On October 12, 2017, the Planning and Zoning Commission held a work session on the comprehensive submittal. The meeting materials and minutes from that meeting can be reviewed online at the following link: <http://www.sedonaaz.gov/your-government/council-commissions-committees-boards/meetings-documents/-cfs-2385>.

The questions the Commission asked were either answered during the work session or are answered in the resubmitted documents. However, due to the length of time since the work session, the Commission is encouraged to review the submitted materials and ask any additional questions that may arise as a result of review of these materials.

## **REVIEW GUIDELINES**

The following is requested from the Planning and Zoning Commission:

<b>ZONE CHANGE</b>	Recommendation from the Commission to the City Council
<b>DEVELOPMENT REVIEW</b>	Review of Proposal – Final Action
<b>CONDITIONAL USE PERMIT</b>	Review of Proposal – Final Action

## **DISCUSSION (ZONE CHANGE)**

The zone change component proposes to increase the number of allowed lodging units on the subject property from 121 to 209. This would allow for the existing 121 room Courtyard Hotel as well as the proposed 88 room Residence Inn. LDC Section 629.03 (Lodging District, Approvals Required), requires the approval of a rezoning application in order to increase the number of lodging units permitted. The portion of the property zoned Open Space (OS) is not a part of the zoning application.

In considering an application for a Zone Change, the review process is guided by Section 400 (Amendments) of the Land Development Code. Zone Change applications are reviewed for conformance with the Community Plan, CFA Plans, and other adopted plans and policies of the City, if applicable. In accordance with the Land Development Code, Section 400.10, in order to mitigate the negative impact of the applicant's proposed use on citizens and surrounding properties and to assure compatibility with adjacent land uses, the Commission may recommend, and the Council may approve, a rezoning conditioned upon one or more of the following:

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

## **Evaluation of Proposal (Zone Change)**

When considering this Zone Change request, Staff evaluated the proposal based on the following:

- The Community's Vision

- The Community Plan Land Use Designation of Commercial and the location of the Lodging Area Limits
- Overall consistency with the Community Plan
- General consistency with Western Gateway Community Focus Area
- Community Benefits

### *The Community's Vision*

The Sedona Community Plan Vision states that the plan:

- nurtures connections between people,
  - The proposed hotel includes multiple common areas in which guests can connect with each other, including patios, BBQ area, and pool area. Based on the Letter of Intent, the applicant anticipates that this lodging project will be used by people desiring longer term stays, including people who have been displaced from their homes, people relocating to the area, or people on long term work assignments in the area. Due to this, there is the potential for this project to have more of a residential feel than a typical lodging project, making the ability to connect with others more significant for this project than for other lodging projects.
- encourages healthy and active lifestyles, and
  - This project will provide a direct connection from the property onto Forest Service lands and Forest Service trails. The trail from the property will connect to the Skywalker Trail. Trails in this area were recently expanded with the help of a contribution the applicant made during the construction of the Courtyard Hotel. In addition to providing a connection for hotel guests, additional trailhead parking will be available to the general public during the day when parking for the hotel is at its lowest demand. In addition to the direct connection to the trail, the hotel will also provide shuttle services for guests to locations within a 10-mile radius of the hotel, providing for easy and convenient access to the trail system throughout the area.
- supports a diverse and prosperous economy,
  - Though this adds to the lodging inventory in the City, the applicant has stated in their letter of intent that they believe this project introduces a new and different lodging product to the area, specifically one that allows for longer-term stays. This may help employers attract new employees, as they would have a temporary housing solution available while they look for permanent housing or wait for a home sale to close. Further, employees who only anticipate being in Sedona for a few months would be able to live here without needing to find housing that could potentially require a longer lease than they need.
  - Due to its proximity to the medical center, this type of lodging can be appropriate for individuals undergoing medical treatment, families of those undergoing medical treatment, or traveling medical professionals looking for temporary housing.
- with priority given to the protection of the environment.
  - During the Courtyard Hotel project, the applicant was able to reuse a significant amount of the rock from the site in their landscaping and screen walls. In addition, the applicant was able to transplant several the trees with a positive survival rate. The applicant intends to continue the same practices of reusing materials and transplanting trees for this project.

*Commercial, within Lodging Area Limits, Community Plan Land Use Designation*

The property is designated Commercial on the Future Land Use Map. In addition, this property is within the Lodging Area Limits as outlined on Page 29 of the Community Plan. This designation allows for general commercial and lodging uses. The proposed project fits within this existing designation.

*Western Gateway Community Focus Area*

This site is within the Western Gateway Community Focus Area (CFA) Plan Area. A CFA Plan for this area was adopted by City Council in May 2016 and provides guidance for future development of the area.

The lodging zoning for this property was originally established on October 28, 2014, as a part of the Courtyard project. As the entire site is currently one property, the entire property was rezoned to Lodging (L), but only permitted a maximum of 121 lodging units to be built. The applicant is now requesting that the previously approved zoning be amended to allow for an additional 88 lodging units.

As the original Lodging zoning was established prior to the adoption of the Western Gateway CFA Plan, some of the specifics included in the CFA Plan are not applicable to this project in the same way that they would be if this was a new Lodging zoning designation. The original Lodging zoning was reviewed for general compliance with the Community Expectations of this area, including the following:

- Maintain access to National Forest trails.
  - The original zoning (Courtyard Hotel) met this expectation by contributing money to the Sedona Red Rock Trail Fund specifically to fund the construction of five (5) miles of new trails in the immediate vicinity of the hotel as well as providing wider sidewalks along Upper Red Rock Loop Road for pedestrian access to the new trails.
  - The current proposal further increases access to National Forest trails by providing a connector trail and trailhead along with parking on site that will be open to the public.
- Preserve natural open space on ridgelines and along highway.
  - The original zoning met this expectation by setting the hotel back from the road and providing native vegetation and landscaping along the highway along with reusing rock harvested for the site in the drainage ways and landscape walls, giving the area along the highway a natural appearance.
  - The current proposal will continue this landscape and hardscape theme along the highway frontage.
- Provide visitor information and promote as a Sedona gateway with parking facilities that could also be linked to transit.
  - The original zoning provides increased landscaping and public art at the corner of Upper Red Rock Loop Road and State Route 89A as a gateway feature, pedestrian access to the corner gateway feature, and a new transit stop within the deceleration lane on State Route 89A.
  - The current proposal will continue to meet this expectation by continuing the landscape theme and including additional public art at the northwest corner of the site (intersection of State Route 89A and Upper Red Rock Loop Road). While the specifics of the public art are unknown at this time, the applicant has committed to continuing the theme (bronze animals), in a dollar amount equal to or greater than the public art requirement which is estimated to be \$33,629.32, based on the current proposal of 66,540 square feet and the current contribution rate of 50.54 cents per square foot. Land Development Code Article 18 (Public Art) allows for the Director to review and approval art proposals.

While the applicant has continued to meet the general expectations for the area under which the original zoning was reviewed and approved, the applicant did attempt to comply with the recommendations in the CFA Plan and the CFA's Southside 89A Character Area:

- Inclusion of multi-family (apartment) units
  - The proposal includes two (2) employee housing units and a \$50,000 contribution to the City's dedicated affordable housing fund.
- Building alignment perpendicular to the street
  - The main building facing the street has three separate "wings" that are aligned perpendicular to the street. Though all connected and one building, each wing is separated by a large courtyard to give the appearance of separate buildings aligned perpendicular to the street while the connection between the wings allows for increased functionality of hotel services within the building.
- Parking located behind the building and not visible from the public ROW and smaller parking lots rather than large parking lots
  - Though there are small parking areas on the east and west sides of the building, most of the parking is in front of the building. The applicant chose this design to align the new parking lot with the existing parking lot at Courtyard Hotel, as well as the location of required emergency access easements to the neighboring subdivisions (Park Place and Foothills South), and new easement to the wastewater facilities in the northeast corner of the site. Additionally, the applicant felt this location will reduce grading work by placing the parking lot on the previously disturbed, flat areas of the site while placing the buildings on the more challenging slopes on the southern side of the site. Based on Commission input, the location of the parking lot is mitigated by a 3-foot gabion screen wall on top of a 2-foot berm and additional landscaping along the street frontage.
- Provision of shuttle to other areas of town
  - The Courtyard Hotel project currently provides shuttle service to various areas of town. This service will also be available for guests at the Residence Inn. While the letter of intent states that shuttle service will go to areas within a 5-mile radius of the hotel, Staff has requested that the applicant increase that radius to 10 miles. Due to the hotel's location on the west side of town, many of the trailheads along State Route 179 would not be within a 5-mile radius of the hotel. The applicant has been agreeable to this increase in radius for shuttle service.
- Trailhead parking or trail access and visitor information
  - The proposal includes trailhead parking and trail access. This access is being proposed at the southwestern corner of the site, between the Courtyard Hotel and Residence Inn buildings. In addition, the applicant has stated that public parking will be allowed for trailhead access. No specific spaces are designated, as trailhead parking is expected to be in demand during the day when hotel guests are not using the spaces. However, Staff is recommending that a public access and parking easement be recorded to ensure the proposed public access is maintained and the area include signs indicating daytime public parking for the trailhead use.

### *Community Benefits*

#### Housing

The provision of community benefits to address community needs is an important consideration in all requests for a zone change. Providing affordable housing as part of a request for a zone change is considered to be a community benefit that meets an established community need. Ensuring an



adequate supply of affordable housing in Sedona is a City Council priority and is also identified as an important need in the Sedona Community Plan.

In reviewing this community benefit proposal, staff used the City's Development Incentives and Guidelines for Affordable Housing (DIGAH). The DIGAH provides four different methods of providing affordable housing: 1) On-site; 2) Off-site; 3) Payment in-lieu of construction; and 4) dedication of land to the City or non-profit for housing. The DIGAH recommends that affordable housing units associated with lodging developments should equal 12% of the number of lodging units proposed. Based on the proposed 88 new lodging units, 10.56 affordable housing units could be expected to be provided. However, the community benefit of housing is not the sole community benefit being proposed by the applicant.

The original application submitted in 2016 proposed 4 employee housing units. However, that application was amended and currently proposes 2 employee housing units and a \$50,000 contribution to the City's dedicated affordable housing fund. Based on the DIGAH, staff recommends the following to be part of the conditions of approval and incorporated into a development agreement:

- Both rental units shall be targeted to households earning up to 80% of the area median income adjusted for unit size in Yavapai County.
- Both rental units shall be a minimum of one (1) bedroom and a minimum size of 600 square feet.
- The property owner shall adhere to DIGAH's Eligibility Criteria and Marketing and Application Process when renting the units.
- The property owner shall agree to, sign and record with Yavapai County a Land Use Restrictions agreement
- The rental units and the property owner shall comply with all applicable development guidelines including, but not limited to:
  - Tenants are entitled to the use of all on-site amenities, including pool, club house, BBQs, etc.
  - Interior finish and quality of construction should be at a minimum be comparable to applicable entry level rental housing in the Verde Valley
  - The units shall be available and remain affordable from the date of initial occupancy for as long as the Residence Inn remains a lodging use.
- Tenant preferences, in addition to income restrictions, shall be made first available to qualified Residence Inn and Courtyard Hotel employees. Second preference is for qualified school district and city of Sedona employees. Third preference is for qualified citizens at large.
- Any other applicable conditions.
- An annual report shall be submitted to the Community Development Department demonstrating compliance with conditions of approval and the DIGAH

#### Trailhead Access and Parking

Another community benefit proposed is trailhead access and public trailhead parking. Staff is recommending that the parking area closest to the trailhead be signed with public parking signs for trail use during daylight hours.

#### Visitor Information Kiosk

The applicant is also proposing to include a visitor information kiosk in the vicinity of the trailhead. This is also considered a community benefit.

### *Overall consistency with the Community Plan*

Staff evaluated the proposal for overall consistency with the Community Plan. The Community Plan Checklist ([Attachment 3.a](#)) provides a full evaluation of the proposal in relation to applicable Community Plan goals, policies, and CFA Expectations.

### **Findings of Fact**

- The Future Land Use Designation is Commercial and the property is within the Lodging Area Limits.
- The surrounding properties have zoning designations of Commercial, Lodging, Multi-family Residential, and Single-family Residential.
- The proposed increase to the number of lodging units permitted for a lodging product designed for long-term stays is compatible with surrounding zoning designations, as it provides a transition between the traditional lodging at Courtyard to the west and the multi-family (Park Place) and single-family (Foothills South) zoning to the east.
- The property is located within the Sedona Community Plan's Western Gateway CFA.
- The proposal is generally consistent with the Western Gateway CFA Plan adopted by the Sedona City Council in May 2016.

In conclusion, staff believes the request is generally consistent with the Community's Vision, the Community Plan Land Use Designation of Commercial, and its location within the Lodging Area Limits, the Western Gateway CFA Plan, and applicable goals and policies as enumerated in the Community Plan and outlined in this staff report, subject to the recommended conditions of approval listed at the end of this staff report. Further, the applicant is proposing community benefits that address housing, trail access, trail parking, and inclusion of a visitor information kiosk.

### **Staff Recommendation**

Staff is recommending the Commission forward a recommendation of approval of the proposed Zone Change based on the following:

1. The proposal is in substantial compliance with the Sedona Community Plan and Western Gateway CFA Plan.
2. The proposed increase to the number of lodging units will allow construction of a lodging type not currently in Sedona.
3. The additional amenities offered with the proposal will contribute to the City's goals for housing, sustainable development, design, and trail access.
4. The proposed Development Agreement will ensure that the representations made by the applicant in the project application are realized as the project is developed.

### *Conditional Zone Change*

As permitted by LDC 400.10.A and associated State Statutes, Staff is recommending that the zone change be conditioned on the following:

1. Development in accordance with a specific schedule for the development of specific improvements or uses for which zoning is requested
2. Development in accordance with a specific Site Plan or a Site Plan to be subsequently approved under this Code
  - As recommended by Staff, the zoning would be conditioned upon construction of the project as approved by the Planning and Zoning Commission and City Council, including the provision of community benefits as outlined in the letter of intent and this staff

report. If building permits have not been issued and construction is not underway within two (2) years of approval, the City Council would have the option to revert the zoning to the current allowance of 121 rooms.

3. Modifications in the otherwise applicable floor area ratio, lot coverage, building height, or density.
  - As outlined in the Development Review section, development of this project as proposed will require modifications in various development standards; these include:
    - i. LDC 903.03.A.6: Requires lodging buildings or structures to be limited in height such that 20% or more of the building footprint shall be limited to no more than 16 feet in height (or up to 5 feet higher in the case of gable or hip roofs); the portion of the building subject to this regulation shall be unbroken and not separated into smaller areas, and shall be visible from both sides of the longest elevation.
      1. None of the buildings meet this requirement.
    - ii. LDC 903.03.B: Required Massing: Requires each of the buildings to have 3 masses in both plan and elevation view.
      1. Building A meets this requirement while Buildings B and C do not.
    - iii. LDC 903.03: Walls and Fences: Limits walls to 3-feet tall in the front yard setback
      1. The applicant has proposed a 3-foot tall wall on top of a 2-foot tall berm, for an overall height of 5 feet.
  - As outlined in the Development Review section, staff believes that these modifications are appropriate for the project, do not create negative visual impacts, and, as proposed, even with the modifications, the buildings meet the intent of the development standards.
  - The modifications proposed are specific to the project as currently proposed and any future changes to the building will be required to comply with the development standards in place at that time unless a separate modification is approved.

## **DISCUSSION (DEVELOPMENT REVIEW)**

*\*\* The following discussion is provided under the assumption that the associated rezoning to increase the number of lodging units is approved. If the rezoning is not approved, the Development Review application would not be applicable. \*\**

In considering an application for Development Review approval, the review process is guided by the considerations noted in Article 4 (Review Procedures), Section 401.06 (Considerations) of the Land Development Code:

- A. Does the application comply with all of the applicable provisions of this Code and all other ordinances?
- B. Has the applicant made a substantial, good faith attempt to comply with the design standards set forth in Article 10 SLDC, Design Review Manual?
- C. Are the proposed uses in general conformance with the applicable goals, objectives and recommendations described in the Sedona Community Plan and adopted specific plans as manifested in the Land Development Code and Design Review Manual?
- D. Does the proposed development reasonably attempt to address concerns cited by participating reviewing agencies with jurisdiction in the areas of public health and safety?
- E. Does the proposed development reasonably attempt to integrate into the natural environment with minimal disturbance to view corridors, existing native vegetation and/or established

landscaping, the natural topography of the site, natural drainage ways, known wildlife habitats, rock outcrops, and other natural features?

- F. Does the proposed development reasonably attempt to integrate into, and become compatible with, the built form of surrounding properties and existing developments with regard to building height and character, landscaping, signage, building materials, historical structures or features, landscaping, exterior lighting and pedestrian and vehicular circulation?
- G. Are the proposed vehicular ingress, egress, internal traffic circulation, off-street parking facilities, loading and service areas and solid waste collection facilities reasonably designed to promote public safety and convenience?
- H. Is pedestrian and bicycle circulation facilitated, where reasonably feasible and possible, both on and off site, through interconnected passages, pathways and plazas that are designed to promote public safety and convenience?
- I. Does the proposed development provide legally compliant facilities for people with disabilities?
- J. Has the applicant made a good faith effort to address concerns of the adjoining property owners in the immediate neighborhood as defined in the Citizen Participation Plan for the specific development project?

### **Evaluation of Proposal (Development Review)**

*Finding A: Does the application comply with all of the applicable provisions of this Code and all other ordinances?*

Based on Staff's evaluation, there are a number of modifications to Development Standards that will need to be approved for this project to be constructed as currently proposed. For a complete, detailed evaluation of each proposed modification, please see [Attachment 3.b](#) Development Standards Checklist. The proposed modifications include the following:

- 1. LDC 903.03.A.6: All commercial, lodging or public/semi-public buildings or structures shall be limited in height such that 20% or more of the building footprint shall be limited to no more than 16 feet in height (or up to 5 feet higher in the case of gable or hip roofs, in accordance with subsection 903.03(A)(4)(c) of this section). The portion of the building subject to this regulation shall be unbroken and not separated into smaller areas, and shall be visible from both sides of the longest elevation.
  - o While each of the buildings proposed have portions that are under 16 feet (or 21 feet for sloped roofs) in height, none of these sections meet the requirement that they be unbroken, not separated into smaller area, and be visible from both sides of the longest elevation. Building A, which is the most visible from the public right-of-way, comes the closest to meeting this requirement and the majority of the area under the height limitation is visible from the public right-of-way. Buildings B and C do not meet this requirement either, however, these buildings are largely shielded from the public right-of-way by Building A.
  - o Staff is supportive of this modification, as the buildings are designed with sufficient changes in height and massing to meet the intent of this section. In addition, Staff does not believe that decreasing the heights of the buildings in order to comply with this section would have a positive impact on view corridors based on the location of the buildings on the site.
- 2. LDC 903.03.B: Required Massing
  - o Based on the sizes of the buildings, all 3 buildings would be required to have 3 masses in plan and elevation view. While Building A meets this requirement, Building B only has 2 masses in both plan and elevation view while Building C only has one mass in both plan and elevation view. Both Buildings B and C incorporate a number of offsets throughout

the building through use of balconies and patios. However, none of these are offsets in the building footprint and none are large enough to be considered a mass under this section. The buildings incorporate a number of changes in materials, using a significant amount of natural stone and other accents in the building design, serving to break up building planes. While none of these meet the definition of a mass, they are proposed to meet the intent of this section of not having large unbroken building planes.

- Staff is supportive of this modification, as both buildings B and C are largely hidden from view from the public right-of-way, changing the design of the buildings would not be noticeable to the general public, and the design of the buildings meets the intent of the massing section.
3. LDC 903.03: Walls and Fences
- The applicant has proposed a 3-foot screen wall along the front property line on top of a 2-foot berm, for an overall height of 5 feet. The LDC allows for walls with a maximum height 3 feet in this location. This wall height is in direct response to comments from the Planning and Zoning Commission regarding a desire for more substantial parking lot screening for the new parking lot than the parking lot at the Courtyard project.
  - Staff is supportive of this modification, as it provides significant screening of the parking area, is in response to a request from the Planning and Zoning Commission, and does not impact any visibility triangles.

As this project also includes a zone change request, these modifications may be considered and included in the conditional zone change approval, which allows for conditions to be placed on a project including:

1. Development in accordance with a specific schedule for the development of specific improvements or uses for which zoning is requested; and
2. Development in accordance with a specific Site Plan or a Site Plan to be subsequently approved under this Code; and
3. Modifications in the otherwise applicable floor area ratio, lot coverage, building height, or density.

The modifications, as proposed and conditioned would be specific to the development review project currently under consideration. The modifications would not be a blanket modification for the property and, if the applicant proposes and changes to the project in the future, they would be reviewed for compliance with applicable Land Development Code Requirements.

*Finding B: Has the applicant made a substantial, good faith attempt to comply with the design standards set forth in Article 10 SLDC, Design Review Manual?*

Based on Staff's evaluation, the development proposal complies with the majority of the design standards as set forth by the Design Review Manual (See [Attachment 3.c: Design Review Manual Checklist](#)). The areas where the project did not achieve full compliance include the Design Review Manual's (DRM) sections related to preservation of existing vegetation, including the following:

1. DRM 2.2: Site Design, Sensitivity to Natural Features
2. DRM 2.6: Parking, Parking Area Design
3. DRM 4.2: General Principles of Landscape Design, Preservation of Existing Vegetation and Topographic Features.
  - The site has been designed to use the previously disturbed areas for parking lots, with the buildings stepping down and following the terrain on the steeper sections of the

- site. However, the majority of the natural vegetation is proposed to be removed during the construction process. While the applicant has proposed to transplant as many trees as possible, protecting and preserving trees in place is preferred over transplanting.
- o Earlier comments from Staff to the applicant to make changes to the site plan to work around the existing trees, protecting them in place rather than removing and attempting to transplant them. The applicant chose to not make any changes to the site plan in response to these comments. Regardless, all attempts shall be made to preserve the trees either through transplanting or saving in place. This is included as a recommended condition of approval.

The project is in compliance with all other areas in the DRM, and in many areas, the project exceeds the minimum expectations set forth by the DRM. Therefore, Staff believes that, as a whole, the proposal conforms with the intent of the DRM and the applicant has made a substantial, good faith attempt to comply with the applicable design standards.

*Finding C: Are the proposed uses in general conformance with the applicable goals, objectives and recommendations described in the Sedona Community Plan and adopted specific plans as manifested in the Land Development Code and Design Review Manual?*

As the property is designated Commercial and is within the Lodging Area Limits, the proposed use as a hotel is in conformance with the Sedona Community Plan. The applicant has made a good faith effort to comply with the recommendations of the Western Gateway CFA Plan. Further, the associated zone change will allow for development of the site as an 88 room hotel, which is what is proposed under the Development Review. Based on Staff's evaluation, and as detailed under Findings A & B, the current proposal meets the requirements and the intent of the Land Development Code and Design Review Manual.

*Finding D: Does the proposed development reasonably attempt to address concerns cited by participating reviewing agencies with jurisdiction in the areas of public health and safety?*

The proposal has been routed to all applicable review agencies. All comments have been addressed in the design of the site plan and building. Any outstanding comments related to future conditions that will be reviewed for and verified during building permit review.

*Finding E: Does the proposed development reasonably attempt to integrate into the natural environment with minimal disturbance to view corridors, existing native vegetation and/or established landscaping, the natural topography of the site, natural drainage ways, known wildlife habitats, rock outcrops, and other natural features?*

The proposal places the buildings on the southern portion of the site, away from State Route 89A. This will lead to a minimal disturbance in view corridors from the highway while taking advantage of the view corridors within the site and from the proposed rooms. The proposed development places parking in previously disturbed areas and proposes the buildings to be constructed on areas of steeper topography, allowing the buildings to step with the land. While the development does not propose to preserve the existing vegetation on site, the applicant has stated that they will transplant as many trees as possible to other locations within the site. The applicant experienced good success with transplanting during the Courtyard project and will be using the same methods for this project. Staff has included the requirement to transplant trees as a condition of approval. The landscaping plan consists of primarily native vegetation; few adaptive plants are currently proposed. There are no natural drainage ways, known wildlife habitats, rock outcrops, or other natural features that should be preserved.

*Finding F: Does the proposed development reasonably attempt to integrate into, and become compatible with, the built form of surrounding properties and existing developments with regard to building height and character, landscaping, signage, building materials, historical structures or features, landscaping, exterior lighting and pedestrian and vehicular circulation?*

The development has been designed to be compatible with the neighboring Courtyard Hotel. Building heights are roughly similar, landscaping and signage will be a continuation of the landscaping and signage at the Courtyard, and building materials are complementary. While there are no other significant commercial buildings in the vicinity, the applicant has worked with the neighboring Homeowner's Associations and have indicated that they have addressed all concerns brought forward to the best of their ability. There are no historical structures to consider. The development uses and expands on existing pedestrian and vehicular circulation patterns, connecting to existing sidewalks along the highway and aligning the new parking lot with the existing parking lot at Courtyard. No additional curb cuts on State Route 89A are proposed and the development incorporates existing emergency access easements from the neighboring subdivisions.

*Finding G: Are the proposed vehicular ingress, egress, internal traffic circulation, off-street parking facilities, loading and service areas and solid waste collection facilities reasonably designed to promote public safety and convenience?*

The proposed vehicular circulation patterns use existing curb cuts and extend on the established parking facilities at the Courtyard Hotel project. The proposed parking areas also provide for loading areas and waste collection that have been designed to allow ease of access and to not block the main driveways. All vehicular areas have been designed in accordance with the Land Development Code requirements and have been reviewed by the Sedona Fire District for access and safety concerns.

*Finding H: Is pedestrian and bicycle circulation facilitated, where reasonably feasible and possible, both on and off site, through interconnected passages, pathways and plazas that are designed to promote public safety and convenience?*

Pedestrian and bicycle circulation is accounted for in the design of the site. All adjoining public road have sidewalks currently installed and the applicant has provided pedestrian and bicycle connections to the site. In addition, connections have been provided to the adjoining Courtyard Hotel site and the applicant has provided a trail access point within the site to allow for hikers and mountain bikers easy access to the Forest Service trails in the vicinity of the hotel.

*Finding I: Does the proposed development provide legally compliant facilities for people with disabilities?*

The site plan includes ADA parking spaces. The pedestrian connections will also be required to meet ADA requirements. These, along with ADA accommodations within the buildings and public areas of the site, will be reviewed at the building permit stage. Building permits will not be issued without the proper ADA accessibility requirements being accounted for.

*Finding J: Has the applicant made a good faith effort to address concerns of the adjoining property owners in the immediate neighborhood as defined in the Citizen Participation Plan for the specific development project?*

The applicant has completed a Citizen Participation Plan and worked extensively with the neighboring subdivisions to address any concerns. Foothills South, one of the neighboring subdivisions, has submitted a letter of support for the project.

## **Staff Recommendation**

Staff is recommending approval of the proposed Development Review based on compliance with ordinance requirements and satisfaction of the Development Review considerations of the Land Development Code.

## **DISCUSSION (CONDITIONAL USE PERMIT)**

*\*\* The following discussion is provided under the assumption that the associated rezoning to increase the number of lodging units and development review for the building design and site layouts are approved. If the rezoning and development review applications are not approved, the Conditional Use Permit application would not be applicable. \*\**

In considering an application for Conditional Use Permit approval, the findings noted in Article 4 (Review Procedures), Section 402.06 of the Land Development Code that must be made before granting a conditional use permit include the following:

- A. That the proposed location of the conditional use is in accordance with the objectives of this Code and the purpose of the zoning district in which the site is located.
- B. That the granting of the conditional use permit will not be materially detrimental to the public health, safety or welfare. The factors to be considered in evaluating this application shall include:
  - 1. Property damage or nuisance resulting from noise, smoke, odor, dust, vibration or illumination;
  - 2. Any hazard to persons and property from possible explosion, contamination, fire or flood;
  - 3. Any impact on surrounding area resulting from unusual volume or character of traffic.
- C. That the characteristics of the use as proposed and as may be conditioned are reasonably compatible with the types of use permitted in the surrounding area.
- D. That the proposed use, as it may be conditioned, will comply with the applicable provisions of this Code, and other ordinances.
- E. That the proposed expansion or change of a nonconforming use (if applicable) is no more deleterious to other properties in the surrounding area than the existing use.

## **Evaluation of Proposal (Conditional Use Permit)**

The portion of the proposal that requires a Conditional Use Permit (CUP) is limited to the placement of drainage (flood control) improvements on the portion of the property zone Open Space (OS). No other components of the project are being considered under the request for a CUP.

*Finding A: That the proposed location of the conditional use is in accordance with the objectives of this Code and the purpose of the zoning district in which the site is located.*

The purpose of the OS zone is for areas of the city where it desirable and necessary to provide permanent open spaces when they are necessary to safeguard the health, safety and general welfare and to provide for the location and preservation of scenic areas and recreation areas. Land Development Code Section 627 lays out the use regulations for the OS zone and includes flood control facilities as a conditionally permitted use. The OS zoning was originally placed on this property to ensure a buffer between the commercial development and the neighboring residential neighborhoods. While this proposed drainage facilities on the open space parcel, no trees or other natural vegetation are being disturbed and the drainage facility will be on the eastern side of the site, closest to the hotel.



*Finding B: That the granting of the conditional use permit will not be materially detrimental to the public health, safety or welfare. The factors to be considered in evaluating this application shall include: (1) Property damage or nuisance resulting from noise, smoke, odor, dust, vibration or illumination; (2) Any hazard to persons and property from possible explosion, contamination, fire or flood; (3) Any impact on surrounding area resulting from unusual volume or character of traffic.*

The placement of the drainage facilities on the open space parcel is meant to help control dangers of flooding. While periodic maintenance of the drainage facility will be needed, no noise, smoke, odor, dust, vibration, or illumination associated with the drainage facility is anticipated. Further, it is not anticipated that the drainage facility will contribute to any hazards from explosion, contamination, or fire, and it is meant to minimize the hazards related to flooding. The drainage facility is not anticipated to generate any traffic.

*Finding C: That the characteristics of the use as proposed and as may be conditioned are reasonably compatible with the types of use permitted in the surrounding area.*

The drainage facility is being proposed in relation to the adjacent hotel development, which will be a permitted use if the associated zone change is approved. All commercial development in Sedona is required to mitigate flood concerns, making drainage facilities a standard accessory use to all development.

*Finding D: That the proposed use, as it may be conditioned, will comply with the applicable provisions of this Code, and other ordinances.*

The proposed drainage facility has been reviewed by the City's Public Works Department. The applicant will be required to obtain a building permit prior to construction. At that time, City staff will review the plans to ensure that all code requirements are being met.

*Finding E: That the proposed expansion or change of a nonconforming use (if applicable) is no more deleterious to other properties in the surrounding area than the existing use.*

No expansion or change of a nonconforming use is proposed.

### **Staff Recommendation**

Staff is recommending approval of the proposed Conditional Use Permit based on compliance with ordinance requirements and satisfaction of the Conditional Use Permit findings of the Land Development Code.

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**PZ16-00009 (ZC)** *As recommended by Planning and Zoning Commission, April 17, 2018*

1. Development of the subject property shall be in substantial conformance with the applicant's representations of the project, including the site plan, letter of intent, and all other supporting documents submitted, as reviewed, modified, and approved by the Planning and Zoning Commission and City Council.
2. The zoning for this property shall allow for a maximum of 206 lodging units. If the property is split or subdivided, the property owner shall include with the land division application the number of units allocated to each proposed new property.
3. The applicant shall enter into a Development Agreement with the City of Sedona that covers, at a minimum, the following items:
  - a. Provision of five (5) employee housing units in compliance with the City's Development Incentives and Guidelines for Affordable Housing (DIGAH), including, but not limited to:
    - i. Both rental units shall be targeted to households earning up to 80% of the area median income adjusted for unit size in Yavapai County.
    - ii. Both rental units shall be a minimum of one (1) bedroom and a minimum size of 600 square feet.
    - iii. The property owner shall adhere to DIGAH's Eligibility Criteria and Marketing and Application Process when renting the units.
    - iv. The property owner shall agree to, sign and record with Yavapai County a Land Use Restrictions agreement
    - v. The rental units and the property owner shall comply with all applicable development guidelines including, but not limited to:
      1. Tenants are entitled to the use of all on-site amenities, including pool, club house, BBQs, etc.
      2. Interior finish and quality of construction should be at a minimum be comparable to applicable entry level rental housing in the Verde Valley
      3. The units shall be available and remain affordable from the date of initial occupancy for as long as the Residence Inn remains a lodging use.
    - vi. Tenant preferences, in addition to income restrictions, shall be made first available to qualified Residence Inn and Courtyard Hotel employees. Second preference is for qualified school district and city of Sedona employees. Third preference is for qualified citizens at large.
    - vii. Any other applicable conditions.
    - viii. An annual report shall be submitted to the Community Development Department demonstrating compliance with conditions of approval and the DIGAH
  - b. Contribution of \$50,000 to the City's Affordable Housing fund
  - c. Provision of trail connection, kiosk, and trail parking, including a public access easement for access to the parking and trailhead as well as signage allowing for public parking near the trailhead during daylight hours.
  - d. Provision of a shuttle for use by hotel guests to locations within a 10-mile radius of the hotel.

4. The applicant shall record permanent emergency ingress and egress easements for both Park Place and Foothills South Subdivisions.
5. The zoning for the subject property shall be considered vested when the Development Agreement is approved, all other conditions are met, and construction of the project as approved under PZ16-00009 (DEV, CUP) is complete. If the applicant does not complete construction of the approved project, the City may initiate proceedings to revoke the zoning, subject to the provisions of Sedona Land Development Code Section 400.11 and applicable State statutes.
6. Within thirty days of approval of the zone change, the property owner of record of the subject property voluntarily agrees to sign and record a waiver acknowledging their waiver of any right to claim just compensation for diminution in value under A.R.S. §12-1134 related to the granting of this Zoning Change approval.
7. The following changes shall be made to the Development Review Application:
  - a. All buildings shall have a maximum light reflectance value (LRV) of 19%
  - b. In order to increase screening of the parking lot, parking spaces near the entrance shall be replaced with landscaping, while ensuring minimum parking requirement continue to be met.

**PZ16-00009 (DEV)** *As approved by Planning and Zoning Commission, April 17, 2018*

1. If the City Council does not approve PZ16-00009 (ZC), this development review approval shall become null and void.
2. The project shall be developed in a single phase.
3. The Development Review approval shall be valid for a period of two (2) years from City Council approval of PZ16-00009 (ZC), unless a valid building permit has been issued, the buildings are under construction, and the project is being diligently pursued towards completion.
4. Development of the subject property shall be in substantial conformance with the applicant's representations of the project, including the site plan, landscape plan, grading and drainage plans, letter of intent, and all other supporting documents, as reviewed, modified, and approved by the Planning and Zoning Commission. Proposed changes determined to be substantial by the Director of Community Development shall require reconsideration by the Planning & Zoning Commission at a public meeting.
5. Hours of work, for grading operations, shall be limited to 7 a.m. to 6 p.m., Monday through Friday and 9 a.m. to 5 p.m. on Saturday. No grading work shall occur on Sunday.
6. Storm water quantities and velocities shall not be greater than the historic values at the downstream property line.
7. The exterior wall colors and all roofing materials shall be in compliance with the approved color and materials board. All vents, down spouts, gutters, posts, etc. shall be painted to match the exterior wall or roof color or be in compliance with the color provisions of the Land Development Code.
  - a. All buildings shall have a maximum light reflectance value (LRV) of 19%.
8. In order to increase screening of the parking lot, parking spaces near the entrance shall be replaced with landscaping, while ensuring minimum parking requirement continue to be met.
9. Approval of the monument sign is contingent upon the property owner receiving approval and execution of a lot split creating a separate parcel for each hotel development.

10. Existing trees shall be transplanted to other locations on site.
11. All mechanical and electrical equipment shall be adequately screened, to the satisfaction of the Community Development Director.
12. The applicant shall connect to the City's Wastewater System, construct any required extensions of sewer lines, and pay all applicable fees.
13. Prior to the issuance of grading and building permits, the applicant shall satisfy the following conditions and provide written documentation of such compliance to staff:
  - a. Plans submitted for building permit review shall meet all applicable requirements of the Sedona Land Development Code.
  - b. For projects involving grading of more than 5,000 cubic yards, a haul plan, a dust control plan, a topsoil reutilization plan, a storm water pollution prevention plan, and a traffic control plan shall be required. Each must be acceptable to and approved by the City Engineer. (LDC 806.2.l)
  - c. Provide Final Grading and Drainage Plans. The Site Plan shall meet the requirements of LDC Section 803.
  - d. Provide the Final Drainage Report.
  - e. Applicant shall provide a Storm Water Pollution Prevention Plan. SWPPP measures shall be in place prior to the start of construction (LDC Article 8). Storm water quality measures shall also comply with City of Sedona Code requirements (City Code Chapter 13.5)
  - f. Accessible sidewalks and parking areas will need to meet the current US Dept. of Justice ADA requirements.
  - g. Any new accessible parking/signage shall meet the requirements of City LDC Section 912.09.
  - h. The applicant shall show proof of ADOT approval for any work within the ADOT right-of-way.
  - i. The site plan shall show all existing utilities and construction details for sewer construction
  - j. Provide utility construction details on plans.
  - k. The parking layout and driveway slopes shall meet the requirements of the Sedona Land Development Code (LDC).
  - l. Bumpers, wheel stops, stall markings and/or other vehicular control devices shall be provided to the specifications of the City Engineer.
  - m. Provide details for entrance and exit traffic signs at the driveways.
  - n. A City Right-of-Way Permit shall be acquired for any work taking place within City Rights-of-Way. A Traffic Control Plan shall be submitted with the application.
  - o. Applicant shall provide a Neighbor Contact and Response Plan issuance of permit. The plan shall define site signage, which shall include a hotline number.
  - p. The applicant shall submit landscaping plans that comply with all applicable City codes and with the landscaping plans approved by the Planning & Zoning Commission.
  - q. The applicant shall submit outdoor lighting plans that comply with all applicable City codes and with the outdoor lighting plans approved by the Planning & Zoning Commission.
  - r. All requirements of the Sedona Fire District shall be satisfied.

14. Prior to the issuance of a Certificate of Occupancy, staff shall verify that all construction is in substantial accordance with the plans as submitted, reviewed, and approved by the Planning and Zoning Commission, and meets the following conditions:
  - a. All on-site improvements shall substantially conform to the plans on which grading and building permits were issued.
  - b. Installation of all proposed landscaping shall be complete and in accordance with the approved landscape plan.
  - c. All outside lighting shall have been installed in accordance with the approved plans. All lighting sources shall be fully shielded so that the direct illumination is confined to the subject property boundaries and so no light is directed above the horizontal plane. Staff shall conduct a night inspection and if deemed necessary, additional shielding will be required.
  - d. All new utility lines shall be provided through underground installation.
  - e. All mechanical equipment and trash receptacles shall be completely screened in accordance with the screening provisions shown on the approved development plans. All electrical panels shall be located so as not to be visible from public rights-of-way.
  - f. All requirements of the Sedona Fire District shall be satisfied.
  - g. The applicant shall provide copies of all required testing to the Public Works Department.
  - h. As-built plans shall be provided to the City in digital and hard copy formats acceptable to the City Engineer.
  - i. All areas of cut and fill shall be landscaped or dressed in such a manner as to reduce the potential for erosion.
  - j. The applicant shall provide a letter, sealed by the engineer of record, verifying that the work, as done, is in substantial accordance with the approved plans.
  - k. All construction shall comply with the Storm Water Regulations in Chapter 14 of the City of Sedona City Code. Storm water quantities and velocities shall not be greater than the historic values at the downstream property line.
  - l. All other conditions of approvals and conditions outlined in the Development Agreement have been met.
15. Within thirty days of approval of the Development Review, the property owners of record of the subject properties shall sign and record a waiver acknowledging their waiver of any right to claim just compensation for diminution in value under A.R.S. §12-1134 related to the granting of this Development Review.

**PZ16-00009 (CUP)** *As approved by Planning and Zoning Commission, April 17, 2018*

1. If the City Council does not approve PZ16-00009 (ZC), this conditional use permit approval shall become null and void.
2. The use shall be in substantial conformance with the applicant's representations of the project, including the site plan, letter of intent, and all supporting documents, as reviewed, modified, and approved by the Planning and Zoning Commission. Proposed changes in operation or activities to the approved Conditional Use Permit determined to be substantial by the Community Development Director shall require reconsideration by the Planning and Zoning Commission at a public meeting.

3. If contacted by City Staff regarding a potential violation in the operation of this use, the applicant shall work with City Staff to address the issue in a timely manner. If a satisfactory solution is not found, City Staff may initiate proceedings to revoke the CUP (LDC 402).
4. The use shall be limited to the area shown on the site plan, subject to compliance with all applicable requirements.
5. No tree removal is permitted in association with the drainage facilities. All trees must be preserved and protected in place.
6. Within thirty days of approval of the Conditional Use Permit, the property owners of record of the subject properties shall sign and record a waiver acknowledging their waiver of any right to claim just compensation for diminution in value under A.R.S. §12-1134 related to the granting of this Conditional Use Permit.

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PZ16-00009 (ZC, DEV, CUP)  
Marriott Residence Inn

Public Comments: Comprehensive  
Review  
(Received after Planning and Zoning  
Commission Review)

# City of Sedona: Comment on Development Proposal

[donotreply@sedonaaz.gov](mailto:donotreply@sedonaaz.gov)

Mon 4/30/2018 8:01 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 04/30/2018 8:00 p.m.  
**Response #:** 16  
**Submitter ID:** 481  
**IP address:** 47.215.237.35  
**Time to complete:** 5 min. , 45 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

**1. Project Name:**

Marriott Residence Inn, PZ16-00009

**2.**

**What are your comments, concerns, ideas, and suggestions about this project?**

Does Sedona need another hotel? I say no and this is why. I am not opposed to responsible growth, but clearly Sedona has met it's maximum potential. We already have outgrown the limits of our infrastructure, that was not true in the 70's. And let's not forget that Sedona's landscape is fragile and can't withstand too many Jeeps, ATV's, mountain bikes and foot traffic on it's trails. In some areas, we are already witnessing our delicate biocrust becoming a sandy desert, unable to rebound. If we disrupt natures balance without limits, we've lost paradise. Next election, I am voting for a low growth city council!

**3. Your contact information**

**Name:** Alise VrMeer  
**Mailing Address:** 660 Jordan Road  
**E-mail:** katevrmeer@hotmail.com

**4.**

**Would you like to receive notices about this project, such as public meeting dates?**

(0) Yes

Thank you,  
**City of Sedona**

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# City of Sedona: Comment on Development Proposal

[donotreply@sedonaaz.gov](mailto:donotreply@sedonaaz.gov)

Sat 4/28/2018 6:09 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 04/28/2018 6:08 p.m.  
**Response #:** 13  
**Submitter ID:** 477  
**IP address:** 47.215.237.35  
**Time to complete:** 7 min. , 39 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

**1. Project Name:**

Marriott Residence Inn, PZ16-00009

**2.**

**What are your comments, concerns, ideas, and suggestions about this project?**

As a 20 year resident I can attest with certainty that the last thing Sedona needs is another hotel, and I don't know of a soul in town who doesn't agree with me! I am so outraged that I have finally decided to get involved and start going to City meetings... and spread the word. We need new council members who are low growth oriented, enough is enough!

**3. Your contact information**

**Name:** Janice VrMeer  
**Mailing Address:** 660 Jordan Road  
**E-mail:** katevrmeer@hotmail.com

**4.**

**Would you like to receive notices about this project, such as public meeting dates?**

(o) Yes

Thank you,  
**City of Sedona**

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# City of Sedona: Comment on Development Proposal

donotreply@sedonaaz.gov

Sat 5/5/2018 5:05 AM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 05/05/2018 5:05 a.m.  
**Response #:** 17  
**Submitter ID:** 484  
**IP address:** 47.215.235.20  
**Time to complete:** 8 min. , 36 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

**1. Project Name:**

Project Name is: Marriott Residence Inn, PZ16-00009

**2.**

**What are your comments, concerns, ideas, and suggestions about this project?**

The plan for yet another Marriott is horrible! You propose to break up our neighborhoods with new "connectors" (that we will NOT agree to - it is an invasion of our property and privacy) yet you plan to add to the traffic problem with a new Marriott. Who is running this City???. Do you not live here? We have more than enough hotels here. We moved here to keep the beauty of small town living, in a place we truly love and respect, and you are destroying it with these new hotel "business deals." We, as a community, say NO! WE LIVE HERE!

**3. Your contact information**

**Name:** Maria Montano  
**Mailing Address:** [330 willow way, SEDONA, az 86336](#)  
**E-mail:** Mariacarmella55@gmail.com

**4.**

**Would you like to receive notices about this project, such as public meeting dates?**

(o) Yes

Thank you,  
**City of Sedona**

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# City of Sedona: Comment on Development Proposal

donotreply@sedonaaz.gov

Sun 5/6/2018 7:47 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 05/06/2018 7:46 p.m.  
**Response #:** 18  
**Submitter ID:** 485  
**IP address:** 98.184.200.59  
**Time to complete:** 7 min. , 41 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

**1. Project Name:**

PZ16-00009

**2.**

**What are your comments, concerns, ideas, and suggestions about this project?**

I oppose the building of the Marriott Residence Inn. Sedona does not need another hotel. Sedona is beyond capacity with already existing hotels and traffic.

**3. Your contact information**

**Name:** Suzanne Strauss  
**Mailing Address:** [46 pyramid view dr, sedona, az 86336](#)  
**E-mail:** bcrescue@cox.net

**4.**

**Would you like to receive notices about this project, such as public meeting dates?**

(o) Yes



Thank you,  
**City of Sedona**

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PZ16-00009 (ZC, DEV, CUP)  
Marriott Residence Inn

Public Comments: Comprehensive  
Review  
(Received during Planning and Zoning  
Commission Review)

## Cari Meyer - Residence Inn Project Submittal

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**From:** "Barbara Cypher" <Barbara@Cypher.com>  
**To:** <CMeyer@sedonaaz.gov>  
**Date:** 1/30/2017 4:22 PM  
**Subject:** Residence Inn Project Submittal

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Hi Cari,

Thank you for your email message. I feel diagram challenged, but I can't see if they added a berm and Blue Ice Cypress trees to their plan. on the owner's side of Linda Vista. I don't have any other plans to use to compare. I apologize for my ignorance. They seemed willing to listen and act during that last meeting. I was very impressed.

Also, have the builders mentioned providing water to the trees which will be planted along Linda Vista.

An other concern is the trash on the trails. Tom and I are primarily the ones that pick it up. Still hope they would have a staff member spend one hour a week helping to monitor the area, and clean if necessary.

Please let me know when you get a chance. All I need is a quick response, I know how outrageously busy you are. Loved the article in the paper about you. Senior Planner, has a nice ring to it.

Warmly,  
 Barbara Cypher

----- Original Message -----

**From:** "Thomas M Cypher" <thomas@cypher.com>  
**Sent:** 1/30/2017 3:22:36 PM  
**To:** "Tom & Barbara Cypher - Starview House" <barbara@cypher.com>  
**Subject:** Fwd: Residence Inn Project Submittal

@font-face{font-family:Calibri;panose-1:2 15 5 2 2 2 4 3 2 4;}

----- Original Message -----

**Subject:** Residence Inn Project Submittal  
**From:** Cari Meyer <CMeyer@sedonaaz.gov>  
**Sent:** Thursday, January 26, 2017, 6:17 PM  
**To:**  
**CC:**

Good Evening,

You are receiving this email because you requested to be added to the email notification list for the proposed Marriott Residence Inn at 4105 W State Route 89A in Sedona, AZ.

This email is to inform you that the project applicant has submitted their documents for final review of this

project. These documents can be reviewed online at <http://www.sedonaaz.gov/i-want-to-find-/documents/-cfs-2335>. A hard copy is also available in the Community Development Department Office during regular business hours, Monday - Thursday, 7:00 am to 6:00 pm.

Currently, we do not have any work sessions or public hearings scheduled on this project, but are happy to take any comment or questions the public may have at this time. Please feel free to contact me if you have any questions. Have a great weekend,

Cari Meyer, Senior Planner  
City of Sedona Community Development  
[\(928\) 203-5049](tel:(928)203-5049)

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Sedona City Hall is open for business Monday through Thursday from 7 a.m. to 6 p.m. and closed on Fridays. The Municipal Court and Wastewater system maintenance remain on a Monday through Friday, 8 a.m. to 5 p.m. schedule. Police and maintenance services are not impacted.

## Cari Meyer - Marriott Residence Inn and Oxford Hotel

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**From:** Jenny Jahraus <jennyjahraus10@gmail.com>  
**To:** <Cmeyer@sedonaaz.gov>  
**Date:** 11/3/2016 3:44 PM  
**Subject:** Marriott Residence Inn and Oxford Hotel

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To Cari Meyer and the Planning and Zoning Commission

Thank you Cari for talking to me a few days ago and giving me such a good overview and clarifying so much about the zoning and stages of review for lodging. I am writing so you can also pass on my concerns to the commissioners about the proposals for a Marriott Residence Inn and Oxford Hotel.

I have many concerns about the newly constructed Marriott Courtyard and the proposed Marriott Resident Inn and Oxford Inn all in West Sedona. I am worried that further lodging development in Sedona will make it seem more like a tourist designation and tourist business city, than looking, feeling and being experienced like a community for people that live here.

West Sedona has been more of the local community centered part of Sedona. I worry that more lodging in Sedona and especially in West Sedona could dominate and crush the possibilities for creating more of a sense of community that people in Sedona have wanted. I have heard the conversation many times about people who live here rarely going to uptown, because locals feel it is so tourist oriented in uptown. I do not want to loose West Sedona to the tourist industry or have it dominate the West Sedona part of our community. It seems to me that by allowing more of this lodging in West Sedona, that this could greatly hinder the creation of more of the sense of community that the people expressed they wanted during the creation of the Community Plan.

I am also worried that more lodging means more visitors and workers living and traveling on our often very crowded roads and visiting our often crowded hiking and swimming spots. Locals are already limiting their travels on the roads and to many outdoor spots. We cannot easily turn this kind of growth around after it has happened. When moving here many years ago, I felt comforted by the fact that residential building seem somewhat limited. Now I realize that the tourist and tourist industry can also have a huge impact on our more rural quality of life and sense of the smaller community that most of us who moved here wanted.

Thank you for your time.

Sincerely,  
Jenny Jahraus  
Sedona, AZ.  
[928 282 1875](tel:9282821875)

## Cari Meyer - PZ16-0009 Marriott Residence Inn Proposal

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**From:** Mary Nell Terry <marynellterry@gmail.com>  
**To:** <CMeyer@SedonaAZ.gov>  
**Date:** 11/1/2016 10:43 PM  
**Subject:** PZ16-0009 Marriott Residence Inn Proposal

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### Re: PZ16-0009 MARRIOTT RESIDENCE INN PROPOSAL

This email is to confirm our discussion with you following the P&Z meeting on 11-01-2016 concerning the Marriott Residence Inn Proposal.

My residence is in Foothills South, and it the house nearest the proposed Residence Inn, therefore we appreciate all information concerning proposals for use of the property between the existing Marriott Courtyard Inn and Foothills South. We have no objection to the change in zoning for this property.

We would strongly object to any zoning changes that might impede the Open Space currently designated.

A few concerns follow:

- (1) Can you please stipulate the building setback lines for the proposed building. It would be helpful if we could view a schematic drawing showing the building's proposed location, both from the streets of El Camino Real and Linda Vista in Foothills South, as well as its location adjacent to the Open Space lot. If this is available in your office, we will be pleased to drop by to view this, and, of course if you can send a scan of the property lines showing the building location, we would appreciate same.
- (2) Can you provide specifics concerning the elevation proposal of the height of the buildings at the eastern corners where they are closest to the Foothills South subdivision in relation to (a) the lot elevation itself, as well as (b) the current elevation of the streets of El Camino Real and Linda Vista, and (c) the elevations of the nearby properties in Foothills South.
- (3) We would not advocate additional parking spaces being changed from the Highway 89-A side to space that would be located closer to Foothills South. The concern of momentarily seeing cars parked near the highway, expressed by a Commission member at this evening's meeting, can be addressed with denser landscape and vegetation between the proposed parking area and Highway 89-A. We do have a concern that sufficient landscape and vegetation barrier is planned blocking views of the buildings and parking spaces currently shown at the northeastern edge of the property (between parking area/buildings located nearest Foothills South). We are aware of the concern for emergency ingress/egress from our subdivision. Might this be a subject which can be discussed at your planned meeting tomorrow with Fire Department representatives (how much density of vegetation/landscaping will the Fire Department allow in considering purely emergency mobility)? The parking spaces that are currently proposed do present a visual impact as well as audible/sound impact, which are negative issues for neighbors, and it appears some of these spaces will accede the very edge of the lot, with no set-back from property lines, and will be in more frequent use as they are located nearest the proposed employee/affordable housing units designated.

(4) We would propose that to lower the negative impacts of the proposed building, not only from the residence lots, but from the effect and shock of its proximity to the many daily drivers on Foothills South's streets, the architect might consider a way to lower the very corner units nearest Foothills South to a single story height.

Thank you for providing specific information as requested above. We appreciate your concerns for the neighbors at Foothills South, while making every effort to adhere to the appreciation of all our values of living and visiting in this extremely beautiful city!

Mary Nell Terry  
201 El Camino Real  
Sedona, AZ 86336  
[marynellterry@gmail.com](mailto:marynellterry@gmail.com)  
[928-282-3326](tel:928-282-3326)

## Cari Meyer - Re: Sedona Residence Inn Resubmittal

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**From:** "Patricia Fisher" <pjfisher@esedona.net>  
**To:** "Cari Meyer" <CMeyer@sedonaaz.gov>  
**Date:** 5/2/2017 6:47 PM  
**Subject:** Re: Sedona Residence Inn Resubmittal

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Dear Cari, As I told you before, I wholeheartedly approve this project. As a resident of Foothills South, I can only imagine the improvement that will be made to that land. The developers have already cleaned it up a bit and according to the previous plans, it undoubtedly will be developed as well as the Marriott. The new plans enhance the rear of Foothills South and that corner that looked so bad for so many years.

Good Luck,  
 Patricia Fisher

----- Original Message -----

**From:** [Cari Meyer](#)  
**Sent:** Tuesday, May 02, 2017 6:38 PM  
**Subject:** Sedona Residence Inn Resubmittal

Good Evening,

The applicants for the proposed Marriott Residence Inn have resubmitted their project plans to the City. The most recent submittal is available for review online at the following website: <http://www.sedonaaz.gov/your-government/departments/community-development/projects/development-projects/marriott-residence-inn>. Please review these documents and provide any comments you have to be in writing.

This project is tentatively scheduled for a work session with the Planning and Zoning Commission on Tuesday, June 6, 2017, at 5:30 pm. You will receive another notification once the work session date is confirmed.

You are receiving this email because you had previously expressed interest in this project. Please let me know if you have any questions or wish to be removed from this notification list. Thank you,

Cari Meyer, Senior Planner  
 City of Sedona Community Development  
[\(928\) 203-5049](tel:(928)203-5049)

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# Marriott Residence Inn

Carl Ritter <azcritter@suddenlink.net>

Fri 4/6/2018 11:26 AM

To: Cari Meyer <CMeyer@sedonaaz.gov>;

Cc: Jon Davis <jdavis@sedonafire.org>;

Dear Ms. Meyer,

Having reviewed the latest Residence Inn proposal and seeing it as a definite improvement, I do support the proposed project, provided there is clear recordation of the ingress/egress FSOA permanent easement across this property for emergency purposes. I do see lines on the proposals and read a short description and I see this as a much improved corridor. To be a lasting feature, platting and recordation needs to be clear. Other improvements have been commented on by our Board President on behalf of the homeowners and they have worked diligently to improve the project which should be an asset to Sedona.

Assuming there is approval from the Fire District, it looks as though issues are being resolved. It does need a permanently recorded easement for FSOA.

Also, the ability to access the gates should have a provision for emergency access from Foothills. Having just had as guests friends from Ventura's gutted Foothills Ondolando Street, which had 2 houses of about 15 homes left, I am aware that the fire shifted and came in at 50 mph and they had a door knock and were told to get in their car and drive, at which time they were in a bumper to bumper crowd of frantic homeowners. The fire got to their street in 3 minutes from the top of the hill where they saw smoke. It now can be seen on Google and looks like a war zone with the toxic asphalt streets spilling black dust over everything. Wrecking equipment is in daily.

So there needs to be a way for Foothills residents to get through the emergency gates and out of Foothills South as we have had 4 fires behind our house on Forest Service land in the last 20 years, one of which had a Sheriff's helicopter come to the aid to get the illegal campers to get it out and leave. The APS transformer below our houses to the South continues to be a lightning rod. So fire invasion is a real concern.

I would like this called to the attention of the Fire District, the Planning and Zoning Board and, of course, the developer. I will be out of state on the date of the hearing.

Susan M. Ritter

**From:** Carl Ritter <azcritter@suddenlink.net>  
**To:** Cari Meyer <CMeyer@SedonaAZ.gov>  
**Date:** 12/1/2016 5:21 PM  
**Subject:** Residence Inn Proposal-reposable privacy fencing and/or green barrier

To Planning and Development and members of the P and Z Commission:

In the past, a change in zoning next to residential property usually resulted in what has been some 20 to 30' wide green barriers. That, and or privacy fencing. When the Goldsmith medical office was extended into residential land, this was worked out with the neighbors. Other areas expanded into residential areas with new commercial use and lodging have needed green zones and privacy arrangements.

I notice that the CVS property has a nice modest wall—possibly 4 feet or so and an entire row of evergreen trees to protect the view and use of properties up the hill. So why not something like this for the areas of the Marriott property next to Foothills South, since some of this land was single family residential lots left by our then developer, Duane Miller. Has that area zoning even been changed or did they just go ahead and open a trailhead. The residents along the end western end of our subdivision are having difficulties where somehow there is now a trail in use is bordering the residences. There are belligerent hikers, dumping trash and other waste invading the privacy of the owners. To the area closer to Camino Real, to the south of the planned emergency exit there were residential lots. So will there be some privacy fencing—haven't seen what is proposed.

I would ask that there be consideration of how crowded this is going to be with the main building pushed up to the very steep slope which our residents are supposed to be able to drive in the event of a construction need or emergency to evacuate. This is absurd. Just what is the slope of this angle.

Much more planning needs to go in to the boundary areas. Also a condition of approval would be that they repair the areas they have bulldozed on our property and replace the large boulders that defined our roadway. (Although the roadway actually curves, based on the original Foothills I Amended Plat Plan. If you look at the pink boundary marker to the right of the gate, it has all been dug down in order to hook up what was the temp right of way from Park Place to join our road.

They also need to indicate that not only is the roadway up to Foothills a Fire and Emergency Exit, but patrons are not to intrude into private roads.

I am assuming the temp, to be permanent right of way is getting worked out and eventually there will be a further refined plan presented.

Thanks susan ritter

**From:** Carl Ritter <azcritter@suddenlink.net>  
**To:** Cari Meyer <CMeyer@SedonaAZ.gov>  
**Date:** 4/24/2017 4:00 PM  
**Subject:** Comments on Maarriott Res.Inn Final Plan-ESPECIALLY REGARDING PROTECTING INGRESS/EGRESS AND NEED FOR EVACUATION OR OTHER EMERGENCY USES

1. Looking at Jason O'Brien's Legal description of the land is of it in its entirety and that with other info from the Title Company It appears to be incomplete. There is no mention of the currently in force Temporary Easement Right of Way and Roadway platted when Miller Brothers and Foothills South Owners Association had their legal settlement over this 2nd exit from Foothills South decades before the current purchase or project. ( There is a provision from the Settlement that this easement and roadway can be moved in the agreements, and is non-exclusive, previously merging with the Park Place similarly documented easement and temporary roadway However there is no mention of the original easements, or any plan to Plat a permanent emergency exit/roadway easement as mentioned in these documents. Fire Chief Gary Johnson and also Fire Chief Jon Davis, his successor were clear that a permanent emergency easement and roadway had to be platted and recorded. If I am seeing this correctly, the current temporary right must be made useable or another temp roadway and emergency ingress/egress be provided. There still has to be a permanently platted emergency easement and roadway that would have engineering drawings, legal description. I doubt Planning and Zoning wants to approve a proposal to approve construction of a building over an existing encumbrance on the property without a provision for the permanent emergency roadway.

Also, should not the Title Report include the encumbrance, which runs with the land, in their report? There is mention of ADOT's taking for road widening. This land was encumbered many decades ago and was known to the developer. It would be necessary and important to have permanent resolution, documented and recorded for all. Otherwise parking lots get re-designed. It is unclear where Foothills South and Park Place (with its own temporary easement and roadway) would have certainty for continued emergency ingress/egress.(PLUs the other areas to be developed) Copies of the Temporary Easement Agreement Pages 1-7 BK 3682 P876, executed June 14, June, 1999, Roadway were previously submitted to P and Z. There is a more detailed Settlement Agreement, also executed and recorded at the time that make it clear. It is clearly stated that the agreement is limited to the use of the "Access Parcel for ingress, egress and access by emergency, fire, law enforcement and utility-service vehicles and goes on to describe details of periods of time for notice to Grantor when construction activities adversely effect access. This has been interpreted as including road blockages. THE POINT IS THERE NEEDS TO BE A PERMANENT PLATTING OF THE EMERGENCY AND FIRE LANES.

2, On other documents of the developer's Final Submittal, THERE IS A NEED FOR SOME TWEAKING, especially the Context Map, showing a radius of 500 feet WHICH DOES NOT CLEARLY INDICATE THE TRAFFIC VOLUME TO BE EXPECTED. Park Place is shown as originally platted probably 8-10 years ago. There are no condos on the area of Positano Drive until well out of range of 200 feet. That project was never nor will be completed, according to City Planner Audrey Juhlen, and the land at either end, running along the area bordering 89A up to some of Foothills South, Unit One Amended, are currently zoned multi-family and can be sold for high density development contributing to the traffic overall, and because they share part of the emergency easement with Foothills South Owners, contribute to a much higher traffic area than the drawings would suggest. Someone needs to do the math, but I think each end of this original tract could add another 80 multiple family residences, plus the now completed part of Park Place.

I will send an ariel map of Foothills South, showing Unit One Amended, Unit 2, Unit 3, Unit IV and the remainder of tract A, to be Unit 5 The Elements, now zoned for single family development. The traffic involved in ingress/egress emergency, including fire lanes would run up to 209 single family residences. Thus my concern, and others in this subdivision for adequate emergency roadways and exits. DEFINITELY IT IS AN IMPROVED PLAN NOW THAT HAS MULTIPLE EXITS ON UPPER RED ROCK LOOP ROAD, obviously more than 1 exit on 89A has never been ADOT's policy to accommodate the growth in volume.

3.Where IS THE Permanent platting for the EMERGENCY right of way and roadway.

Architecture Plus's Project Data, p. 7 of 8 shows a site plan that only has the gates showing opening inward into the project. There should be a platted easement shown from there to the exits that are indicated. I would expect a recordable and identifiable roadway showing width, at the very least. While there are lines on Site Plan 9 showing Emergency egress, which should show Ingress/Egress there are lines. Mostly we see traffic patterns in the document.

Right now our entry from Linda Vista upper drive looks like it would be a great place to park a van. Some signage, markings to protect this land and that from the Miller development area, which now looks like it runs through the electrical area, needs more definition.

On one multicolored Traffic Pattern Page, the same color is used for parking and roadways. Clearly roadways, especially designated emergency roadways need to be another color. The Orange designations on the Circulation Plan Exhibit Map need fine tuned, but are a real plus over earlier submissions. D 1,2, and 3 do show 40 foot openings which would allow for 2 way traffic, a real plus when cars are fleeing and emergency vehicles trying to get in.

4. Has anyone reviewed the slope of the entry road from FSOA. It looks like it is a sharp descent and ascent and would engineers please review this and suggest a good surface? Regular homeowners will be shooting out of the gate.

5. Speaking of gates, the Fire Chiefs wire and his lock have been removed and it appears the developer has chain link and his own padlock. True emergencies require quick action, not a vote of staff on duty at the hotel. Our gate was blocked last week all but one lane, with paving. Heading out was a game of chicken, with the potential for multiple car build ups going out into 89A. This is an emergency. Also we had another lightning strike that took out the transformer, cutting off power to our gates as well as half of Sedona and the village. A fourth time occurrence, as we were captives until the police responded to a battery generated fire alarm from where a neighbors chimney appears to have been struck—again. Police got the main gates open. An emergency is when you are trapped—my daughter had a child coming home from school.

Susan M. Ritter

**From:** Carl Ritter <azcritter@suddenlink.net>  
**To:** Cari Meyer <CMeyer@SedonaAZ.gov>  
**Date:** 8/2/2017 7:07 AM  
**Subject:** New Submission Marriott Residence Inn-July 2017

While the new submission appears to be working toward meeting standards, my concern is still the need for permanent recorded emergency access-ingress/egress minimum 25" wide and permanent right of way for residents of Foothills South and the fire and emergency vehicles that are to be provided a permanent easement from the access point referenced in this submission at the boundary of Foothills South owners association and the project submitted to and from Upper Red Rock Loop road. If anything, I have more concern because it appears there is more limited access to 89 A and Upper Red Rock Loop Road than on previous submissions. While this proposal mentions the access needed for the 2 residential areas to the East, I have not found anything on the pages designating the routes and easements. The Sedona Fire District Chief Jon Davis told us in a meeting and further conversations that these new to be permanent easements and right of ways must be platted and recorded. I have not yet found anything that appears to meet this criteria. With the potential hundreds of vehicles coming from just the Foothills South residents, who have approximately 210 homeowners with the last section of Foothills South yet to be developed, and with an unknown quantity of vehicular traffic to come from yet undeveloped areas of the previously platted Park Place area, I do not think planning has been completed that meets the legal agreements as required for both residential areas or fore approval by the Sedona Red Rock Fire District. I would expect to see a page that shows the emergency easements/right of ways as they would be made permanent, not just a reference and notation on site maps of an "Entry Site" for the residential areas. Something showing the proposed right of ways with legal description as well as site plan needs to be included. I will continue to look on the new submission but I am not seeing anything like this.

Susan M. Ritter, resident Foothills South Owners Association.

## Cari Meyer - Re: Sedona Residence Inn Resubmittal

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**From:** Carl Ritter <azcritter@suddenlink.net>  
**To:** Cari Meyer <CMeyer@sedonaaz.gov>  
**Date:** 8/4/2017 9:05 PM  
**Subject:** Re: Sedona Residence Inn Resubmittal

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Having thoroughly reviewed the new Residence Inn submissions of late July, I must point out that there are very inadequate statements regarding the ingress/egress to be permanently recorded right of way for Foothills South Owners Association. There is brief mention of a traffic study that purports to confirm that only 2 exits from the corner property is needed for the emergency ingress/egress roadways for emergency and construction purposes. No data is given. I see no separate report, making me wonder if this person has even seen the area and what figures he is using for the Architectural Firm. I have satellite pictures showing both all of Foothills South and Park Place, and since no mention is made that the permanent emergency ingress, egress a right of way is for all of Foothills South-which will be ALL FIVE SECTIONS OF THE SUBDIVISION and its Park Place and successor neighbors, I am wondering what volume of traffic this traffic report person is suggesting will occur. Of course the emergency access is to be permanently platted right of way is not just for Foothills South in its entirety, but also for what was the originally platted Park Place, the density of which has not yet been determined since with the failure to complete the original project leaves the remaining 12 to 14 acres open to a much more dense population upon build-out. The Map and Traffic Pattern Exhibits and comments refer only to 2 emergency access "points". We need to get real and understand that this is Fire Trucks in and residents out, all in one time slot that needs to be minutes, not hours, as others in West Sedona would be evacuating as well.

As I commented several days ago, looking at Maps, Exhibits, and traffic patterns there is not even colored lines denoting the pathway; right of way through that corner property. with one hotel completed and another proposed. The temporary easement and right of way granted in a legal settlement and recorded, were blocked during the construction of the Courtyard. Only with an appeal to the Fire District was a way clear post construction.. The Fire District has right of approval and I see nothing about that or Chief Jon Davis and before him Gary Johnson's insistence that a right of way be platted and recorded according to the legal settlement between Miller Brothers and Foothills South, which has been provided to the Planning and Zoning Board. I think the Fire District knows more than some outside paid consultant about what is needed and required.

‘THUS I AM REQUESTING THAT ANY APPROVAL OF THE Marriott Residence Inn PROJECT BE CONDITIONAL UPON THE LEGAL DESCRIPTION AND PLATTING OF A PERMANENT EMERGENCY INGRESS/EGRESS RIGHT OF WAY, PROPERLY APPROVED BY THE SEDONA FIRE DISTRICT, AND RECORDED WITH THE YAVAPAI COUNTY RECORDERS OFFICE, AS WELL AS A PROVISION FOR AN ENGINEERING DESCRIPTION OF WHAT WILL BE THE NEW TEMPORARY INGRESS/EGRESS RIGHT OF WAY FOR THE UPCOMING MONTHS AHEAD. THE ISSUE IS YET TO BE RESOLVED AND FAILURE TO SHOW ANY ROUTE IS A SERIOUS RED FLAG. THIS IS A CROWDED PROJECT AND ONE MUST BE SURE THERE IS A PERMANENT AS WELL AS

TEMPORARY WAY OUT FOR THE 200 PLUS FSOA LOT OWNERS AND OTHER OWNERS TO THE EAST WHO HAVE RIGHTS FOR EMERGENCY INGRESS/EGRESS.

AGAIN THIS SUMMER THERE HAS BEEN LIGHTNING STRIKES JUST BEHIND OUR HOME KNOCKING OUT POWER. PREVIOUS YEARS HAVE HAD US DEALING WITH MULTIPLE FIRES ON THE FOREST SERVICE PROPERTY., some related to lightning, some to illegal campers. HAS THE TRAFFIC CONSULTANT DEALT WITH MASS EVACUATION FROM FOREST FIRES AND KNOW THE LIMITS IN OUR AREA OF ROADWAYS, CREEK AND RIVER CROSSINGS ;AND HOW WINDS CHANGE FIRE DIRECTION ? WE HAVE WATCHED THE LA BARRANCA FIRE HEAD FOR A JUMP CROSS 179 which leads to continuing along the Jacks Canyon and Carroll Canyon routes . WE have PREPARED TO EVACUATE WHEN THE WINDS CHANGED AND SPARED US. WE HAVE SEEN ILLEGAL CAMPERS WITH 40 FOOT HIGH BLAZES CELEBRATING THE SOLSTICE AND HAVE THINGS BECOME SO SERIOUS THE YAVAPAI COUNTY SHERIFF'S DEPT SENT IN A HELICOPTER TO FORCE THEM TO GET THE FIRE OUT AND LEAVE.

WE NEED HELP FROM P AND Z IN MAKING THIS A SAFE PROJECT. I would ask Planning and Zoning, and will speak for the FSOA Architectural Control Committee at the next hearing.

Susan M. Ritter, Former President, VP, Secretary and Historian, FSOA

On Aug 1, 2017, at 2:40 PM, Cari Meyer <[CMeyer@sedonaaz.gov](mailto:CMeyer@sedonaaz.gov)> wrote:

Good Afternoon,

The applicants for the proposed Marriott Residence Inn have resubmitted their project plans to the City. The most recent submittal is available for review online at the following website: <http://www.sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/marriott-residence-inn>. Please review these documents and provide any comments you have to me in writing.

Meeting dates with the Planning and Zoning Commission have not yet been set, but you will receive another notification once the work session date is confirmed.

You are receiving this email because you had previously expressed interest in this project. Please let me know if you have any questions or wish to be removed from this notification list. Thank you,

Cari Meyer, Senior Planner  
City of Sedona Community Development  
[\(928\) 203-5049](tel:(928)203-5049)

<[Mail Attachment.gif](#)> [Like us on Facebook!](#)

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## For the Planning & Zoning Commission Members

Warren Woodward <w6345789@yahoo.com>

Tue 4/10/2018 1:25 PM

To: Audree Juhlin <AJuhlin@sedonaaz.gov>;

Commission Members,

Sedona is full. Consequently, I am against the proposed zoning change and expansion of the Marriott.

Warren Woodward  
200 Sierra Road  
Sedona





# City of Sedona: Comment on Development Proposal

[donotreply@sedonaaz.gov](mailto:donotreply@sedonaaz.gov)

Thu 4/12/2018 9:52 AM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 04/12/2018 9:52 a.m.  
**Response #:** 10  
**Submitter ID:** 431  
**IP address:** 24.156.95.157  
**Time to complete:** 46 min. , 11 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

**1. Project Name:**

Marriott Residence Inn

**2.**

**What are your comments, concerns, ideas, and suggestions about this project?**

This project should not be allowed. It has the potential to add up to 700 extra trips per day when traffic jams in Sedona are already way out of hand and there is no place to park.

Increasing traffic congestion would be very short-sighted. What happens when someone needs to get to the hospital quickly due to a medical emergency? Or a home is on fire? These situations are accidents waiting to happen given Sedona's bad traffic. The City of Sedona, which is responsible for the health, safety, and general welfare of the public, is doing a woefully inadequate job.

Sedona already has enough hotel guest rooms for Scottsdale AZ. The City must acknowledge and realize that another big down-turn in the economy or bad terrorist attack could ruin tourism for several years.

**3. Your contact information**

**Name:** Jean K Jenks

# City of Sedona: Comment on Development Proposal

donotreply@sedonaaz.gov

Tue 4/17/2018 2:24 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>; Warren Campbell <WCampbell@sedonaaz.gov>;

A new entry to a form/survey has been submitted.

**Form Name:** Comments on Development Proposals  
**Date & Time:** 04/17/2018 2:24 p.m.  
**Response #:** 11  
**Submitter ID:** 452  
**IP address:** 47.215.242.76  
**Time to complete:** 32 min. , 32 sec.

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## Survey Details

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### Page 1

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**We want to hear what you think. Please share your thoughts below. If you have questions about the project, please enter your contact information so that we can respond. Please note that all information submitted (including name and addresses) will become part of the public record and will be available for public inspection.**

1. **Project Name:**  
Marriott Residence Inn, PZ16-00009

2. **What are your comments, concerns, ideas, and suggestions about this project?**

While I understand this project is a done deal, I am opposed to another hotel for several reasons. There are already too many lodging facilities in Sedona. This violates the Community Plan which is supposed to promote industry other than tourism to create a more sustainable economy. Approval of more tourism based facilities and projects adds to Sedona's biggest challenge - traffic. There is no answer to Sedona's traffic problem other than managing tourism volume. Even City Officials admit that Sedona's Transportation Master Plan will not resolve traffic issues - it only manages traffic congestion as tourist volume stands now and predicted future tourism increases will negate any progress made. People are not going to walk and bicycle in the heat and cold of our seasons in significant numbers to impact traffic. Approval of more tourism based facilities brings more low paying jobs and adds to the challenge of affordable housing. Developments that bring more tourists also add to increased pollution, crime and other adverse challenges. Rampant tourism erodes the Sedona experience and makes it less valuable, and thus less cherished and cared for.

It's my opinion that Sedona's pro-tourism pro-development decisions are cannibalizing future tourism and the quality of life in Sedona. My guests to the area have not enjoyed their visits to Uptown and other tourist destinations because

**Mailing Address:** 250 Hillside Avenue  
**E-mail:** jeanjenks@live.com

4. **Would you like to receive notices about this project, such as public meeting dates?**

(o) No

Thank you,  
**City of Sedona**

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streets and shops are too crowded -- so much so that public spaces are becoming dirty and unkept such as public restrooms. Our environment is increasingly being vandalized and trashed ... in Oak Creek Canyon, trails along Dry Creek Road, and Red Rock Crossing to name a few. The only answer that honors Sedona's vision, Master Plan, environmental stewardship and our blessed beauty that draws tourists in the first place, as well as residents and sustainable economy and tourism - is no more tourism growth. Sedona is already too full. More tourist growth is counterproductive, irresponsible, negligent and unethical.

**3. Your contact information**

**Name:** Mitch Laurich  
**Mailing Address:** 160 Saddlerock Ln., Sedona, AZ 86336  
**E-mail:** gotmilk457@yahoo.com

**4.**

**Would you like to receive notices about this project, such as public meeting dates?**

(o) No

Thank you,  
**City of Sedona**

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PZ16-00009 (ZC, DEV, CUP)  
Marriott Residence Inn

Public Comments: Conceptual Review

## Cari Meyer - Meeting Tonight Re Residence Inn at Marriott

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**From:** "Patricia Fisher" <[REDACTED]@esedona.net>  
**To:** <CMeyer@SedonaAZ.gov>  
**Date:** 10/25/2016 7:57 PM  
**Subject:** Meeting Tonight Re Residence Inn at Marriott

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Dear Cari,

It was so nice to meet you. And just so you know I have been a resident in Foothills South for over eleven years. The people who spoke tonight do not represent me or my concerns. I think they have forgotten how badly that land has looked for years.

I have owned property here since 1986. And the Marriott has been developed well. I am sure the Residence Inn will be done

well also. I have known the Millers since 1986. As far as the Emergency Gate is concerned, the Fredstroms have thought that out clearly.

And, when I left the meeting we drove up to look at it, and the vegetation and trees along that upper street are huge and plentiful. I

invited friends to attend the meeting with me. He is one of the largest landowners in Arizona. We were amazed by the selfish

comments by one woman and one man at this meeting. I do not know their names...but, they did not speak on my behalf.

As for the fencing....take a look at our gate...why not do a similar design...But you must remember these are the very same people (in Foothills South) who

would not allow me to fence in my own yard after I hired an architect to design it and spending, lots of money and time to get it done. It was

only to protect my precious dog. Even though there are certain properties in here fenced in...There is no sense or value in their selfish comments.

I am absolutely confident and supportive for the city to move favorably on this and wish only success for you and your staff to

handle it confidently and for the Sunridge Hotel Group to move toward completing the project efficiently and beautifully.

Cari, my phone number: [928 282](tel:928-282-) [REDACTED], my address: [REDACTED] Calle del Jefes, Sedona, AZ ( a Foothills South resident).....

Sincerely,  
 Patricia Fisher

**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** <CMeyer@SedonaAZ.gov>  
**Date:** 10/27/2016 10:36 AM  
**Subject:** Plans for Residence Inn and Emergency easement and right of way issues

Dear Miss Meyer,

As I mentioned in the Community meeting this past Tuesday with the Marriott developer, architect and staff, there are legal recordation's governing the emergency exit right of way and roadway that apply to the current property of the Marriott developer, including the Marriott Courtyard and proposed Residence Inn. Under the terms of the court agreement of what I believe is 1996 court approved agreement between Miller Brothers and Foothills South Owners Association, there are some long term requirements that apply to successors and heirs of that property. The documents involved are recorded in Yavapai County with provision for a temporary right of way and easement for emergency exit purposes from the top of Camino Real Drive across the corner property to Upper Red Rock Loop Road (which had been moved to line up with Contractor Rd). The plat plan for that temporary easement and roadway was carried out by Landmark Engineering, I believe and is to be found with the documents in the Yavapai County Recorder of Deeds. Foothills has provided copies of these documents to previous members of P and Z, to the previous City Attorney at one point, to the Planners involved, most recently Audrey Julen who worked previously with the Marriott development of the Courtyard. At Marriott's first effort to show what would be a new permanent emergency roadway location—in front of the entry of that hotel, the Fire Chief Kris Kazian stated that the fire truck would take the root off the entry overhang, so I do not know what is currently the thinking on this. Certainly this is to be an official fire/emergency vehicle right of way and serve for emergency purposes for Foothills South.

The Emergency Temporary Right of Way roadway, which is now in terrible disrepair and has been repeatedly blocked during construction, has been used twice so far that I know of. This is once, when ADOT was widening Highway 89A totally blocking the entry to and from Foothills and what is now Park Place, developed by Ben Miller and Miller Brothers. Another time it was being prepared for a fire evacuation, which was not deemed necessary. It has been open for a non-emergency trial use by Foothills residents in a traffic study by NAU students several years ago.

THE PERMANENT EASEMENT AND ROADWAY NEEDS SERIOUS PLANNING BEFORE APPROVAL OF THIS PROJECT. I am concerned about traffic flow and the lack of designation of a 20-25 foot roadway from Upper Red Rock Loop Road to our Western Ingress/Egress. Also I have about how all this works out with the Miller Brothers easement which now shows the temporary roadway joining ours on the land that is being considered for Residence Inn.

It was difficult to see the drawings and to tell if the site plan reflects a plan for a permanent roadway meeting requirements of the Fire Dept and our legal agreement.

I do not think it is good enough to just say that vehicles can just go around one building or another. It needs to be a recorded pathway to RR Look Road, in case 89A is blocked with traffic. It needs permanent marking and signage as a Fire Lane. I am concerned about someone thinking they can park their bus on any open area. I am concerned about the back up of the Residence Inn to a very close proximity to where Foothills traffic, Park Place Traffic and emergency vehicles may all be trying to get through at once. Will there be parking next to the side of that building that will intrude into what is now a 30 foot setback. Or will affordable housing residents think they can park wherever they want since they are staff and no one sees their cars? Will the proposed dumpster space intrude on the merger of traffic from Park Place and surrounding future planned multiple family units and the Foothills traffic; i.e. will there need to be a bigger space at the juncture to the north of these right of ways? Right now I see dumping of rock and an abrupt drop in elevation that appears to be that going to the Temp right of way for Park place and the surrounding properties leaving it unpassible for emergency traffic, or for any utility companies to reach the transformer and water tank areas. The Park Place area is cabled off. Also, I see vehicles -not Foothills South passenger vehicles, but larger trucks eroding our shoulder of Camino Real and moving our decorative and boundary boulders to let all sorts of vehicles through. You should see the tire tracks—it is like Foothills Camino Real is being treated as a service access road, which it is not. It is a private road in a private gated community. The City needs to come look at this area.

Meanwhile, I have e-mailed Spectrum, our management company asking Dave Norton

to provide you with copies of the legal requirements for the temporary and permanent emergency right of ways and roadways and am asking that the Fire Dept be involved in the planning process. If the road is curved around too much, I have concern that fire trucks could be put in an unstable position turning to get around Residence Inn and coming up the hill to Foothills South.

As far as a Residence Inn, I do like these properties and have stayed at them regularly over the years. I do think this building placement crowds the entry of the emergency right of ways as they now exist and want to be sure planning is carried out that meets the requirements and needs of our adjacent neighborhood.

Sincerely,

Susan M. Ritter, Foothills South owner and past President and Secretary and Historian of the Board.



## Cari Meyer - Re: Plans for Residence Inn and Emergency easement and right of way issues

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**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** Cari Meyer <CMeyer@sedonaaz.gov>  
**Date:** 10/27/2016 8:40 PM  
**Subject:** Re: Plans for Residence Inn and Emergency easement and right of way issues

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I would be available next Wednesday, morning or afternoon. I do not speak for FSOA and I am no longer a Board member. You may wish to include a member or President Bonnie Golub, or Spectrum Manager Dave Norton. I am speaking as a homeowner and former Board member who served as Secretary at the time of this agreement. There is a great need for further planning of our emergency exit and its permanent location. This means, of course, the Sedona Fire Dept would need to be involved. Before the City Engineer was involved as well for the temporary roadway planning. The emergency access has had a very important role in the disruption of Highway 89A. At the point ADOT widened totally shut down the lane in front of our gate on 89A, we made an exception and allowed Upper Red Rock Loop traffic to be diverted through our subdivision via the temporary roadway. We have had 89A blocked recently with a major vehicular accident down toward Dry Creek Road and several accidents along 89A, including at our entry and at Bristle Comb Pines, in which there was a fatality. There was an 89A fatal accident along 89 A that totally blocked the highway for 5 hours until the coroner would come over from Prescott and view the scene. So alternate/alternate plans are very important. We have not received any notice of a review, but I heard next Tuesday there may be something planned. Would appreciate a notice.  
Susan Ritter

On Oct 27, 2016, at 3:29 PM, Cari Meyer <[CMeyer@sedonaaz.gov](mailto:CMeyer@sedonaaz.gov)> wrote:

Hi Susan,

Thank you for your email. I'll definitely include it in the file for this project. You have a lot of questions in this email that I want to take some more time on in order to get you the right answer and some that may be answered as the project is developed. However, I do think it would be helpful for me to meet you out there at some point. Would you be available sometime next Wednesday or Thursday afternoon to meet with me? Please let me know what would work for you.

Thanks and have a great weekend,

Cari Meyer, Senior Planner  
City of Sedona Community Development  
[\(928\) 203-5049](tel:9282035049)

>>> Carl Ritter <[REDACTED]@suddenlink.net> 10/27/2016 10:36 AM >>>  
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**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** Cari Meyer <cmeyer@sedonaaz.gov>  
**Date:** 10/29/2016 9:43 AM  
**Subject:** Easement across Marriott Property

Actually there are 2 easements—the FSOA one and the Park Place one. Ben Miller of Miller Brothers should have that one. His father, the late Duane Miller was a signator and our developer. My concern is the FSOA one and how the exit will work, especially if vehicles from both Park Place and its surrounding Miller properties are merged with ours at a location now platted that is quite close to the Residence Inn building envelope.

I have not located any copies of the recorded Settlement Agreement and Temporary Easement with engineering drawing. There is a descriptions of the required permanent easement which is to be granted in the Documents. They are in your Planning Office with Audrey, out VP Bert Easley told me. The properties for the Courtyard and proposed Residence Inn are involved. In my opinion, the location of our new easement needs platted and protected with markings and signage to be sure it is not blocked.

I did ask Foothills Manager, Dave Norton, to provide you with this since he has all our records on disc

So would we plan to meet Wednesday? Let me know.

Sue Ritter

**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** <CMeyer@SedonaAZ.gov>  
**CC:** Dave Norton <[REDACTED]@Gmail.com>  
**Date:** 10/27/2016 1:04 PM  
**Subject:** Latest update on our access at top of Camino Real

It appears rock is being moved to open our emergency exit down the hill from us and new posts and chains by Marriott mark the entry Fire Lane. Our current easement is in place until a permanent one is platted, so this needs taken care of.

There are more rocks removed from the right side of our Camino Real to allow trucks to go to the utilities by driving in on our road. Even more rocks have been removed in the last 48 hours. The ditch preventing Park Place owners from merging with our exit is partially filled it appears that there is another chain and posts and they may be moving the emergency access from the Miller Properties to a position of heading for the highway exit. It is not clear. There still is a rocky step down next to their gate but maybe they won't need it if they send the utilities in from the highway entry. Of course that is not yet happening.

We are running into homeowners who are fed up with walkers from the hotel and their dog poop. Sometimes they just dump it in recycle bins of owners on Camino Real.

The old No Trespassing sign we had up was taken down months ago. I think we need a new NO Trespassing sign.

For Clarity, we do need our emergency exit identified and signed. Also a trail of marking through the hotel property would help.

In trying to correct my earlier e-mail and re-send it to colleagues, it appears both versions were sent.

Susan Ritter

**From:** Carl Ritter [REDACTED]@suddenlink.net>  
**To:** Cari Meyer <cmeyer@sedonaaz.gov>  
**Date:** 10/29/2016 9:43 AM  
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So would we plan to meet Wednesday? Let me know.

Sue Ritter

**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** Cari Meyer <CMeyer@SedonaAZ.gov>  
**Date:** 10/31/2016 4:19 PM  
**Subject:** Thanks for the link for the Marriott Residence Plan and other filings for that project.

I am finding it a bit incomplete. The Title Co portion does not mention any incumbrance on the property by our Settlement Agreement, Temporary Easement and its provision of a 25 foot wide permanent easement for an emergency road. I thought Title Companies noted them in their study. Somehow it gives the impression in the descriptions that it is leaving the emergency access entries ONLY IN PLACE. Actually it appears that the Park Place or adjacent property does to out further in front of the building possibly would not merge with Foothills South Traffic, but not clear how trucks get through to get in..

I do not see a way a 25 foot emergency access easement, which must provide for evacuation to RR Loop road, is in place. The turn to the left is abruptly truncated and there is no roadway showing hat is paved that goes through. In face one encounters the .77 Acres Open Space behind Foothills South Homes. There are so many parking spaces, I question if a hook and ladder could get through. To get in from Red Rock Loop Road means coming around and through the Courtyard and then another turn up the hill.

Has the Fire Chief or City Engineer seen this? I do not see how a Fire Truck and possibly additional emergency vehicles come through and get up the hill. The whole thing needs moved 10 feet south by just casual glance.

There is still a temporary easement and roadway that exists in the recordations, the roadway getting intermittently covered in rock. We are supposed to have a way through.

I think the applicant needs to stake this out for P and Z showing how the connection to and from Red Rock Loop Road is supposed to work.

See you Wed.

Susan M. Ritter, FSOA resident and Past Board President

**From:** Carl Ritter [REDACTED]@suddenlink.net>  
**To:** Cari Meyer <CMeyer@SedonaAZ.gov>  
**Date:** 11/1/2016 9:30 AM  
**Subject:** Meeting at 5:30 today

My husband Carl will be with me, is he allowed in? Also I see there appear to be parking spaces all along the so-called emergency gate and along the perimeter of the roadway leading to it. Even parking places on the plan near the open not to be developed space. This is a set up for hikers to park all over and interfere with access. I hope I am wrong, parking in the Emergency right of way. Our President has responded and cannot be back until Nov. 14. We know of no agreement for modification for the easement and temporary roadway, which is a fire lane approved by Will Loasch previously Battalion Chief of SFD and Charles Mosley, Engineer.

Fire Chief Kris Kazian is going to have Gary Thompson get in touch with you. They need to approve any change. Right now, it would appear that the Residence Inn Plan is sitting partway on an existing temporary easement and right of way, which cannot be built on until there would be an approved change. This is a recorded emergency exit and fire land. With all the parking, I think getting a large fire truck around the corner to come into Foothills South would not work. But only an engineer and a fire district person can provide turning radius information.

If the parking spaces need reduced, I think the plan would need tweaked. Current plan is an invitation to a jam up and a blocked ingress/egress emergency exit. Will be there at 5:30. I have sent a copy of the relevant part of our Temporary Easement agreement to Marty Losoff, P and Z Chair.  
Susan Ritter



**Cari Meyer - Re: Meeting at 5:30 today**

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**From:** Carl Ritter <[REDACTED]@suddenlink.net>  
**To:** Cari Meyer <CMeyer@sedonaaz.gov>  
**Date:** 11/1/2016 12:38 PM  
**Subject:** Re: Meeting at 5:30 today

---

I do not believe the current plan shows a right of way easement. Glad you are involved. Not sure if they are aware of our recorded agreement and current temporary easement. So it confuses me—they are seeing gates marked on the plan, but I don't see how they could see the easement.. Where is the permanent easement and roadway marked? Just walked around the gate. Thirty feet down the hill from the boundary is still on an upgrade and this is where the building starts? I think superficially it looks good until you see all the parking and realize that this is ingress and egress. How are all the parties going to get in and out if a fire? We have had 1 behind our house and that of the house next door where the transformer for most of the City power makes a great lightning rod. It was struck and started a fire 2 years ago. It also did this 21 years ago just before we started building. Are they aware the roadway must be a minimum of 25 feet per recorded agreement?

But I hope this is all workable. I am not sure if they realize access must be given from Upper Red Rock Loop Road or have subtracted out the impact of all the parking.  
 Sue Ritter

On Nov 1, 2016, at 10:23 AM, Cari Meyer <[CMeyer@sedonaaz.gov](mailto:CMeyer@sedonaaz.gov)> wrote:

Susan,

The meeting at 5:30 today in Council Chambers is open to the public and anyone is allowed to attend.

Regarding the access, I can assure you that I work closely with Gary Johnson from the Sedona Fire District and our City Engineering Department on all development projects. They have all reviewed the conceptual site plan and have not expressed any concerns with the way the access is being shown.

I think we all, including the applicant, understand your concerns and are willing to work with the HOA to ensure that any changes to the emergency access are done in a legal manner. I will see you tonight. Thank you,

Cari Meyer, Senior Planner  
 City of Sedona Community Development  
[\(928\) 203-5049](tel:(928)203-5049)

>>> Carl Ritter <[REDACTED]@suddenlink.net> 11/1/2016 9:30 AM >>>

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Susan Ritter

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## Cari Meyer - Citizen Input on Proposed Residence Inn Adjacent to Marriott Courtyard Hotel

---

**From:** "Tom Cypher" <[REDACTED]@Cypher.com>  
**To:** <cmeyer@sedonaaz.gov>  
**Date:** 10/27/2016 5:45 PM  
**Subject:** Citizen Input on Proposed Residence Inn Adjacent to Marriott Courtyard Hotel  
**Cc:** <paul@sunridgeproperties.com>, <mark@archplusaz.com>, <[REDACTED]@esedon...>  
**Attachments:** South from El Camino Real.jpg; South from Corner El Camino Real & Linda Vista.jpg; Southwest from Middle of Linda Vista in Front of Lot 111.jpg; Southwest from Middle of Linda Vista in Front of Lot 107.jpg; West from Corner Linda Vista & El Camino Real.jpg

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Hi Cari.

Thank you for the time you gave me to discuss the subject project on the telephone last Monday, October 23<sup>rd</sup>, and for taking away from your personal time to attend the Sunridge-sponsored Neighborhood Meeting on Tuesday evening at the Marriott. I overheard several comments from my neighbors on how much they appreciated your participation.

During the meeting, you requested that citizen comments be submitted to you in writing to minimize misunderstandings. Great idea. Thanks for the opportunity.

While I have consulted with and attempted to factor input from other Foothills South residents into the following, these comments and observations reflect my opinions and suggestions and are not meant to represent anyone other than myself.

### **General Concerns & Specific Requests**

There appear to be five (5) principal concerns: Light Pollution, Sound Pollution, Traffic Congestion, Visual Pollution, and Resident Communication Channels. Clearly, a fair amount of empirical data is required to accurately determine the extent to which any one of these concerns is warranted. At present not all of these data have been collected and/or presented to the City or the public, so viable conclusions remain contingent on availability of such data.

- ***Light Pollution:*** At the Tuesday, October 24<sup>th</sup>, meeting, Paul Welker stated that the current Marriott Hotel does fall within the City's dark sky regulations, but there was no further discussion of the impact of the additional lighting from the proposed addition of seventy-one percent (71%) more developed space in that location. Without specific, quantifiable data, citizens are unable to render an opinion or make suggestions concerning potential Light Pollution. **Until that information is available and has been evaluated by both the City and the public for comment, this is to request that the City withhold approvals to proceed with the project (Request 1).**
- ***Sound Pollution:*** Similarly, the measurable, scientific impact of the factors contributing to Sound Pollution are either not yet collected or, at least, not yet available for public review, making informed assessment by citizens of the proposed project's impact impossible. **Until detailed, empirical noise information from comprehensive Traffic Studies and anticipated Marriott Property "events" are available to determine the proposed project's effect on noise levels in the local area, this is to**

**request that the City withhold approvals to proceed with the project (Request 2).** Incidentally, but of relevance to quality of life in our neighborhood, is the prospect of another year or more of the relatively loud sounds of heavy construction.

- **Traffic Congestion:** As with Light and Sound, the measurable, scientific impact of the iterative variables contributing to Traffic Congestion in both the local area and network-wide have not been collected or, if they have, they haven't been made available for public review and comment. This leaves it impossible for citizens to determine the proposed project's traffic impact. This is especially germane as it concerns access and egress controls to and from the Foothills South main gate. **Until detailed, information from the same Traffic Studies (including volumes, flow rates, weaving distances, traffic types, vehicle idle times, etc) are available to determine the proposed project's effect on traffic movement in both the local area and on the larger city transportation network, this to request that the City withhold approvals to proceed with the project (Request 3).**
- **Visual Pollution:** There are more data currently available to me to address this concern than any of the preceding three. Some of that is included in the five (5) attached photographic files. In my judgment, the photos speak clearly for themselves. They demonstrate that without modification to some aspects of the proposed plan, anyone using the Foothills South roadways (Linda Vista and El Camino Real) near that corner of the subdivision, as well as the seven (7) lots directly overlooking the site, will be subjected to a large, aesthetically incongruous commercial complex in place of the previous, visually more harmonious open space. **This, then, is to request that the City withhold approvals to proceed with the Residence Inn project pending resubmission of site layout and landscaping plans that ameliorate these and other potential Visual Pollution concerns to the satisfaction of the directly impacted Foothills South residents (Request 4). This also reiterates the request made during the Tuesday meeting that Sunridge furnish Foothills South owners with (a) detailed West-Looking Elevations of the property and buildings and (b) a perspective of the entire, completed Marriott property that factually represents what Foothills South owners will see from the various vantage points shown in the accompanying photographs (Request 5.)** Given complete information and reasonable time, I believe Foothills South owners are willing and able to work with Sunridge to develop realistic solutions to these concerns.
- **Foothills South Resident Communication Channels:** As you probably recall, one of the first topics brought up by Foothills South owners at the Tuesday meeting was that of channels for previous and future communications with relevant Foothills South residents. Because this topic arose multiple times (and often passionately) during that meeting, it's reasonable to conclude that Foothills South residents are concerned that they have not been adequately informed of project specifics. When Paul outlined the communication process and channels he and the Sunridge team have employed to share information, residents appeared to agree that existing communication channels, through the Association's contracted manager (Spectrum) and just a couple of the Association's officers, has not been effective in getting needed info to the concerned property owners. Accordingly, this is to **request that the City, Sunridge, Sedona Hospitality, the Marriott, Architecture Plus and all other concerned parties directly include all impacted Foothills South property owners (if not the full membership) in all communications, meetings, decisions, and/or agreements directly or indirectly impacting our subdivision (Request 6).**

### **Additional Questions, Comments & Requests**

During the Tuesday meeting, some additional questions were raised by Foothills South owners. Several more have arisen since then and are also included here. I didn't take notes during the meeting or in subsequent conversations with neighbors, so I'm just reciting the best I can from memory.

- In the Marriott's applications to the City, there is more than one reference to the fact that neighboring residents will benefit from access to the various facilities on the property with the seeming implication that these will be available as a community service (i.e. no cost). Since then, neighbors tell me that is not proving to be the case and that fees are being asked. This, then, is **to request that the City incorporate legally binding guarantees of no-cost access and use of the Marriott site's facilities to the impacted residents, their families and their accompanying guests (Request 7).**
- The legal documentation I've seen from Sunridge and the City identifies Sunridge Hotel Group as the property owner. However, Yavapai County records list Sedona Hospitality Group as the owner. **Request 8 is to clarify legal ownership of the property and the relationship between that owner, Sunridge and all other parties involved in the project.**
- Review of Marriott's initial applications for consideration of the request to increase the Sedona room rental inventory by more than 200 rooms in the Marriott Hotel and another 100 in the proposed Residence Inn rooms, indicates that a key argument in favor of the proposal was that the project(s) would supplement a shortage of short-term stay facilities in Sedona. Since that time, state law concerning short-term rentals has changed substantially and third-party companies in that industry anticipate this change will immediately increase available Sedona short-term rentals in excess of 1000 rooms without any additional cost to Sedona's infrastructure. **Request 9 is that the City re-examine the legitimacy to community welfare of the need to incur the infrastructure and other costs required to execute the proposed project.**
- It looks like the Marriott's property taxes have been waived since 2010. We understand this is largely a County responsibility, but will appreciate **Sunridge's (and the City's, if appropriate) insight into why this was done and how it benefits the Sedona and Foothills South communities (Request 10).**
- **Request 11 is that Sunridge furnish concerned Foothills South owners with review access to all plans and other project-related documentation that it provides to the City and at the same time.**
- In order to quell rumors that we heard at the Tuesday meeting of "behind-the-scenes" deals being cut, this is **to request that the City monitor, participate in and share with all concerned Foothills South owners all past, present and future project-related documents to the maximum extent allowed by law (Request 12).**
- There are places throughout existing documentation that state the Foothills South community is supportive of the proposed Marriott plans. I ask that City officials not interpret "support" to mean the community "wants" this project, but rather "it's a foregone decision over which we have no say, so we either take this or risk something worse."
- The Sunridge proposal highlights the Architectural Characters of both the existing Hotel and proposed Residence Inn as positives. As stated in the Tuesday meeting, many residents believe the character of the new Marriott Hotel is not harmonious with its surrounding. I believe the specific comment was, "It looks like it should be in Colorado." **Request 13, then, is that Sunridge modify proposed new Residence Inn structures to comply much more strictly with the spirit, character and natural materials native to this area.**
- Plans proposed so far by Sunridge state that landscape plants will be both native and adaptive. **To prevent the spread into the forest of potentially invasive non-native species, Request 14 is to restrict future and replacement landscaping on the Marriott site to native plants.**
- Several owners in attendance Tuesday, expressed concerns about foot-traffic access from the project site to Foothills South. **Request 15 is that Sunridge furnish Foothills South owners with a detailed proposal for helping to safeguard our community from unwanted and unauthorized pedestrian traffic to and from the Marriott property.**

Once again, thanks so much, Cari, for your personal and professional involvement in making sure one of the most beautiful and peaceful places on earth stays that way.

Tom Cypher  
[REDACTED] Linda Vista  
Sedona AZ 86336-5069  
Phone/Text [402.853.](tel:402.853.) [REDACTED]













## Cari Meyer - Re: Citizen Input on Proposed Residence Inn Adjacent to Marriott Courtyard Hotel

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**From:** Paul Welker <paul@sunridgeproperties.com>  
**To:** Tom Cypher <[REDACTED]@cypher.com>  
**Date:** 10/30/2016 10:45 PM  
**Subject:** Re: Citizen Input on Proposed Residence Inn Adjacent to Marriott Courtyard Hotel  
**Cc:** Cari Meyer <cmeyer@sedonaaz.gov>, "mark@archplusaz.com" <mark@archplusaz.com>

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Hi Tom,

It was nice to meet you the other night, and thank you for attending. We also appreciate your questions and comments and since you also copied me on this, I will provide responses below.

### General Concerns and Specific Requests

**1. Light Pollution:** Since we are under the City's requirement to maintain the lighting within the City's dark sky ordinance provision, they will calculate the exact requirements for the development of this parcel. We will comply with the lighting requirements and the dark sky ordinance.

**2. Sound Pollution:** Since this is a lodging facility and extended stay in nature, (Residence Inn) it is residential in nature. It is not a convention center or event driven facility, thereby mitigating sound pollution issues.

The project has been carefully designed so the courtyard area of the hotel, in which the pool and activity area is located, is in the center of the building and completely surrounded by the building. This allows the Foothills South subdivision to be protected from the views and noise of these activity areas.

**3. Traffic Congestion:** As indicated at the meeting the City requires a licensed engineer to conduct a traffic study reflecting the impact on traffic from our project. This study has been completed and I am sure that the City will thoroughly evaluate this information and share with the residents.

**4. Visual Pollution:** As demonstrated by the development of the adjacent Courtyard, we will develop a high quality product that is not detracting in any way from the Sedona area and neighborhoods. I can assure you it will not be an "incongruous commercial complex", as demonstrated by our recently completed Courtyard project. While it would be desirable to always have it be open space, we do have the buffer of approx. 3/4 acres that we agreed to have permanently zoned as open space which has been done. This open space provides a buffer to those driving along Via Linda and El Camino Real. Unfortunately we are not able to zone all of this parcel as open space and with the current lodging zoning in place on the developable 3.1 acres and our economic investment, we are thereby requesting the development of the Marriott Residence Inn. Regarding the adjacent homes, I believe it was mentioned that currently the closest home (Terry's) in the Foothills South Subdivision would be more than 300 feet from our site, and the grades of the hotel are significantly lower, thereby placing the Residence Inn below the homes. I do remember your comment Tom, regarding the proposed stone looking like Colorado Stone and the project looking like it should be in Colorado. We will work closely with the Homeowners and the City, to make sure the aesthetics of the building and landscaping are acceptable and blend seamlessly with the community in which we are located. We are

required to submit color boards and actual samples of what the materials will be, which helps to clarify even further what they will look like. Those will be forthcoming during the process.

**5. Communication:** We will continue to notify the residents and work with the Homeowners Association to make sure we communicate effectively. I was glad to see such a good turnout at our meeting last Tuesday.

**Additional Comments Questions and Request:**

**1. Use of Facilities by Neighbors and Their Guests At No Cost:** Not sure what you mean by this, and what we are asking neighbors to pay for that we agreed would be gratis? We agreed to a number of community benefits, which was funding for several items, i.e. low income housing, trail construction, decel lane, bus stop along 89A and etc.. We also agreed to let the City and community use our meeting room several times during the year at no cost and which has already been scheduled for use. Please clarify your specific concerns related to this.

**2. Legal Ownership Entity:** The owner of the property is Sedona Hospitality Group, LLC. Sunridge Properties Inc., is the managing member of Sedona Hospitality Group, LLC, thus the ownership and control of both entities is the same. Brian Welker and myself (Paul Welker) own 100% of the stock of Sunridge Properties Inc. and thus Sedona Hospitality Group, LLC.

**3. Initial Marriott Application:** Our initial application was for a 121 unit Courtyard, and our current Residence Inn application is for a 92 unit Residence Inn. The City will evaluate our project with respect to infrastructure demands and etc..

**4. Property Tax's:** We purchased the property in Dec. 2013, and there has been no waiver of property tax's. All property tax's are current and paid since the time of our purchase.

**5. Provide Review Access of Plans to Homeowners:** Access to all plans and details will be made available through the City, and through the meetings with Homeowners as well as through the HOA.

**6. Rumors of Behind the Scenes Deals Being Cut:** We did not hear anything regarding this pertaining to us at Tuesdays meeting. The only thing that was brought up was a lawsuit between the City and the previous landowner, years before we bought the property. I can assure all that there have never been any " Behind the scene deals cut" regarding our development, so I assume no one was talking about our group.

**7. Foothills South Support for Project:** It is our aim to gain the continued support and trust of the residents of the Foothills South. Tuesday's meeting raised a lot of great questions and we will continue to work to earn support from Foothills South. Many at the meeting came forward at the end of the meeting and were very complimentary of the Courtyard project and also the Residence Inn plans, and were in support of what we presented. They only asked that we would continue to work with them during this process. We will certainly do that.

**8. Architectural Characteristics:** Tom, this is relative to your comment about the project belonging in Colorado, and this in answered in #4 (Visual Pollution) above. Please refer to this section.

**9. Native Plants:** We went to great lengths to use native plants and also native landscape material such as rock and etc. on the Courtyard Project, and we will continue this with the Residence Inn.

**10. Foot Traffic Access:** We indicated at the meeting that we would work with homeowners to establish an acceptable barrier to limit foot traffic into Foothills South, if that is what the homeowners want.

Tom, hopefully the above responses will help answer many of your questions. I would like to thank you for your concerns and participation and we look forward to working with you and all the residents of Foothills South.

Kind Regards,  
Paul Welker -CEO  
Sunridge Properties Inc.  
Sedona Hospitality Group, LLC

On Thu, Oct 27, 2016 at 5:44 PM, Tom Cypher <[REDACTED]@cypher.com> wrote:

Hi Cari.

Thank you for the time you gave me to discuss the subject project on the telephone last Monday, October 23<sup>rd</sup>, and for taking away from your personal time to attend the Sunridge-sponsored Neighborhood Meeting on Tuesday evening at the Marriott. I overheard several comments from my neighbors on how much they appreciated your participation.

During the meeting, you requested that citizen comments be submitted to you in writing to minimize misunderstandings. Great idea. Thanks for the opportunity.

While I have consulted with and attempted to factor input from other Foothills South residents into the following, these comments and observations reflect my opinions and suggestions and are not meant to represent anyone other than myself.

#### **General Concerns & Specific Requests**

There appear to be five (5) principal concerns: Light Pollution, Sound Pollution, Traffic Congestion, Visual Pollution, and Resident Communication Channels. Clearly, a fair amount of empirical data is required to accurately determine the extent to which any one of these concerns is warranted. At present not all of these data have been collected and/or presented to the City or the public, so viable conclusions remain contingent on availability of such data.

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Once again, thanks so much, Cari, for your personal and professional involvement in making sure one of the most beautiful and peaceful places on earth stays that way.

Tom Cypher

█ Linda Vista

Sedona AZ 86336-5069

Phone/Text [402.853.█](tel:402.853.█)

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**Summary Minutes**  
**City of Sedona**  
**Planning & Zoning Commission Meeting**  
**City Council Chambers, 102 Roadrunner Drive, Sedona, AZ**  
**Tuesday, April 17, 2018 - 5:30 p.m.**

**1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, & ROLL CALL**

Vice Chair Levin called the meeting to order at 5:30 p.m., led the Pledge of Allegiance and requested roll call.

**Roll Call:**

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

**Staff Present:** Warren Campbell, James Crowley, Andy Dickey, Audree Juhlin, Cari Meyer, Ryan Mortillaro, Robert Pickels Jr., Rob Pollock and Donna Puckett.

**Councilor(s) Present:** Mayor Moriarty, Vice Mayor Martinez, Councilor Currivan and Councilor Jablow

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

*There were no announcements.*

*Note: The Vice Chair proceeded to agenda item 4 at this time.*

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

*Vice Chair Levin opened the public forum and, having no requests to speak, closed the public forum.*

**3. APPROVAL OF THE FOLLOWING MINUTES:**

- a. March 6, 2018 (WS)
- b. March 6, 2018 (R)
- c. March 20, 2018 (WS)
- d. April 3, 2018 (WS)

Vice Chair Levin stated that she would entertain a motion for the approval of the four meeting minutes.

**MOTION:** *Commissioner Barcus so moved. Commissioner Kinsella seconded the motion.*  
**VOTE:** *Motion carried six (6) for and zero (0) opposed. Chair Losoff was excused.*

**5. CONSIDERATION OF THE FOLLOWING ITEMS THROUGH PUBLIC HEARING PROCEDURES:**

- a. Discussion/possible action regarding a request for approval of a Zone Change, Development Review, and Conditional Use Permit to construct a new 88 room hotel (Marriott Residence Inn), 2 employee housing units, and associated site improvements at 4105 W State Route 89A. The property is zoned Lodging (L) and Open Space (OS). A general description of the area affected includes but is not limited to the southeast corner of W State Route 89A and Upper Red Rock Loop Road. APN: 408-11-430B Applicant: Sunridge Hotel Group (Paul Welker) Case Number: PZ16-00009 (ZC, DEV, CUP)

**Presentation:** Cari Meyer noted that an extensive Staff Report was provided to the Commission in the packet, so she wanted to go over the components of the application. First, there is a Zone Change application and although the property is currently zoned Lodging, the Lodging District in

Sedona requires a zone change when you are increasing the number of lodging units on a property, and they want to build an additional 88 lodging units, so a zone change is required, and final action will be taken by the City Council after the Commission makes a recommendation. There is also a Development Review and Conditional Use Permit component to this project. The Development Review is for the site plan and building design, with a Conditional Use Permit being for the placement of drainage facilities on the Open Space portion of the project, which is about three-quarters of an acre that is zoned Open Space. The Conditional Use Permit does not involve the use of the hotel, just the use of the Open Space for drainage, and final action is taken by the Commission on these, although that action may be appealed to the City Council. Additionally, in the Conditions of Approval, both are contingent on the City Council's action on the Zone Change. She distributed some revised Conditions of Approval prior to the meeting and the one change was that a Condition was added to the Conditional Use Permit application stating that if the City Council does not approve the associated Zone Change and the Commission had approved the Conditional Use Permit, that approval becomes null and void; the same Condition was already included for the Development Review.

Cari provided a summary description of the property, the history of the property, and the Western Gateway CFA Plan. Cari explained that before 2014 this property was zoned Commercial. In March of 2014, the Community Plan was ratified by the voters and that included the designation of various areas as Community Focus Areas (CFAs). In April, the applicant submitted the Conceptual Review for the Courtyard project, and in May, the City's planning effort for the Western Gateway CFA Plan began. In July of 2014, the applicant submitted the comprehensive review applications for the Courtyard. Moving forward, the rezoning for this property to Lodging, allowing a maximum of 121 units was approved by the City Council in September of 2014. In July of 2016, the Planning & Zoning Commission recommended the Western Gateway Plan and, four months later, the City Council approved the Western Gateway Plan, so approximately 20 months between City Council's approval of the Lodging zoning for the property and the Western Gateway CFA Plan. In September of 2016, the applicant submitted the Conceptual Review application for this project, and the Commission held a work session and site visit in November of 2016. In January of 2017, the comprehensive review application was submitted by the applicant, and based on staff's comments, we received application documents in May, July and October of last year, and January and March of this year. Even though it has been more than a year since the application was submitted, the applicant has been working and staff has been reviewing various iterations of the project to get to where we are today.

Cari stated that in October of 2017, the Commission held a work session on this project and today we are having the public hearing. There will also be a City Council work session and public hearing after the Commission's review. It has been about six months since the Commission has seen this project and typically when there is that much time, we would schedule another work session before going to the public hearing; however, the applicant requested that we move straight to a public hearing in the event that you are prepared to take action on this project. Therefore, we recognize that that there may be work session-type questions on this project, so if there are things that need to be researched in order to respond appropriately, the Commission has the option to continue this hearing to a future date rather than act on it.

Cari pointed out the subject property and the surrounding area, including the Courtyard hotel, on an aerial map, and she identified the location of the proposed Residence Inn and the existing Open Space zone. Cari indicated that the current land use designations are Commercial and Open Space, and they correspond with the Lodging and Open Space zoning. The Commercial portion of the property is within the Lodging Area Limits and the Open Space is within the Foothills South Subdivision; it is all one parcel number now and it is within the Western Gateway CFA.

Cari stated that the current zoning is for 121 units and Open Space, and the open space portion of the property was related to a prior Development Agreement with Park Place, so prior to the Courtyard project that property was zoned Residential with a deed restriction and Development Agreement to restrict development on it. In the Courtyard process, we took the Residential deed-

restricted property and rezoned it to Open Space to memorialize that and ensure people wouldn't have to know that there was a separate Development Agreement restricting development.

Cari explained that the proposed zoning is Lodging for 209 units, which represents an increase of 88 units with no changes to the Open Space. Cari pointed out the zonings of neighboring properties on a Zoning Map and indicated that regarding the CFA Plan, there is an adopted CFA plan for this area; however, the application was submitted as an amendment to the original Lodging designation and not an application for a new Lodging designation.

Cari pointed out the features of the proposed site plan and indicated the proposal includes 88 lodging units and some meeting space, and although there is an adopted CFA Plan for this area, the Lodging designation was in place prior to the adoption of the CFA Plan, so this application was submitted as an amendment to the original Lodging designation. They have the lodging and are looking to increase it as an amendment to the existing Lodging zoning, so staff's review is from a perspective of whether it is in the spirit of the CFA Plan rather than a strict interpretation and our review in relation to the CFA Plan is in the packet.

Cari explained the proposed site plan and continuation of the parking patterns established with the Courtyard along the front portion of the lot that was previously disturbed by development at Park Place, as it was used for construction access, etc., so that area is generally flat and graded, and that is where they are wanting to put the parking lot. As the property goes south, it starts falling off in a slope, and they have placed their buildings there, lowering the finished floor elevations of each building to follow some of that topography. The development proposal includes 88 lodging units with some meeting space, two employee housing units, and an affordable housing contribution of \$50,000 to the Affordable Housing Fund. They are also proposing a trail connection, including about 15 parking spaces and a kiosk and trailhead. They currently provide shuttle service for guests at the Courtyard and will continue to do so for this project, and there is also a new easement to the City's odor treatment facility in the northeast corner of the site. The project will also include public art and easements for neighboring subdivisions, which are currently required based on the Park Place Development Agreements, but the exact location of the easements through the parking lots will be defined and recorded.

Cari pointed out on the site plan the location of the trailhead and 15 parking spaces, the location of the easement and odor control facility, and the easements for Foothills South and Park Place. She then showed the site plan of the project overlaid on an existing aerial to show how the proposed parking lot relates to the existing parking lot and how the buildings relate to the existing buildings, open space, etc.

Cari noted that a question was received about the proposed lodging density. The Residence Inn proposes about 28.7 units per acre and the Courtyard is just under 28 units per acre, so combined, not including the open space, is just over 28 units per acre. She then showed the project elevations and the drive aisle to the trailhead. The applicant also provided renderings from the street and with the courtyard to the right and the new proposed Residence Inn to the left, and then a view from the driveway entrance off of SR 89A.

Cari indicated that in staff's evaluation, we looked at the Community Plan and CFA Plan, the Community Vision and the Land Use Designation of Commercial within Lodging Area Limits, the community benefits provided, the Land Development Code compliance, the access and traffic connectivity for both vehicular and pedestrian traffic, and the grading and drainage that relates to the Conditional Use Permit request as well.

Based on staff's evaluation, Cari stated that the project meets the majority of the standards in Article 9; however, there would be a couple of modifications that would also need to be approved through the Zone Change process. There is a section in the Land Development Code that requires 20% of the building to be under 16 ft. in height or 21 ft. for sloped roofs, and it is also required that those areas be unbroken and visible from each side of the longest elevation. While

all buildings have portions of the building that meet that requirement, none of them meet the requirement that they be unbroken and visible from each side of the longest elevation. The next modification is for the massing. Based on the Land Development Code, each building is required to have three masses in both plan and elevation view, and a mass for commercial buildings is defined in plan view as a 6 ft. offset and 20% of the building, and a mass in elevation view is a 3 ft. offset and 20% of the building. Building A, which is the most visible, exceeds the massing requirements with five masses in that building, and she believes there are five masses in the elevation view as well. The buildings that are less visible do not meet those requirements. For example, none of the offsets for Building C are 6 ft., so none of them count as a mass, and they do have some gabled roofs in their elevation view, but none of them can meet the 20% of the building area requirements, so the building would be considered to have only one mass in both views. Cari stated that the last modification that would need to be approved would be the section of the Code that limits walls in the front setback to 3 ft. in height.

Cari indicated that based on comments during the Conceptual Review and earlier work session, the Commission asked the applicant to look into whether the parking lot could be more substantially screened. They determined that they could build-up the landscape area in front of the parking lot with a 2 ft. berm in front of the parking lot, and then place a 3 ft. gabion wall to match the one at the courtyard on top of the 2 ft. berm; however, height is measured from the natural grade so putting a 3 ft. wall on top of a 2 ft. berm would be considered a 5 ft. wall, which exceeds the requirement, but that was proposed, because of the Commission's request.

Cari stated that as outlined in the Staff Report, staff is supportive of these modifications. We feel that the project as proposed is meeting the intent of the Code, such as in the massing with Building A being the most visible from public areas and exceeding the massing requirements, although less visible buildings did not meet the requirement, so staff felt we could support that modification. For the Design Review Manual, staff determined that again they complied with the majority of the design standards. The areas where they did not achieve full compliance were related to the preservation of existing vegetation, and there are multiple sections of the Design Review Manual that reference that. They have proposed transplanting, and they have a fairly good success rate and used a lot of those trees in their landscape plan, so they plan to do that again, and it is included as a Condition of Approval.

Cari explained that this project was routed to the review agencies, and comments were received from a number of them. All comments have either been addressed with the resubmittal or included as Conditions of Approval or were simply information comments regarding future requirements, such as what the Fire District will be looking for in the building permit plans. As far as public input, the applicant had two open houses, and their Citizen Participation Report was included in the packet. The project documents have been on the website, and the public hearing was noticed in the Red Rock News, posted on the property and put in a mailing to the neighbors. We also compiled email addresses and did email notifications, and all notices included a way to submit comments. We received one comment this afternoon that was provided prior to the meeting; all other comments were part of the packet. In general, they fell into three categories – general support for the project from the neighbors, especially regarding supporting a hotel rather than other allowed commercial uses. We also had a number of questions regarding project components, such as landscaping, trailhead, emergency access easements, and then there were concerns about the current amount of lodging in Sedona and the traffic it could potentially generate. In conclusion, staff is recommending approval of the Zone Change, Development Review and the Conditional Use Permit as outlined in the Staff Report and the recommended Conditions of Approval with the extra Condition about the CUP being null and void if the Zone Change is not approved.

**Applicant, Paul Welker, Mesa, AZ:** Mr. Welker stated that he is the applicant representing Sunridge Properties. He appreciates everyone's time to hear their case. After 18 months, they are finally before the Planning & Zoning Commission, so they are excited to be here. After a 180-page Staff Report, there has been a lot of work go into this – a lot of submissions, resubmissions

and as Cari presented in her outline, there have been five resubmissions in approximately the last six months. There has been a lot of things that have changed, and a lot of things they have noted and tried to do to take into account the concerns of the public, their neighbors and the City as far as the requirements. They want to do that and be good neighbors, responsible developers, and hopefully with the Courtyard project, they have been able to demonstrate that adequately. He provided a breakdown of sales tax from the Courtyard during 2017, and he did that because it would be a significant comparison to what the Residence Inn would do. There was over \$900,000 paid in Arizona sales tax between the state, county and City of Sedona, and approximately half of that, about \$450,000 went to the City of Sedona in sales tax, and of note are the fees that went to the City of Sedona for the infrastructure, building permits, etc., that were approximately \$1.2 million, with the majority of that being contributed for the sewer facility.

Mr. Welker indicated that Residence Inn is a facility that doesn't exist in Sedona. It is a bridge between long-term permanent housing and shorter-term housing that provides full kitchens and all the attributes of that type of product. The interesting thing is people will come to Sedona and generate traffic regardless, and they can be part of the solution by having them stay at a hotel and collect sales taxes that would otherwise be going to other communities – the Phoenix area, Flagstaff, Prescott or somewhere else. They are still going to come to Sedona, but their sales tax that would support City services, facilities, infrastructure, etc., would potentially be lost if their lodging was not here.

Mr. Welker stated that they are happy to be here; it has been a long process, and they hope to be able to continue the process. They have worked extensively with the neighbors immediately adjacent. They haven't always agreed, but they tried to address their problems in a forthright, consistent manner, and they think they have done a good job. They can always do better, but they tried to address concerns raised by the neighbors, the community and City staff.

Mr. Welker commended Cari for doing an excellent job of providing answers to a lot of questions, and he knows it is going to be a long meeting, so he didn't want to get into a lot more detail, but he would be happy to answer any questions.

**Commission's Questions of Staff and the Applicant:**

Commissioner Kinsella indicated that there had been four residential units associated with the proposal, and now it is two. She then asked how that change occurred, and Mr. Welker explained that originally, they had four, and then determined that in lieu of that they would make a contribution. In talking with the City and after the last P&Z hearing, they decided to do a combination of contributing two units as well as a contribution. They felt that was more beneficial for their business, and it would work best for them. The Commissioner then referenced a formula for preference for those units and asked if that is a standard the City uses or if that is chiefly for this project. Cari indicated that is what has been typical of the affordable housing units we have had for other units. Generally, the order of preference would be the employees of the property first, then others -- school districts, etc., but in general the employees of the property have filled them, so they haven't had to go to the lower levels of preference.

Commissioner Kinsella stated that for clarification, elsewhere in the documents, she saw that there are about 15 parking spaces open to the public. She then asked if it is 15 and if there is a time limitation, because in one place she saw open to the public, and in another place, she saw open during daytime hours when the hotel residents are down. Mr. Welker explained that the peak demand for the trails is the low demand time for the hotel, so it works ideally. They are not going to designate a specific number of spaces; it could be 30, because the main time when people are going to be using the trails is the minimal usage by the hotel. It is not going to be an issue; they will have as many as they need, because it is an inverse relationship as far as demand factors. Cari pointed out 15 was shown, because that is the number that is closest to the trailhead, so that would meet the recommended Conditions of Approval. Commissioner Kinsella then asked if they would be signed that they would only be available during daytime hours. Mr. Welker stated that the trails are only open to the public during the daytime hours; they don't see

many people out after dark on the trails, so he doesn't think that is an issue. They would be open subject to available parking after 9:00 p.m. or 10:00 p.m. if someone wanted to access the trailhead. Audree Juhlin added that staff is recommending in the Conditions of Approval that there is signage in that location, so the public knows they can park there during daylight hours.

Commissioner Kinsella indicated the kiosk would be in that area and asked who has approval over the design and content. Mr. Welker indicated that the Forest Service provided their standard design and how it has to be built. The prototype in the Staff Report demonstrates what is required, and it would be built according to their specifications, and they also will be paying to connect to the Forest Service trail; it is about 200 ft. to the Skywalker Trail. They will pay for that connection as they did on the Courtyard. The Commissioner again asked about the content and Mr. Welker restated that would be in conjunction with the Forest Service requirements.

Commissioner Kinsella referenced an option in the Staff Report to revert the zoning if the buildout doesn't happen within two years, she then asked about that as an option as opposed to having it automatically revert. Cari explained that when a zoning project doesn't meet the Conditions of Approval, the City Council can choose to confirm the zoning and change the Conditions of Approval, so there are some options by state law, but they have to take action; we can't automatically revert it.

Commissioner Kinsella asked about the transplant success rate at the Courtyard project and why the applicant didn't try to keep the mature plantings in place. Mr. Welker explained that their first priority would be to keep those, but with the grade differential on the site, there is about 20 ft. of fall from the front to the back, and as they build that out, they would be below the roots of the trees, so it would be impossible to maintain most of them. Regarding their success rate on the transplants, they hired an arborist to transplant those into 48" to 72" boxes and create a nursery with a watering system, and they had over 75% retainage on those trees and some were very large trees. Typically, you don't have nearly that high of a success ratio on a transplant, but they set up the watering system and had the arborist onsite to monitor those, so they maintained the majority of those, which is a very high success.

Commissioner Klein referenced a previous meeting and indicated that the applicant said that for a Marriott Residence Inn the stay is typically 1 to 5 days, then 6 to 11 days with 4 days being the average. The Commissioner then asked if someone is going to stay four nights, what the cost is for the studio unit, the 1-bedroom and the 2-bedroom. Mr. Welker stated that the length of stay determines the rate, and there are four different tiers on the Residence Inn. There is 1 to 5, 6 to 11, 12 to 29, 30 and more, and they haven't set the rates yet. They wouldn't do that for the exact rates, and it would vary depending on the season and demand. In the high season, the rates are going to be different than the low season. Their average daily rate is probably in the \$150 to \$175 range and that depends on the length of stay.

Commissioner Klein stated that one of the rationales for building this project is that you are going to provide something that Sedona doesn't have, which is a bridge between short-term and long-term rentals. It is estimated that there are 1,000 units in Sedona on Airbnb, so how is your hotel going to be providing anything different than those 1,000 units? If you rent a house you have several bedrooms, a full kitchen, a two-car garage, a living room, dining room, so why is this any better than that? Mr. Welker explained that the main reason, and obviously all of the hotel companies are concerned with that, because they do a great amount of business, but it hasn't affected the Marriott, because people know what they are going to get with the consistency factor. They know when they rent a 2-bedroom, they know what the layout is going to be and what will be included in it. If you are doing an Airbnb or some other offering, that is a different customer. You don't always know what you are going to get. Sometimes it works out great and sometimes it doesn't, but for the consumer that wants to know what they can rely on, and what is going to be steady and consistent, they want this particular brand. Residence Inn is the highest occupancy brand in the Marriott chain family of brands, and that is 6,500 hotels. They are the highest



average occupancy, because it is an established brand and people know what they are going to get, and what they expect is delivered.

Commissioner Klein then asked if, other than the fact that the Marriott is a known brand, is there some other way you are providing something different than what someone can get from an Airbnb. Mr. Welker pointed out that there is someone onsite 24/7 that is going to cater to your needs. They will do your grocery shopping, you have access to business facilities, you have access to the daily maid services, laundry service, whatever it is you need. It is a concierge of services that otherwise you may or may not have – typically you don't. It is that expectation from the consumer all across the board from what they would like to see from their travel experience and their stay. They all have full kitchens and all the amenities like swimming pools, etc., that they can use, and in this case, they have access to a trailhead, so they can walk at night or in the day.

Commissioner Klein asked if Mr. Welker is familiar with the traffic studies done on behalf of Marriott, and Mr. Welker stated for this particular project, yes, but he doesn't have it in front of him. It has been submitted to the City and the overall recommendation was that it is minimal traffic. One of the things they do is provide the shuttle service daily to Uptown, and they will have a second shuttle service most likely, because they have maxed out the shuttle service they have now. Guests that want to go to Uptown, where the traffic is worse, will be able to park in our parking lot and take the shuttle. They run dozens of shuttles per day and it has been very successful. They have had to keep adding more times, because of the people that want to use it; they don't want to get bogged down, so that is another aspect from people coming in that will stay on the west side of town and not clog up the traffic ways, because they are going to come anyway, so they might as well collect the sales tax and use the shuttle, although not everyone will do that.

Commissioner Klein asked staff how the project complies with the Community Plan. There are six major outcomes of the Community Plan. The first is the commitment to the Environmental Protection, so if you are removing a lot of trees and you already did a significant amount of grading, how is this fostering that goal? Audree pointed out that in the Conditions of Approval, staff is recommending that the trees being moved because of construction activity be preserved and relocated onsite after construction is completed. The Commissioner then referenced Housing Diversity, which says fostering the building of different housing types to provide more options for all ages and income levels and asked how this is fostering housing diversity. Audree explained that the inclusion of some housing for affordability is a benefit to the City, as well as the funding to the dedicated housing fund. Looking at a lodging type that is currently not in the city; Residence Inns are typical around medical centers. Staff feels that this would be a good fit with our medical center, as it plans to expand and have more oncology-type services, where people and their family can come and stay. We don't currently have a suite like this in West Sedona.

Commissioner Klein referenced material in the Staff Report that indicates that when you are having lodging, it is a guideline that you should have 12% housing units. Audree stated that is correct, and the Commissioner noted that with 88 units that would be 10-11 housing units and Audree added approximately 10.5. Commissioner Klein then stated they reduced it from four to two plus a \$50,000 contribution and asked when the Housing Fund first started. Audree indicated that it was established probably in the early 2000s. Commissioner Klein asked how much money is in it now and Audree stated just over one-quarter of a million dollars. The Commissioner then wanted to know how many housing units have been provided from that fund, and Audree explained that the fund is not necessarily solely for the creation; it is also for the maintenance, preservation and partnering, so we can use it for other purposes. We have used it in the past with Habitat on two different occasions, and it seems that there is one more, but staff can bring that forward if this meeting is continued. Commissioner Klein asked if staff believes Sedona needs more lodging units or housing for employees, and Audree stated that staff can't answer that question.

Commissioner Klein asked why we aren't requiring them to build 10.5 units of housing for this project, and Audree explained that the number of affordable units is up to the Commission and City Council ultimately. The housing policy is a voluntary policy. The way staff looks at it is that it is a way to provide community benefits when we have a Zone Change. We look at what benefits are being provided, and generally speaking, there are a number of benefits that come with any application, as is the case with the Residence Inn. We would not look at it in its entirety; we look at it as a bigger package.

Commissioner Klein indicated that staff had indicated in a prior meeting that Marriott wasn't using the proper trip generation number for traffic. Marriott used the numbers for a motel, and staff said they had to use the numbers for a hotel. For a motel, it is 4-something and it is 8-something for a hotel, and the applicant is now saying that it is appropriate to use the number for the motel, which is contrary to what staff previously said. Andy Dickey pointed out that was addressed in their amendment to the traffic report. Their response was that empirical data coming out of the ITE Manual was checked against the actual trip generations that were measured and observed at the Courtyard, and because those trips projected from the motel are in line with what the observed numbers were, it would be appropriate to use the motel category, and not only did staff agree with that, but we had a consulting engineering firm, Kimley-Horn who prepared our Traffic Master Plan, review this analysis, and they agreed with that assessment.

Commissioner Klein referenced a comment in the document that indicated that with the current traffic count and the addition of the Marriott Residence Inn, a level of service C will be provided and asked if that is correct. Andy indicated that is correct for the intersection. The Commissioner stated that is only talking about the intersection of SR 89A and Upper Red Rock Loop Road, but shouldn't we be looking at things more broadly, because when you look at the Sedona Transportation Master Plan, October 2017, it is in categories like SR 89A west to Coffee Pot, SR 89A east to Airport Road, SR 89A east of Art Barn Road, SR 89A north of the "Y", SR 179 south of Ranger Road and SR 179 north of Mallard Drive, and guests at the Residence Inn are going to be going to all of those destinations. Andy indicated that is likely.

Commissioner Klein then stated that in 2016, SR 89A north of the "Y" and SR 179 south of Ranger Road were in categories E to F, and it is projected that by 2025, of these seven categories five will be F, so we are looking at a situation according to this Transportation Master Plan where the traffic situation isn't going to get any better; it will get much worse. Shouldn't we be concerned about adding more traffic, even if you say it is okay right now, because we are only adding 500 - 700 trips a day at this intersection, and it is fine, but shouldn't we be looking at the big picture to say we have a huge problem here, and maybe we shouldn't add lodging units, if it is going to increase traffic, which this is going to do. The Commissioner then asked for Andy's comment, and Andy explained that when we look at a development and the traffic analysis, we are looking at the incremental impact of this specific development on those facilities. Existing challenges with our facilities, traffic roadways and such are existing issues and the incremental impact of this development is not as significant as our overall tourism base and other issues we are facing. What we are doing to address those problems is what is recommended in our Transportation Master Plan; we are looking to manage the congestion as best we can with some of these improvements, like they are proposing with the shuttle service and the bus shelter they installed out at the highway to help promote linkages for transit systems, etc. Commissioner Klein asked if he is correct in stating that if this project is approved, it will add traffic to our current traffic. Andy agreed that it will add traffic to our overall base within the City.

Commissioner Klein stated that one of the other six outcomes of the Community Plan is Community Gathering Places, so how is this project going to assist in helping us have community gathering places? What that means to him is that it is residents of the community that would be gathering, not just patrons of the motel. Audree Juhlin agreed and explained that with the addition of the trailhead and amenities, including a sitting area in the trailhead area, staff feels that is a community gathering area that is widely popular in other areas of the community, and staff feels that is a good benefit.

Commissioner Klein then stated that another major outcome is Economic Diversity, which is bringing jobs here that aren't dependent on tourism. This project is going to add more typical low-end jobs to serve the tourist industry, so how is this helping promote economic diversity? Audree stated that she is not the economic development specialist, but staff can have Molly come and present to the Commission if you want that information provided. The Commissioner then thought he recalled some statement that Molly said that this project may create a problem, because it may take employees away from other lodging units. Cari indicated that she did say that, but also said that this project may have the potential to serve interim housing needs for visiting employees and those residents who need a place to stay between housing options.

Commissioner Klein then stated that staff didn't answer his question, wouldn't it be fair to say that this project is not providing Economic Diversity, and Audree indicated that could be fair.

Mr. Welker, Applicant, asked if he could also respond and noted they have a partnership at the hotel with Yavapai College on training students who are in the hospitality degree program, and they take them as a hands-on internship at the hotel, so they are providing opportunities for training, because they are right across the street, and that is a benefit to the community where they can have hands-on and proceed to get a four-year degree at NAU in Hospitality Management to prepare them for management opportunities above and beyond entry-level positions. Additionally, there is no mistake, this is not a manufacturing facility; it is a lodging facility, but they are not all entry-level jobs. There are some higher-paying jobs in the management-degree spectrum. Then regarding the traffic, one thing they are doing is encouraging people to stay on the west end and use the Skywalker Trail loop and the trailheads in Boynton Canyon, and the response has been thanking them, because after going Uptown, they want to stay on the west end, so many are being diverted to the trailheads out of the more problem areas. The underlying issue is that even though it will create more traffic, the assumption is not correct that the people wouldn't come anyway. If they come from out of state or other countries, they are going to come and drive cars even though they may not be staying in the hotels, so that number of trips are going to come anyway; they are not going to not come because there is not a Residence Inn.

Commissioner Klein referenced the CFA that was put into place after the Development Agreement was signed that says that this parcel should be mixed use with a mix of commercial, housing and lodging. He then asked if obviously this doesn't comply with that. Audree Juhlin stated that is correct; staff did not review it from the CFA's literal interpretation. The Commissioner stated that one of his problems is that when the CFA was put in place, it was known that the Marriott signed this Development Agreement that they potentially wanted to build more lodging, so if it wasn't the intent to have mixed use, why didn't the CFA say that. Why not have the CFA say there will be lodging there, because the CAF says "should", which indicates a strong preference for mixed use here and that is not happening. Audree stated that is correct.

Commissioner Klein then asked if staff thinks the majority in this community would be opposed or in favor of this project, and Audree pointed out that is not a fair question to ask; she can't speak for the members of the community. The Commissioner then referenced the wall in front of the parking and indicated that Cari said it is now going to be three feet instead of five. Audree clarified that there is going to be a berm with a wall on top of that to create five feet. Audree also indicated that to clarify what she said when she indicated that we can't speak on behalf of the public, she doesn't know what everybody believes. We ask for public comment and we present that public comment to you.

Commissioner Brandt asked about the meaning of the spirit of the CFA as intended rather than a literal interpretation, and Robert Pickels Jr. indicated that he wasn't sure he understood the question. The Commissioner explained that he didn't fully understand that statement on page 5 of 176. Robert Pickels Jr. then indicated that one thing he distinguished between, when he read the Staff Report, was that statement about keeping with the spirit of the CFA and the conclusion that there was substantial compliance with the CFA, so he was focusing more on the latter, and

if the question is can you make that distinction between how that spirit is being complied with, maybe the better question is how is substantial compliance being achieved.

Commissioner Brandt then referenced the illustration as you pull into the SR 89A driveway and noted that on the far side of the driveway, there are existing gabion walls; however, Cari stated no and explained the far side of the driveway would be proposed. Audree indicated that the existing gabion walls are in front of the Courtyard, and the Commissioner stated that they are on the far side of the driveway, so he is curious as to if those are going to stay and the new work is what is elevated to the overall five-foot height or is this going to be rebuilt, since it is on the new side of the development. Cari stated that her impression is that everything on that side of the development will be the three-foot wall and the two-foot berm; however, Mr. Welker clarified that actually is on the Courtyard site, and everything going that way would be the additional height. Audree Juhlin stated that the new wall would be constructed with a 2 ft. berm and a 3 ft. gabion wall, not the existing wall, front of the Residence Inn.

Commissioner Brandt referenced the new trailhead, which is a great idea, but noted that there is a gate shown. He then asked if that was generated by the Forest Service or it that is private property. Mr. Welker indicated he wasn't sure if that was one of their requirements or not. Commissioner Brandt pointed out that usually there are not gates at trailheads, and Mr. Welker stated that he would have to clarify what their requirement was. Audree asked if that was not a requirement of the Forest Service would it be the Commission's recommendation to un-gate it and have full access. Commissioner Brandt stated for himself yes. He then referenced the trash can shown and noted that the Forest Service doesn't usually have trash cans, because they don't have the funding to collect trash. Mr. Welker indicated that they would put that there, because of hotel guests and they don't want the litter, so they have them dispersed around the hotel at different locations and that would be an obvious place where they would need one.

Commissioner Brandt indicated that Mr. Welker has stated that there will be people coming to Sedona and it is a benefit to have them stay in the hotel, and he then asked if the Transportation Management Plan established how many vehicles are passing through as day-trippers. Andy Dickey indicated that staff looked specifically at the Oak Creek Canyon area and Uptown and as far as trips made through Oak Creek Canyon, 90% of that traffic is typically pass-thru, but how that relates to this end of town, he doesn't recall, although it is a pretty high percentage that are day-trippers. Commissioner Brandt asked if the folks that are passing through the Canyon are also passing through the City, and Andy said yes.

Commissioner Mayer indicated that at the last meeting he had asked Mr. Welker about the building cost per square foot for the Residence Inn, and \$150 was mentioned, so with only two units and two have gone away, those two units amount to about 1,100 sq. ft. combined, so that is \$60,000 of cost, so you saved about \$100,000 by not providing the additional two units promised. Mr. Welker explained that they had two additional units removed, and staff can relate to this. Initially, we had two more rentable units too and they were removed to break up the building, so they are two units below what they originally proposed. They were going to have 90 rentable units and four for employee housing. That was not their first recommendation; the first recommendation was to do something with Habitat for Humanity, but during the sequence of events they went to four units and 90, and then they went to 88 and zero, and decreased two units to break the buildings up, and then they ended up at two units for affordable housing and 88 rentable, so they are down two units from where they initially started. The Commissioner stated that they are down a lot more according to staff and Commissioner Klein, because about 12 units would be required. Mr. Welker stated that as staff iterated, that is a suggested contribution in conjunction with everything else -- the other amenities that they are proposing. Commissioner Mayer then indicated that the benefit to the community is the revenue generated, and Mr. Welker agreed that certainly a big benefit to the community is revenue generated. . . Commissioner Mayer then interrupted to say and a little bit about the quality of life here for the people who live and come here. Mr. Welker noted that they had tried to take that into mind as they addressed all of the questions and concerns.

Commissioner Mayer then referenced the frontage of both developments combined and asked about the linear feet there. Mr. Welker stated that the Residence Inn is about one-third the visible frontage of the Courtyard, and Cari stated that the Residence Inn is about 300 ft. and then you have some frontage along Upper Red Rock Loop Road. The Commissioner indicated he is only asking about SR 89A and if it is about 700 or 800 ft. Audree Juhlin explained that staff would have to look that up; however, Commissioner Mayer then stated it didn't matter. Cari then added that she was hearing behind her someone saying 800 ft. The Commissioner then referenced the landscaping and visibility and asked if it is going to be a rock yard again like the other one. Mr. Welker stated that in the landscape plan they substantially exceeded the required number and size of trees, so between the parking areas, there would be additional landscaping and larger trees added, and there will be the continuation of the gabion walls.

Commissioner Mayer stated that he didn't know what that was going to look like; he can only see what he sees now, and when he looks at 800 linear feet of the same stuff, but that is not an important question. The Commissioner then asked if the Agreement for the Marriott was contingent on the possible development or rezoning of the property of the Residence Inn, and Audree explained that the approval of the Courtyard was not contingent upon anything else.

Commissioner Mayer referenced traffic and asked if the City had considered what is going to happen in the other CFA possible developments like the Cultural Park and what traffic impact that will have on the whole intersection there. How many lodging units will be allowed at the Cultural Park? Andy Dickey explained that staff would make that consideration at that time. The Commissioner then asked who is going to be the one on the losing end – the Cultural Park? Andy pointed out that staff certainly couldn't. . . Commissioner Mayer interrupted to say first come, first serve.

Robert Pickels Jr. pointed out that we are talking about this project and the impacts on this project; however, Commissioner Mayer stated that you have to look with a little foresight; that is what he is worried about, because there is a lot more going on in the Cultural Park too. Vice Chair Levin stated that the Commissioner's concern is noted and he replied that he hoped so.

Commissioner Barcus indicated that as he understands it, the project site is 8.16 acres, including the existing Marriott Courtyard, and .77 acre of Open Space that has a deed restriction. Cari clarified that there is no deed restriction anymore, since the zoning was changed to Open Space. The Commissioner then indicated that left 3.06 acres and asked if there is any additional potential development on any of these lands for additional structures, etc., and Cari stated no, the buildings and parking areas take up the site and the only part left is Open Space. The Commissioner stated that the bottom line is that it would be fully built out on the property owned by the applicant, and Cari stated yes.

Vice Chair Levin asked if a list of the type of guests was in priority order as it was contained in the Letter of Intent; does that typically speak to the volume in that hierarchical order or not? Mr. Welker stated not necessarily, those are just the various types of guests that will use this type of facility. The Vice Chair then asked what percent would be dedicated to each of those categories of guests nationally or what they anticipate in Sedona, and Mr. Welker stated that he didn't -- a wide variety of both domestic and international. . . The Vice Chair then interjected that Mr. Welker might need more time to pick that up.

The Vice Chair asked for clarification regarding the primary outdoor area. The LOI stated that it is the heart of the Residence Inn; a private area that provides quiet but would include a space for the neighboring residential community. The Vice Chair then noted that it sounds as if you are inviting the general public into that area as a gathering place that they could enjoy. Mr. Welker stated yes, but they would have to draw the line at the swimming facilities because of liability issues, but as they have demonstrated with the Courtyard, they have invited the community to use their meeting facilities and their bistro restaurant. They also have a number of people come over in the evening and use the view deck and their bistro on occasion. Additionally, the meeting

room has been used by the City and the neighboring homeowner associations have also been able to use their meeting room multiple times at no charge. Vice Chair Levin then asked if those would flow to this project and Mr. Welker stated yes; they want to be good neighbors, so they have offered that and plan to continue that. That is part of the Marriott culture, and they are consistent with that.

Vice Chair Levin referenced the dedication of the affordable housing units and their contribution and asked how they came up with the figure of \$50,000. Mr. Welker explained that they combined that with the other benefits being offered -- the easement for the facility to the City, and they looked at what they contributed on the Courtyard, which was \$25,000 and combined that with the cost of the trailhead, connecting the trail and kiosk, and allowing parking for that with the direct and indirect costs they have to absorb.

Vice Chair Levin indicated that they did originally start with four units, and Mr. Welker explained again that their initial was a \$100,000 contribution or four units, but he can't remember which came first. Cari clarified that the proposal during the Conceptual Review was four units, but the first comprehensive submittal was a \$100,000 contribution, and Mr. Welker added with 90 rentable units and Cari agreed that for the affordable housing, it started as four, went to \$100,000 and then to \$50,000 with two units. The Vice Chair noted that there has been a downward trend, but Mr. Welker explained that they were working in the other amenities like the kiosk and those items too, so that cost had to be factored into the total outgo for the public benefits.

Commissioner Brandt asked if there are FAR restrictions on this property, because the question was if it would be built out with this development, so is the FAR going to restrict that or could someone build a parking garage? Cari stated that she thinks that they are allowed .5, and they are at .499; there is no extra FAR lot coverage available. The Commissioner then referenced the Traffic Management Plan and asked if it had anything as far as the restriction of development, and Andy Dickey asked if the Commissioner meant limiting certain areas that could be redeveloped to certain uses based on their traffic demand, and Commissioner Brandt indicated that would be a good way to put it. Andy Dickey then explained that staff looks more to documents like CFAs, etc. to make that kind of limitation on future. . .

*Vice Chair Levin thanked the audience for their patience, recessed the meeting at 6:50 p.m. and reconvened the meeting at 6:58 p.m. The Vice Chair then opened the public comment period.*

**Laurie Dawe, Sedona, AZ:** Ms. Dawe indicated that she has been a Sedona resident for 35 years and lived in Foothills South for 28 years. The Marriott was approved on roughly November 5<sup>th</sup> of 2014 and a little more than a year later on May 12<sup>th</sup>, 2016, Airbnb legislation was passed. Since then, we know for sure that we have over 800 Airbnbs here and we know that for sure, because they pay taxes; we know there are more. This has created 800 additional rental rooms and has displaced workers who used to live here and now have to commute, which adds to the out of control traffic. She has to wonder if the original Marriott would have been approved had the impact of those Airbnbs been foreseen. As an unintended consequence of this legislation, both Big Park and West Sedona Schools have seen declining enrollment, since the families who were displaced have put their children in schools in their new neighborhoods where they were forced to relocate. We don't need more rental rooms; put a hold on developing the property until infrastructure is in place, including alternate routes, and make it a condition of development that a traffic light or roundabout go in at the gate to Foothills South. It is impossible to turn left or go straight to the medical center out of their subdivision. If you approve this, you will deserve the new name we have for this town, which is "Zoodona".

**Ellen Ferreira, Sedona, AZ:** Ms. Ferreira indicated that she lives in North Slopes down Dry Creek Road, and she referenced the Commissioner's question about the public's feeling about these additions. She asked people to raise their hands if they were opposed and then how many people were in favor (hands opposed and for were raised) – okay interesting. She lives down Dry Creek Road and Mr. Welker said specifically something that she learned as a volunteer for

the Chamber of Commerce, which is when people come in from the Courtyard Marriott, they are told to use the hiking trails in West Sedona. They are specifically recommended to use Devil's Bridge, and anybody who has driven down Dry Creek Road on a weekend or even a weekday sees the tremendous number of cars down Dry Creek Road parked along the side, because the trailheads are completely full. They get out of their cars, open their doors and there are 4-wheelers and Pink Jeeps coming by, and it is only a matter of time before there is a tragedy. People are looking at the rocks and it is overloaded with people and the Marriott is sending them, so that is an ancillary result of what is happening there. It is also a conflict that we are spending thousands of dollars on traffic studies and then allowing rooms to be brought into the community that will just result in increased traffic. There is a real dichotomy there and if we really are serious about controlling traffic, we have to stop building hotel rooms.

**Lisa Danielle, Sedona, AZ:** Ms. Danielle indicated that she has been a resident for almost 37 years, and already the first two speakers have said a lot of what she would echo. The quality of life in Sedona for her has changed a lot. She lives on Dry Creek Road; the traffic, ATVs, the noise – they can hardly have a conversation on their deck at breakfast. Her studio is on View Drive, and the Airbnb has completely transformed the neighborhood. People are backing over gas meters; they have had to shut down their street and evacuate everyone. No one knows how to behave in their small neighborhood, and they are renting out all of the houses, not as a house with a garage and yard, but every single bedroom and tents and teepees in the backyard. It is totally out of hand and is changing the quality of life. This is probably one of the first years she has not been able to go to the lighting of the luminarias. She is an artist and shows her work at Tlaquepaque; she tries to be there for that, but traffic was backed up almost to View Drive, so you knew there were no parking spots when you got there. Tourists may still come, but they can't put their car down and attend the festivals that residents used to be able to attend and enjoy, and they are being forced to go to the next roundabout and exit town, and she guesses come all the way back around to their room at the Marriott. Until the traffic situation is resolved, she has to say that she is in favor of any kind of moratorium that would stop any more people coming to town until we figure out what to do with them and how to move them through our City. What we need is not more money as a tax base, we need the residents, who are the tax base, to have some serenity, and that is what the tourists come for, and she has heard from her gallery and women that work in the shops in Uptown and Tlaquepaque that tourists are telling them this is their last purchase and visit until you figure out your town and how to allow them to have a pleasant vacation like they used to here; they will not be back.

**Bob Maxwell, Sedona, AZ:** Mr. Maxwell stated that he is a Sedona resident and Foothills South homeowner. He has been in Sedona for 25 years and he agrees that the traffic is out of control; however, that being said, in his corporate days, he spent a lot of time at Residence Inns, and they are not regular hotel rooms. They generate a lot more tax revenue. You have people say we don't need any more tax revenue. We love visitors to come to Sedona, because the visitors pay the tax; we don't. He believes the total tax on lodging is 12.85%; that is huge by the time you add county, which is 6.35% and bed tax, which is 3.5% and the Sedona hotel tax of another 3%. He may not be correct on those; he got them off of the internet, so he doesn't know if it is out of date, but he has stayed in many Residence Inns and they are not hotels, which means the tax base is much more. His only point is if we are going to add and you are going to approve additional lodging in Sedona, it ought to be of the high end, which the Residence Inn is. It will generate a lot more tax revenue, and it also will establish the fact that people stay for longer periods of time and that is really important when you are talking about the Airbnb. The other aspect is the architectural impact is so small; he drives past the Courtyard every day and he doesn't even know it is there. It blends in that well; you will hardly know you are going by it. There is that 3 ft. wall that was talked about that will separate the SR 89A; there are three separate buildings. He has looked at it and they are built toward the rear of the site. Its landscape drops down about 20 ft. and butts up to the National Forest, so minimal impact architecturally, and the buildings have limited visibility from both SR 89A and the residents of Foothills, and it preserves their views. He wholeheartedly endorses it; it is a great project and something that we should take into account.

**John Roberts, Sedona, AZ:** Mr. Roberts stated that he has lived here a little over 30 years, and his comments are directed to the City Council as well as the Commission. He says vote against the Marriott building permit, although the Courtyard is a beautiful edifice and he congratulates the developer for that achievement. You are going to hear from Bill Spring, and you will then know why we've got a problem. It is an overarching problem of too much traffic and too many tourists. How does that affect him? The invasion of tourists has resulted in visiting forest trailhead hikers parking dangerously along Soldier Pass Road. He uses that road daily, and as an example, he was following another car, when suddenly it lurched over into the oncoming traffic lane to avoid two cars parked two to three feet on the pavement and beyond the white striping. He did the same, and then he found out it was a Sedona Police car in front of him; he did not stop to ticket the two cars for illegal parking, because he didn't have any room to park his car. Another annoying result of this tourism, and this is a little selfish, is the difficulty in getting a supper reservation for his girlfriend and him, because some tourist is sitting at his table. There are some plans to alleviate the congestion, but is the past recalled, no. He is thinking about the utter design failures for SR 179, which he calls "Snail's Trail" and Uptown Sedona design; when incompetent public people interfered with the designs. He sees this happening again right now. A proposed Uptown roundabout includes Art Barn Road, which when swarmed by the traffic will interfere with the Sedona Arts Center operations and income. What do you think the folks in Northview Subdivision will think if the proposed parallel roadway to SR 89A on Northview Road disrupts the tranquility and beauty of their living style? Any more nonsense like this will assure us of another failure and paying for remedial road construction via a raise in sales tax won't get the job done; it just abets and helps the tourist traffic. He would like to recommend that we have a large increase in the bed tax.

**John Cantello, Sedona, AZ:** Mr. Cantello stated that he and his wife have lived in Sedona for nine years and love it. It is their home and where they chose to be. He has no negative comment about the Marriott Residence Inn. His entire working life, he stayed at Marriott Residence Inns all over the country, and they are wonderful. Our town has changed, and the fact is that we did it to ourselves. The traffic is horrible. Coming from the Village of Oak Creek going through Tlaquepaque or trying to get to the Village of Oak Creek through Tlaquepaque or trying to go north through Uptown or trying to come south through Uptown from Flagstaff – horrible. The other issue is as a full-time resident, he dares you to find a parking place at the trails. You will never park on Airport Road or hike there again; Soldier Pass, you can't park there; Sugarloaf, you can't park there; Mescal, and on Dry Creek, we are going to kill someone. There are 60-70 cars along that road. Fay Canyon and Boynton Canyon is where you are sending them, and he can't park there anymore. They have lived here and love this place; they moved here to enjoy the beauty, and he feels trapped in his home, because he can't legally park there to enjoy it. Please do not allow Marriott to build another hotel, until we do two things. Number one solve the current traffic problem, and number two tackle the trail parking problem we have. Those two issues are huge. We can't just look at revenue; Marriott is going to bring a lot of revenue, but revenue is not the only issue; quality of life is also an issue. If we are going to let revenue drive our decisions, then let's invite Costco to come here. You are going to laugh at that, but is this any worse? We are talking about two hotels in the Village, another hotel for Biddle's property, and the Marriott; that is not much worse than a Costco as far as he is concerned. Building and planning for the future has to include traffic over revenue, maybe just for a short time. Building for the future has got to include trail parking over revenue for a short time. Quality of life has to be over revenue for a short time. If your GPS tells you that SR 179 is jammed bumper to bumper; you have nowhere to go; there is no alternative. You want an example of a possible answer, build a bridge on Verde Valley School Road so citizens and emergency vehicles have a way to go. Please don't allow Marriott to build another hotel until we solve traffic, trail parking and quality of life. He appreciates the opportunity to speak and thanks you for your service.

**Trish Jahnke, Sedona, AZ:** Ms. Jahnke indicated that she has lived in the area since 1980. She will not reiterate what everyone has said about traffic and quality of life. She agrees with all of that. She also feels trapped in her home. She has lived here for a long time, and it seems that in the last few years, it has gotten exponentially worse. She also has really noticed that there



seems to be a lot of empty buildings for lease, and so if things seem to be booming, which the traffic tells us and getting into any restaurant tells us, somehow the infrastructure that we citizens use is being pushed out and we have empty buildings, and that concerns her. This doesn't feel like a town anymore; it doesn't feel like her town. She can't go hiking anymore; the trailheads are just beyond belief as are the trails. She is going to talk about something she hadn't planned to talk about until she heard something that staff said about just looking at this particular project, which she understands, but when we are talking about a town that used to be a unique mountain town that everybody loved to come to, and she spends time out of this town and talks to people who say they used to love Sedona, but they just don't go anymore, it is so tragic what has happened there, so she is going to talk about exponential growth. We need to look at the big picture when we are looking at each of these projects. Each project on its own has merit, and she is sure this will be a wonderful hotel that people will enjoy staying in; however, there are many projects coming up – one after another after another, so there is a visual that she would like for everyone to look at about exponential growth. If you have a pond and there is one little lily pad on the pond and it doubles in size every day. On day two it is two lily pads, then four, then eight and then sixteen, but it is a big pond, so it doesn't seem like a big deal. If it is 30 days, on day 29, it is only half covering the pond, so the pond still seems like it has a lot of space, but on day 30, the pond is full, so that is what she feels is happening here. Each project seems like small amount, but she feels that we are at day 29, and it is time to really look and say wait, we need to step back.

**Lorraine Coutin, Sedona, AZ:** Ms. Coutin stated that she is a longtime resident of Sedona. Coming from Cottonwood to Sedona, we see the first commercial building serene in its setting of harmony. That laudable description she bestows upon the Marriot Courtyard. She considers it exemplary, a complement to our environment, what buildings in Sedona strive to be, and what the Residence Inn plans to be. Coming from Cottonwood to Sedona, what appropriate first commercial building do we clamor to see? Certainly not a Circle K or a car dealership or a number of other things that could occupy that space; neither of those appeal to her. Those reek not with harmony for those lack the symmetry for that site to be. What beauty that lies in harmony is the proposal that we view before us tonight. The Marriott Residence Inn is a perfect fit, lending beauty in every way to the remaining portion of that site adjacent to the Marriott Courtyard. Its design is complementary and compatible with the land use and architecture of the Courtyard. Since the entire site is currently zoned for Lodging, the Residence Inn was planned alongside the Courtyard from its very inception. There is an integrity of thought inherent in these two contiguous structures of consonance that echoes with resonance throughout Sedona. Once manifest, everyone coming from Cottonwood to Sedona will feast their eyes on the marvelous twin married entities ensconced in the sea of tranquility. The total project lends itself to a quality planned and developed project for the community without compare anywhere. It provides two distinct lodging types on the site along with the bistro restaurant. In fact, nobody even talked about this, but the Courtyard project was just honored with the Landscape Design Award for the City of Sedona by the Keep Sedona Beautiful organization – a high merit of distinction. This thing of harmony and symmetry will be continued through the Residence Inn project. She supports it and deem it to be a true and valued enhancement in keeping with the beautiful heritage of our Red Rock community.

**Mike Hermen, Sedona, AZ:** Mr. Hermen indicated that he is here as a representative of Pink Jeep Tours in support of the Marriott Residence Inn project. It is their opinion that Marriott Corporation is a welcome addition in our community. They are deeply rooted in our community and have benefited our community in many ways -- from being major contributors to the Friends of the Forest and Keep Sedona Beautiful programs to significant public art contributions to local school donations and hands-on college training, plus substantial donations to a local public transportation system, and the list goes on. They are here for the long haul and have put their money where their mouth is with regard to community involvement and sustainability. Additionally, Marriott is known for aesthetically pleasing architecture that mixes well with the surrounding environment, and that is currently demonstrated by the Courtyard Marriott. The proposed new building will be a complement to this current building and only enhance the western

gateway to Sedona. We respectfully urge the Mayor, the City Council Members and the Planning & Zoning Council to approve the proposed plans for the Residence Inn Marriott Sedona. In closing, he would like to leave you with a fact. According to the Nichols Tours and Group and as verified by the City of Sedona for the Sustainable Tourism Plan, there have been only 180 new hotel units built in Sedona over the last 10 years. These include the expansion at L'Auberge de Sedona, the expansion of Sedona Rouge Hotel and Spa and the Courtyard by Marriott Sedona.

**Savas Sosangelis, Sedona, AZ:** Mr. Sosangelis indicated that he is a resident of Foothills South, a board member of the HOA and Chairman of ACC, and he was designated to be the spokesperson from Foothills South for the Marriott, so he has had extensive conversations and meetings with Marriott, the City and our residents. Foothills South is not a democracy; we have a form of government, which is the board that is voted in to represent the people. We have the board which is unanimously in favor of Marriott. We have the ACC, which is unanimously in favor of the Marriott, and we have Planning and Operations, which is another group of five unanimously approving of the Marriott, so we have the guts of Foothills South that worked very hard with the Marriott to proceed to this point. We also have a petition; we had three or four meetings, meetings with Paul who has accommodated them in every request. If he couldn't accommodate it, then he would say to wait until it is built, and we have a committee made up of our citizens to do final touches on the project, so we now have a petition of 70 people from Foothills South and these are the people that were involved in the communications, the meetings. They begged people to come and these are the workhorses of Foothills South. In these meetings there were three or four people that refused to sign, but the people on here truly worked and brought their concerns, signed it only after they were confident that Paul could do the results that he claimed he could do. Anybody that comes to this meeting from Foothills South that hasn't been to our meetings, he would really like to know where they were for the last year and a half to two years, when they were really killing themselves putting this thing together.

**Bill Adams, Sedona, AZ:** Mr. Adams stated that he has lived here for two years. They moved here from Boston, Massachusetts. He is taking a little different tact here, because he is a surgeon and has had experience with trauma in Boston; Hanover, New Hampshire, and Bethesda and Cumberland, Maryland, and one of the issues that comes with every hotel development in any of those areas is increased use of medical services, and one of the demands within increased traffic accidents is you have more time on the road. The reason he is against this project is because of traffic, which he agrees with things that have been said, particularly when it comes to emergency medical services. We have a small hospital in this town that adequately cares for the residents, but he is concerned with the increased use with the development of the hotel that it will put undue strain on those services.

**Carol Adams, Sedona, AZ:** Ms. Adams indicated that they have lived here for 3 years. She really has nothing to add to what everybody has already mentioned, particularly John Cantello. She also feels trapped in her home. It is difficult for her to hike, to get from point A to point B, and she just asks you why we need this? This is not something that Sedona needs; it doesn't augment our way of life, and it is just irresponsible, until we figure out the traffic pattern, that we go forward without a better plan, and she hopes you take it under consideration.

**Heidi Anderson, Sedona, AZ:** Ms. Anderson stated that she is a Foothills South resident, and pretty much everything she wanted to say has been said. She is in support of the Residence Inn and feels that the Marriott has proven to them as their neighbors that they are good neighbors. They have involved them, listened to the concerns and have addressed them. The gateway to Sedona on the west side could not be more beautiful, and the continuation of that property, by adding the Residence Inn will not only aesthetically be pleasing to the environment, but complete the area, then nothing else can go in that spot.

**Bonnie Golub, Sedona, AZ:** Ms. Golub indicated that she is President of Foothills South HOA and she wanted to quote from a letter that she addressed to both the Board and to the City Council on October 23, 2017, "I want to make clear that I am representing the Board of Directors

of Foothills South in their unanimous support for this project. It is our considered opinion that this project will complement the existing building and will enhance the overall appearance and successful functioning of our neighborhood. I also want to emphasize the extent to which the Welkers have spent months dealing with every single issue that our residents have had. They have minimized the impact on our community by reducing the footage that abuts Foothills South and by creating a building structure that takes advantage of the slope minimizing impact on our residents. We have a number of facts that support the importance of this project to the Board and to many of our residents. It will finally provide Foothills South with the needed paved emergency ingress and egress to both SR 89A and Upper Red Rock Loop Road. This has been in the works for many, many, many years, and its completion is vital to the safety of our community in times of crisis. It is complementary and a graceful addition to our community and a good transition between SR 89A and Foothills South. It creates minimal noise compared with the amount of noise that would come from other uses, and its artistry and palate are compatible to the eye and make it much easier for us to look at." We are pleased to support this project before the community, and we want to emphasize that this is about the project. It is not about the problems that Sedona has, which unfortunately all of you are going to have to solve for them, but this is about this project.

**Hal Frank, Sedona, AZ:** Mr. Frank stated that he is a Sedona resident and some things he wanted to talk about have already been mentioned, but he is for the project. One of the things is access. People are more tolerant of limited road access for a hotel, and hotel customers are temporary users, which some people have said is a problem, but they have no long-term investment in access in and out of a hotel property, because they are only temporary visitors. He is surprised at how many Airbnbs have come to Sedona and how few hotel rooms there are. People have talked about stopping the ongoing permitting process, but he could also say what about individual homeowners, if you allow fewer people to build homes there also will be less people in town and less traffic. He doesn't think you can deny an individual homeowner, who has already bought the land, to build. Just like you probably cannot deny the hotel that is quite far down the hotel permitting process and at least in his mind would be grandfathered in for any changing CFAs or whatever. Again, he is for the project, because he thinks it is probably a good use of the land, and he is sure something is going to be built and that is probably an optimal use.

**Bill Chisholm, Sedona, AZ:** Mr. Chisholm indicated that he is a Sedona resident and it is clear that the traffic challenges are very emotional. In his house, there is his wife and him, and she believes Sedona should be closed, not open for business anymore from a people perspective, but he is the opposite. It is a very emotional topic, but he is encouraged that you agreed to invest \$35 million over the next 10 years in our Sedona In Motion project. He doesn't have all of the facts in front of him, but he thinks it was agreed to do something with the Dry Creek overlay with the Forest Service to help some of the stuff going on there, so it appears as rational adults that we are trying to deal with some of the significant challenges we have with regards to traffic. Regarding a CFA, he is glad Commissioner Klein brought that up, because he is a big fan of following the CFA. He might have looked at that wrong, but Page 17 of the May 2016 version shows lodging outlined in purple and this project is right in there, so the way he read that, it feels like it is compliant with the community-approved CFA. He is a little hung up on the housing thing; if you use the \$150 per sq. ft. and the 10.56 recommendation, that is like three-quarters of a million dollars gap between the two units and the \$50,000 funding, and maybe that gap is exaggerated at \$750,000 because of the other things being done, but \$750,000 sounds like a pretty big gap, and he would like to see more thought in how to close that gap between \$750,000 and the \$50,000 and two units that are on the table. He does acknowledge the trailhead, easements, etc., as being positive. Back on the traffic and the shuttle service referenced for the project, it would be great if they knew a little more about the mechanics of that and if it is going to hit trailheads. If we feel that there is teeth in that, because it is a great idea and fits with the spirit of the community to move more people around rapidly and in less vehicles, but he is not clear that he understands more of the details of what that would really look like, which might make him feel a little more comfortable about traffic impact. There are a lot of smart people that could help map that out. He and his wife hiked Sunday at Jordan trailhead and they parked; maybe

Sunday is a bad day as an example, but they watch where they go. They don't go to Westfork every day of the week, because you have to be careful, but they use their brains and they think they can get around. Anyway, he would recommend that more information be gathered before a decision is made one way or the other, specifically on the shuttles and more on the housing unit accommodation.

**Dave Norton, Sedona, AZ:** Mr. Norton indicated that he is the manager for the Foothills South HOA, and he has spent quite a bit of time interfacing between the Board of Directors and the developer, Mr. Welker and his team, and he must say that every time they have met, it has been very professional and every request that the Association has had, every concern has been met by Mr. Welker and his team. Foothills South is the current neighbor of the Marriott/Residence properties. There are 206 homeowners in there who are very familiar with the Marriott Development Corporation, and as has been said, the architectural style, colors, palates and lighting has all been done beautifully. Keep Sedona Beautiful gave them an award for that, and he must say that he is on the Board of Trustees of Keep Sedona Beautiful too. In summary, this development fits the property. It is a quiet and best use, and it is well designed, and he encourages support.

Commissioner Kinsella asked Mr. Norton about his city of residence and Mr. Norton stated that he lives in the Village, but a lot of his clients are here in the City.

**William Spring, Sedona, AZ:** Mr. Spring stated that he is a 13-year resident of West Sedona, and the issue is not color palates or architectural renderings for the rest of them. Two words came out of this to him -- traffic and quality of life. If you haven't, on the Commission or the Council, read the 2006 ADOT Traffic Projection Study of Sedona, Arizona, the high traffic corridor in the state, you need to. It identifies that on six levels of traffic in '06, Sedona was level 5 and 6 everywhere. Five is at capacity and six is beyond. That data identified that we are in excess of 24,000 cars a day on SR 89A, in excess of the traffic on I-17 between Phoenix and Flagstaff. Blew his mind, basically the projections in that study say that by 2025, seven years, the overall traffic in this area goes up 35%. Please read it, call Chris Page, Senior Engineer, he challenges you. It says that the traffic at that high school intersection goes up 50% without this hotel. He is aware that one of the Commissioners mentioned the other 300-unit hotel on the other side of the Cultural Park that has been submitted, but he doesn't know where it is. That is 500 units going into that one intersection potential, and Attorney Pickels recently opined that we have 1,000 B&B units now in this town, that is five 200-unit hotels that have been added to this town. If the traffic count, and he is a hotel developer, is four a day for a room or eight, which is the national number, those alone are 4,000 to 8,000 traffic trips a day at full occupancy. This is something we really have to think about; it is a health, safety and welfare issue. Go read the traffic projections and see how many hotels you want to approve – that is this thought.

**Greg Biddle, Sedona, AZ:** Mr. Biddle indicated that he is a 50-plus year resident of the Sedona area. The common thread that seems to be running through this whole meeting is traffic, and it has been said, it doesn't matter how many hotels there are or aren't in Sedona, people want to come here. Everyone that has spoken tonight that lives here was once a tourist and decided to move here, so we all signed on for this. He didn't know 50 years ago that it was going to be quite like this, but we all signed on and here we are. Again, it doesn't matter how many hotels there are, people are going to want to come to Sedona. There is no denying that; when he heard that there was a study done and at least 50% of the vehicles that go through Sedona, do just that, they go through Sedona, they don't stop, buy anything, they go through Sedona. A hotel brings people who are staying, spending money in restaurants and buying gas, taking jeep trips, so there is obviously a benefit to the tax basis for Sedona, and however many hotels, it is not going to change the traffic in Sedona unfortunately; if we could by eliminating hotels, that would be great, but it is not going to happen. Mr. Welker has a proven track record with what he has already built here. He has gone above and beyond what the City expected. His landscaping, for instance, is the best in Sedona, and he spent a lot more money on that landscaping than even the City

would have required, so he has a proven track record, and he should be able to build the rest of the project out.

**Dale Casey, Sedona, AZ:** Mr. Casey indicated that he has been a resident of Sedona for 26 years. He has seen a lot of changes; when he first moved here, there was only one traffic light at the “Y” that is now an “O”. You have the ear of the Council, and he would hope that you would talk to the Council and recommend that they renegotiate the agreement that the City has with the Chamber of Commerce. The increase in traffic that we have seen in the last four years has increased exponentially with the amount of money the City has given to the Chamber of Commerce. We are now up to \$2.5 million a year to the Chamber to bring more tourists into the City, and that is not what we need at this time. The SR 260 is under construction; it is going to be four lanes from I-17 to Cottonwood, and once it is completed, ADOT is going to put a sign on I-17 recommending that people come to Sedona using that route, which means that once that route is completed, the traffic at this intersection will most likely double. Again, if you have the ear of the Council members, by all means, encourage them to renegotiate that agreement with the Chamber.

**Mary Terry, Sedona, AZ:** Ms. Terry stated that she is an 18-year resident of Foothills South, and she and her husband have enjoyed living here and both of them appreciated the representatives of Marriott, Mr. Welker and the other people who represented Marriott in speaking with Foothills South, and several of them have expressed that we are very much in gratitude for their efforts. They would like to address their concerns about the impact of the commercial development that adjoins the residential development in so far as a wall that might separate them, and she is sure they are going to do what they can as far as the landscaping. They would like to note that the parking area will include spaces for the general public for trailhead access; the City does not provide any access at the current Cultural Park property across SR 89A right now, and they can address that as knowing many times a day the jeep tours as well as many private vehicles go to that observation point, and there will be a number of vehicles that will be using these parking areas at the Marriott for public access, and that needs to be considered by the City. There is no concern as far as we know, other than Marriott’s own address of that issue. They are also concerned about the lighting issue of the parking area. There is a proposal for the 12 ft. parking lights that will be placed adjacent to the Cultural Parking property as well as the Foothills South property, and they wonder whether that might be better addressed by bollard lights. That lighting impact is going to be quite significant as far as the lights being on at night, as well as the headlights that will be parking with their lights directed toward Foothills South, so we are concerned about that issue as well and appreciate your concern about addressing these issues.

**Cheryl Barron, Sedona, AZ:** Ms. Barron indicated that she is a resident of Sedona and a small business owner in the area. First and most importantly, she is the General Manager of the Courtyard by Marriott. She wants to address concerns about Airbnb as it relates to the Marriott coming into town. The question out there is, how does the Marriott differ from Airbnb? It differs a lot; Airbnb does not have standards that it abides by; there are no safety or security standards or standards to prevent parties and no standards to prevent the excess trash. Marriott has extreme standards, and we control all of those things. She lives in a neighborhood that has Airbnbs throughout, and as a resident, she can’t find a house to buy because of Airbnb, so that is her residential standpoint. As far as Marriott goes, they provide 24-hour service to their guests. They provide a sense of security and shuttle service. To detail out that shuttle service, they provide service to and from Uptown currently and they are open to going to some nearby trails, but that is up for discussion. The shuttle service currently carries about 50 people per day to and from the Uptown area. There was also a statement that claimed that we send our guests to Devil’s Bridge and that is incorrect. They send their guests to the least-traveled trailheads. About six months ago, park rangers came to the lodging council meeting and asked the lodging professionals to redirect guests away from Devil’s Bridge, Cathedral, Bell Rock – the most popular traveled trails. They have been doing that; they have been sending them to areas that are on their side of town. They are trying to keep traffic, as much as they can, away from that West Sedona and heading into Uptown. They are going to go, because that is where the

restaurants are, but they do their part as a business to try to prevent that. She also wanted to let you know something very important. Courtyard currently provides lodging for cancer patients that come into town. Ms. Barron was advised that her time was up.

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

**Commission's Summary Discussion:**

Commissioner Mayer referenced his earlier question and asked what is going to happen in the future in regard to traffic impact at that intersection of Red Rock Loop Road and SR 89A; he would like more information on how that is going to be managed in the future, which involves development across the Marriott.

Commissioner Brandt indicated that the big picture is that we have heard very pointed commentary regarding an individual development within a lodging limit zone that is speaking towards the overall problems that the City of Sedona has, and we need to separate the individual lot from the big picture. The big picture does need to be addressed, but he doesn't see how we can stop one individual project, but the people who have the concerns for controlling the traffic in this town should do more than just talk at one individual Development Review proposal.

Commissioner Brandt also noted that we heard comments about the amount of housing or that there should be more housing, and this also speaks to pulling together the community benefits policy that the City has been working on for three or four years but set aside. It would be good to have a blanket proposal for the whole City and not just focus on one property. If we have employee housing on specific properties, that would reduce traffic, because then theoretically the employees would be there on site and wouldn't have to drive to their jobs. If you think about it, everything kind of comes back to traffic and moving around. A little bit more focused on this property, the new type of hybrid hotel, part hotel and part apartment building, actually could reduce the demand for Airbnb, so that is a good thing.

Commissioner Brandt stated that he has two issues specifically with the building, and he touched on those during the work session -- one being the extension of the size of the parking lot and how that needs to be screened, and the other was realizing that buildings of that size probably need a bit darker colors to help them blend in with the natural scenery. Landscaping, he agrees that it does fit the overall theme and flow of Sedona; the natural red rock landscaping with native trees and some shade trees. It is beautifully done, but there needs to be more of them for the increase in the size, since there is no other break-up to the parking lot, no building to hide the parking lot, and the gabion wall that is raised in the front would work well, but it needs to continue to the entrance, and that entrance is the weak link -- the opening into the parking lot on SR 89A. For sure, we need to continue that height to that entrance and give up some of the extra parking to provide more landscaping within the parking, and especially at the entrance on SR 89A.

Commissioner Brandt referenced the other notion about just having darker colors and indicated that an interesting notion about not meeting the Land Development Code and having those allowances be part of the zone change, because in his thought, the zone change is to be able to provide more scrutiny for projects of this size, so that any hotel, whether you add one unit or multiple units, has to go through a zone change, because it is an important thing and it does need more review. It needs to have more scrutiny, so to him, it doesn't mean that you can automatically adjust things as far as the Land Development Code. Overall, that probably works for this building, but at the same time, if it was darker colors, it would blend in even more than it is going to, so he would suggest that, as the applicant has suggested, they go with a Light Reflectance Value of 19, and he would suggest that not just one building be reduced to 24 to meet the alternate standards, but that all of the project have that as a consideration. Stone is going to add a blending of colors; the paint needs to be darker. Those colors should probably stay in the blending you have now, more of the grey tones, to break it up from the existing hotel, but that really is up to the applicant, but he would encourage that the new building have distinction. It is going to flow because of the siting and the way it is placed on the property, and it has a nice break-up looking

from the highway. Facades, nice shadows, change of buildings and height of buildings all seem to work, so all in all he is in favor of the project, but with those Conditions added.

Commissioner Klein stated that he respects Commissioner Brandt's opinion, but he disagrees. We have to start looking at the big picture. He doesn't think you can just say that we shouldn't look at the big picture and just look at this project. We have two major problems in Sedona -- one is traffic, because we have so many tourists coming here, and the other is there is no housing for employees. He had a long conversation with the General Manager of Sedona Rouge, and they are not at full employment. Most of the major resorts here are not at full employment. Most of them have stopped advertising in the Red Rock News, because they can't get employees. The reason they can't get employees is because there is no housing here for them and that is a huge problem we need to address. With all due respect to the money that has been put into the community fund to support housing, basically nothing has ever been done with it. They have \$250,000 sitting there and this will add another \$50,000, but it is not going to add any affordable housing units.

Commissioner Klein stated that this project doesn't comply with the Community Plan as required. The Community Plan went into effect in May of 2014, and the Development Agreement that the Marriott entered into with the City was December of 2014 after the Community Plan, so when the Marriott entered into the Development Agreement, they knew the Community Plan was in existence and they knew they had to comply with it. Just focusing on four of the outcomes in the Community Plan. Housing Diversity - this is not going to do anything for housing diversity. Just building two units is not going to do much of anything. He would be maybe more in favor if they were building the 12% recommended guideline, so in other words, if they were building an 88-unit hotel, they would have to build 10.5 housing units, but that is not being done. In fact, they reduced the housing units from four to two. Community Gathering Places -- with all due respect to the Marriott, residents are not going to be saying let's go to the Marriott Residence Inn to hang out. They are going to have the BBQ and the pool, but that is mainly for the guests of the Marriott, so it doesn't do much to provide a community gathering place. Economic Diversity -- it does nothing for that. Most of the jobs in Sedona are service-related jobs that are low-paying jobs, so people can't afford to live here. The Community Plan says that we should be less dependent on tourism, and we should attract more business owners and professionals. This does nothing to do that, and we have the goal of reducing traffic; there is no doubt that even if it is to a minimal extent, this is going to be increasing traffic.

Commissioner Klein indicated that a couple of other points he would like to make are in June of 2015, the Arizona Planning & Zoning Commission staff gave us a lodging inventory, and at that time, there were 2,372 lodging units. With the Marriott Courtyard and the Sedona Rouge expansion that came up to 2,525 lodging units. If we now have 1,000 Airbnb units, we have 3,525 units of lodging, which is one for maybe every three people in Sedona. Las Vegas has one for every four people who live there, so we are going to have more lodging units than Las Vegas.

Commissioner Klein added that he just saw this and doesn't know how accurate it is, but it states that the sales tax revenue for the City of Sedona from hotels and lodging in 2015 was \$4.3 million, in 2016 it was \$5.8 million, and in 2017, it was \$6.9 million, so in two years it went up 50%, which seems to mean that is a huge increase in the number of tourists. He appreciates the comment that the gentleman made about the money being given to the Chamber of Commerce to attract tourists here. We don't want to hurt our economy; we are a tourist-based economy and we want to make sure that is stable, but are we getting too many tourists here, looking at the amount of sales tax revenues? Finally, whether you say we don't need to comply with the little old language of the CFA, but the spirit, he doesn't think it complies with the CFA. The CFA that was put into place after the Development Agreement with the Marriott says that we should have a mixed use here -- commercial, lodging and housing, and that is not happening, so he is not voting in favor of this.

Commissioner Kinsella stated that there are a couple of areas in which she feels she needs more information. We have heard about the impact of Airbnbs and the problems specifically on neighborhoods. She then asked if Economic Development or Community Development Departments have an opinion as to whether or not shepherding people toward hotels that might have better management or are better equipped to manage crowds are a good alternative to Airbnb growth. She is just curious and knows it is an opinion, but she is wondering if there is any information that could help the Commissioners understand that question. We heard that there were only 180 hotel rooms built in the last ten years, but we know we have had a much higher increase in the amount of people staying here, so she would like a verification of that number as well. She also looked at the remarks offered by the various agencies, and the Sedona Fire District referenced a previous letter, and as a newbie, she doesn't have some of that information, but she would like to know their opinion about the ingress and egress being afforded to the two residential properties, because that safety and alternative routes of escape are very important, and we need to consider them when we consider any development project, so she wants to know if there is a public safety advantage or if it is neutral. Cari Meyer stated that the Sedona Fire District has been very involved in the review of this project and looked at the emergency accesses. They approved both of them for emergency accesses, and in addition, the original site plan actually had only one entrance in and out, and you entered the parking lot and did a loop, and that was not acceptable to the Fire District, so they made some changes to make sure there was a way for the fire truck with basically two entrances in and out of this side of the property. That may have been the previous letter, but the Fire District has been very much involved in the review of the site plan and the emergency accesses, and they have said that these meet the requirements. The Commissioner questioned where the access was to and Cari pointed out the entrance off of SR 89A and the location of the two accesses from the neighboring subdivisions, and if the project moves toward building permits, they will be involved then as well.

Commissioner Kinsella expressed concern about the reduction in the housing units. It seems that the contribution of two housing units and \$50,000 does not add up to the contribution that should be happening based on the amount of square footage and rooms that are being brought in on this property. She would like the applicant to consider increasing, not the money contribution, but the actual apartment contribution. Vice Chair Levin asked if that is as to the number and Commissioner Kinsella stated yes. Vice Chair Levin then asked if the Commissioner had a precise number, and Commissioner Kinsella responded that it should be in excess of four. She probably would have thought four was insufficient as well. She is going to say that as a starting negotiating point, let's go for six. She thinks it was 10 or 12, but she is not looking at losing the monetary contribution; this is in addition to the existing monetary offer. Vice Chair Levin then confirmed that Commissioner Kinsella meant the \$50,000.

Audree Juhlin referenced Commissioner Kinsella's request for more information on the short-term vacation rentals and explained that we don't have any data related to impacts of the new legislation. We are looking at an FRP to go to the consultant community that helps regulate or at least monitor short-term vacation rentals, but right now, we currently don't have that data. Commissioner Kinsella then referenced a speaker that brought up a specific legal term, and it is her understanding that it is not something we could consider, but she would like the attorney to comment on the word "moratorium" and if that is something that can or cannot be considered. Robert Pickels Jr. explained that is a completely separate issue; there is a very specific statutory structure that has to be followed to consider any moratorium. There is a laundry list of things that has to be identified and has no relation to this project. Commissioner Kinsella then said that to restate, we could not be considering a denial of this project based on the fact that it would be the start of a moratorium. Robert Pickels Jr. stated that would be putting the cart before the horse.

Vice Chair Levin indicated that she had requested more information earlier on the guest characteristics. She is interested in knowing of those six priority guest profiles what percentage typically fall within each on a national level and what your expectation is in Sedona, because there are inferences drawn from whether you are appealing to individuals that come for medical treatment or individuals that are doing a cross-country trip and decide to stay in excess of 30



days, so again, it is a new product and we really need to better understand who your customers are, so if you could provide that data both nationally and what your expectations might be for the Sedona community. If and when this project does go forward, she would concur with Commissioner Kinsella that she would want to see a larger contribution. Since it is a zone change, it gives us the opportunity to ensure that you address the community's need for affordable housing in the community benefits that have been precisely defined in our Community Plan and inferred in the Western Gateway CFA, because it is an impact of the proposed hotel itself, so she would concur with Commissioner Kinsella's recommendation.

Vice Chair Levin stated that she needs feedback from the Commission. It looks like we have more information and more questions that need to be responded to by the applicant and that we are less ready to move forward with a motion; if she is not reading that correctly, speak up.

Commissioner Kinsella stated that she would like them to consider if they would look at the housing contribution before we vote that up or down. Vice Chair Levin stated that as each Commissioner has spoken, she has checked those things that they would like to see revised, such as the list that Commissioner Brandt provided. The concerns that Commissioner Klein raised with regard to inconsistency with the Community Plan and expectations – more specifically mixed use, and the housing raised by Commissioner Kinsella and others -- colors of the building and better screening, etc.

Commissioner Barcus stated that he agrees with the staff recommendation that we have a good compromise here. The developer has made many adjustments and we should move ahead with approval of the Zone Change, Development Review and the Conditional Use Permit tonight, and he is prepared to vote on that favorably.

Robert Pickels Jr. suggested that if there is a preference to move this forward, there are things that have been identified that could be stated in the recommendation of the Commission to the City Council that wouldn't preclude a vote on this item tonight. It is up to the Commission, but the things you identified can certainly be included in the recommendation to the Council. Vice Chair Levin then stated that she would entertain a motion; we have three motions on page 23.

***MOTION: Commissioner Barcus moved to recommend to the Sedona City Council approval of the proposed rezoning as set forth in case number PZ16-00009 (ZC), Marriott Residence Inn, increasing the total permitted lodging units from 121 to 209, based on compliance with the Land Development Code requirements, conformance with the requirements for approval of a zone change and consistency and conformance with the Community Plan and Western Gateway CFA Plan, and subject to all applicable ordinance requirements and the conditions as outlined in the Staff Report. Commissioner Brandt seconded the motion.***

Commissioner Brandt stated that he seconded the motion for discussion. Commissioner Kinsella stated that it is unfortunate, at the moment, she would like for the applicant to be able to respond to some of these things and without that response, she feels her hands are tied and she would have to vote against it at the moment based on that lack of information.

Vice Chair Levin asked Commissioner Barcus whether or not he would consider amending his motion so that the reference to the Conditions of Approval would be amended, as he would enunciate them. Commissioner Barcus stated that he is in agreement with the staff recommendation, and the applicant has complied with all of the requirements and is in conformance with what is required on this property. It is the highest and best use, architecturally it is outstanding, and we have a proven partner in terms of Community Development and he shudders to think of what would go in that space if this wasn't approved. This is a developable space in this community and all the ancillary issues related to traffic and Airbnbs are not relevant to this specific item. We need to stick with the facts, stick with the recommendation, stick with what we have before us in a zone change and move forward.

Commissioner Brandt asked if Commissioner Barcus would entertain an amendment to have the Light Reflectance Value 19 and to utilize the extra parking to be space for additional landscaping at the SR 89A entrance. Commissioner Barcus stated that he is not sure how we incorporate that in a recommendation to the City Council, but yes, we could recommend that to the City Council, and the City Council with the assistance of staff and the analysis and recommendations that staff might do at that point, he could accept those two modifications.

Commissioner Brandt asked if those wouldn't be an addition to the Conditions. Vice Chair Levin stated that they would be amendments to the Conditions of Approval. Robert Pickels Jr. explained that what he heard was that was an acceptable amendment to Commissioner Barcus, and Commissioner Barcus stated yes, he would consider that to be an acceptable amendment to the Conditions. Commissioner Brandt then stated that Part B of his statement would be are we a hung jury? Vice Chair Levin stated that the Commission would find out.

Commissioner Mayer stated that he cannot vote for this in that form. There are too many open questions in regards especially, he has a beef with the housing or the units dedicated to the employees, because that would reduce traffic from Cottonwood, because most of the people who work here are probably from Cottonwood or the Verde Valley, so any one person not to have to drive to work means something to him.

Commissioner Klein stated he had no additional comments on the motion or Conditions of Approval. Commissioner Kinsella referenced the Community Plan checklist under Development Standards and indicated that there are several areas where it is not complaint – it is either partially compliant or not compliant, so she would think that there is a way to bring this into further compliance with those, so although she agrees that this is probably a good use, and the design is fitting for the area, and the impact of this one project would overall be minimal compared to other things going on, the lack of affordable housing contribution is a significant part of the lack of compliance and other areas on here. She urges her colleagues to look at the Design Review Manual checklist and the Development Standards checklist and the Community Plan checklist for areas marked either partially compliant or not compliant. The idea is in conformance with the CFA, she agrees, but the individual application has areas that could be approved. Vice Chair Levin asked if the Commissioner had any amendments to the Conditions of Approval and Commissioner Kinsella stated not at this point; she would like additional feedback.

Vice Chair Levin stated that there is a motion on the floor with two amendments regarding the LRV and screening. Commissioner Brandt agreed and asked if it needed to be formalized. Robert Pickels Jr. stated that it is a friendly amendment; it was agreed to by Commissioner Barcus. Vice Chair Levin stated that she is going to call for the vote of those in favor of the motion as read and amended.

***AMENDED MOTION: Commissioner Barcus moved to recommend to the Sedona City Council approval of the proposed rezoning as set forth in case number PZ16-00009 (ZC), Marriott Residence Inn, increasing the total permitted lodging units from 121 to 209, based on compliance with the Land Development Code requirements, conformance with the requirements for approval of a zone change and consistency and conformance with the Community Plan and Western Gateway CFA Plan, and subject to all applicable ordinance requirements and the conditions as outlined in the Staff Report and amended.***

***Vote: Motion failed with two (2) in favor and four (4) opposed. Vice Chair Levin and Commissioners Kinsella, Klein and Mayer were opposed. Chair Losoff was excused.***

Vice Chair Levin asked staff if the Commission goes ahead with the other motions, and Audree Juhlin stated no there is no need to go further. Commissioner Brandt then asked if there is a meeting date that we would continue this to, and Audree pointed out that the Commission just took action to recommend denial to the City Council. Robert Pickels Jr. explained that there was not a motion to approve, so the Commission could still continue this and bring this back.

Vice Chair Levin agreed and stated that there were a lot of outstanding issues and areas in which we were requesting feedback, changes and revisions from the applicant, so if we continue this to a time certain, the Commission will have another look at this project and may be better satisfied with a revised project from the applicants, so do we have a date certain to continue this hearing.

Audree Juhlin indicated that we would also want the applicant to be able to be in on that date, and Vice Chair Levin confirmed that Audree wanted to confer this evening to see if that date would work for them. Audree then asked for a 5-minute break.

*Vice Chair Levin recessed the meeting at 8:28 p.m. and reconvened the meeting at 8:33 p.m.*

Vice Chair Levin indicated that we were talking about a possible date to continue and once we have that date she will entertain a motion to do so. Audree Juhlin stated that staff is recommending May 15<sup>th</sup> at 5:30 p.m. to continue the public hearing.

Robert Pickels Jr. stated that the applicant's counsel has asked to address the Commission.

**Applicant's Counsel Jeff Belilie** stated that during the break, he was consulting with his client and it sounded like there were a number of Commissioners concerned with the number of affordable housing units, and that seemed to be the overriding issue from what he heard. He talked with his client and if they were prepared to offer more affordable housing units today, could they get this moved forward – maybe all three action items tonight. He thinks he heard from a couple of Commissioners that really was the key concern, so he has talked with them, and they think they can make five affordable housing units work with the site and the cash contribution. They are willing to entertain a motion for approval with the modification to the number of housing units from two to five with the same cash contribution, if the Commission so chooses to do that. Vice Chair Levin interjected that was \$50,000 for the record and Mr. Belilie stated that was correct.

Commissioner Kinsella asked if staff had a recommendation on whether or not we should continue this evening or since we have a date if it should continue to that date, just based on procedure, policy and other information out there, and Vice Chair Levin added the outstanding information requested. Audree Juhlin indicated there are two options for the Commission – continue it to a date certain which would be May 15<sup>th</sup> at 5:30 p.m. or if the Commission feels that the significant issue still outstanding centered around housing and if the five units plus \$50,000 would be sufficient to take action tonight or if there are other issues besides the color and landscaping entrance identified.

Commissioner Klein wanted to know where the additional units would be built; we don't have anything in front of us as to where the units are going to be, what are they going to look like; we don't have any plans to look at for these units. Mr. Welker stated that they would be taken out of the hotel units; out of the 88; that is the only option they have, so that would leave 85 rentable units and hopefully that would be acceptable. Mr. Welker asked what the current paint color index is that they are adhering to in the report that meets the standard, and Cari indicated that the current lightest paint color was a 30 LRV, but you had submitted a darker color with a 19 LRV, which would need to be applied to Building B to meet alternate standards; there is a portion of the building that goes above 22 ft. Mr. Welker stated that he thinks they could do that too to address that concern.

Commissioner Klein asked if they would be willing to follow the guidelines recommended by the City and reduce the number of lodging units further, so you would be building 12% housing units. Mr. Welker stated that they would be willing to offer the five units and the \$50,000, with the trailhead, kiosk and trail improvements – that would be what they would be able to offer.

Commissioner Kinsella asked if the increase to the five units does not detract from any of the other public amenities already offered, and Mr. Welker stated no, all of those amenities obviously

benefit. It is a little different situation, because they are not building a standalone multi-family. All of the amenities and improvements that are expensive and costly are provided for these residents also and are different from a different type of situation. Commissioner Kinsella asked if that will still follow that preference order that we talked about before.

Commissioner Mayer asked how many employees are at the Marriott hotel now, and Mr. Welker stated at the Courtyard, they have approximately 35 to 40. The model for the Residence Inn is less employees, with 85 units and being able to take advantage of the adjacent property, it would normally probably be 30, but probably 25. The Commissioner then asked how many employees total together, and Mr. Welker stated that you can do the math; if we have 25 and 40, that is 65, and again, that is seasonal. Sometimes it is less and sometimes it is more. Commissioner Mayer then said five affordable housing for your employees. Mr. Welker pointed out that not all of them want to live there; they don't. Most of them want to get away, in fact, we had to get special permission from Marriott, because they have a mandate that no employees can be housed on site, because they want a separation from work. This is a unique circumstance obviously, so we are trying to work with it the best we can. If we were doing apartments, seven is better than five and five is better than three, but at the other end of the spectrum, in order to make this financially feasible, which is their problem, there comes a breaking point.

Commissioner Mayer stated that as Commissioner Klein explained we have a shortage of workforce here in Sedona as well, so they are going to be fighting for the same people. Mr. Welker said that again not all of them want to live on site. The Commissioner again stated we have a workforce shortage here in Sedona; what does that mean for the quality. . . Mr. Welker interjected that that is something they have to deal with. That is their problem, and it is not just here; it is everywhere. That is something that they don't require the City to participate in, but they are able to adequately do that. They were chosen the last six years as one of the top Marriott developers for quality assurance in the United States, so we have to deal with that question, and we do it efficiently, and just to give you an idea, when we opened the Courtyard, we had more applications for that per jobs there than we've had at any other hotel they've ever opened. They had hundreds.

Commissioner Mayer asked if they did a drug test too and Vice Chair Levin pointed out that the Commissioner was getting off and thanked Mr. Welker. The Vice Chair advised Commissioner Mayer that she was returning it to the Commission for any other questions.

Commissioner Klein referenced his notes from when Mr. Welker did his presentation at a prior meeting and indicated that Mr. Welker said that the Residence Inn would have 30 to 45 employees and the Courtyard has 50 to 75. Mr. Welker stated that again, those are variables based on seasonality; they may go below that and they may go above that; he is giving you an average. According to the Residence Inn model, they will be able to take advantage of some synergies between the two properties being together, so it is going to have less employees, but they would appreciate it, if they could move this forward. If not, if there are too many to your stipulations, they are trying to do everything they can to move this forward, and if not, they would be happy to come back again, but they would like to move it forward, and they think they have addressed some of the most serious issues.

Vice Chair Levin stated that she would entertain a motion if it pleases the Commission. Commissioner Kinsella stated that she would make a motion for approval with the change that was just agreed to. The Vice Chair asked the Commissioner to restate that for the record, and the Commissioner asked for staff's help.

Cari Meyer indicated that she has that Condition 2 under Zone Change would change to say, "The zoning for this property shall allow for a maximum of 206 lodging units", which would be the 121 plus 85, etc. Condition 3A would change to "provision of five employee housing units in compliance with the City's development incentives and guidelines for affordable housing", and

then . . . Vice Chair Levin stated that she didn't think that the 95 number was correct, so Cari repeated her calculations.

Audree Juhlin suggested that perhaps a simpler approach could be that the motion is to "approve the Zone Change based on the recommended language with the addition of addressing lighting, the landscaping screening and changing the number of employee units from two to five and reducing the lodging to 85. Cari clarified that it is the Light Reflectance Value, not lighting, and Audree agreed it was the light color.

Commissioner Kinsella asked if that is sufficient as stated and Robert Pickels Jr. stated yes.

*Note: The motion is to approve the Zone Change based on the recommended language with the addition of addressing the Light Reflectance Value, the landscaping screening, changing the number of employee units from two to five and reducing the lodging to 85.*

**MOTION: Commissioner Kinsella so moved. Commissioner Barcus seconded the motion.**

*Vice Chair Levin asked for those in favor of approving the motion as amended.*

**VOTE: Motion carried with five (5) for and one (1) opposed. Commissioner Klein was opposed and Chair Losoff was excused.**

Vice Chair Levin asked if the Commissioner's reason for denial was needed and Audree Juhlin indicated that staff has very specific reasons for that denial.

Vice Chair Levin stated that the second item to decide is the staff recommendation for a Conditional Use Permit with the accompanying motion. She then asked for a motion to approve; however, Commissioner Barcus pointed out that Development Review is next.

The Vice Chair then asked for a motion for the Development Review and Commissioner Barcus stated he would make that motion.

*Note: The motion in the Staff Report for Development Review referenced by Commissioner Barcus is as follows:*

**MOTION: "Move to approve the proposed Development Review for the Marriott Residence Inn as set forth in case number PZ16-00009 (DEV) based on compliance with all ordinance requirements and satisfaction of the Development Review considerations and applicable Land Development Code requirements and the conditions as outlined in the Staff Report. Commissioner Kinsella seconded that motion.**

**VOTE: Motion carried six (6) for and zero (0) opposed. Chair Losoff was excused.**

The Vice Chair stated that she would entertain a motion for the Conditional Use Permit.

Cari stated that before making the motion, she would point out that the Commission was given an amended Condition for the Conditional Use Permit that states that if the City Council does not approve the Zone Change, the Conditional Use Permit approval is null and void, so it would be as amended.

**MOTION: Commissioner Kinsella moved that based on ordinance requirements as conditioned, general consistency with the Land Development Code and the requirements for approval of the Conditional Use Permit and the compatibility with surrounding land uses and character of the surrounding area, that this be approved as amended. Commissioner Barcus seconded the motion. VOTE: The motion carried with six (6) for and zero (0) opposed. Chair Losoff was excused.**

6. **FUTURE MEETING DATES AND AGENDA ITEMS**
- a. **Tuesday, May 1, 2018; 3:30 pm (Work Session)**
  - b. **Tuesday, May 1, 2018; 5:30 pm (Public Hearing)**
  - c. **Tuesday, May 15, 2018; 3:30 pm (Work Session)**
  - d. **Tuesday, May 15, 2018; 5:30 pm (Public Hearing)**

Cari Meyer stated that there is nothing for Tuesday, May 1<sup>st</sup>, so that meeting will be canceled, and on Tuesday, May 15<sup>th</sup>, we have scheduled the public hearing for the Shelby/Sunset Live/Work CFA, formerly known as the Triple A CFA. Vice Chair Levin asked if that is for the work session, and Audree Juhlin stated that is a work session; however, Cari stated that it is a public hearing. Audree then explained that she thinks it will start at 3:30 p.m., because it is an extensive discussion responding to the Commission's questions and comments.

7. **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.*

8. **ADJOURNMENT**

Vice Chair Levin called for adjournment at 8:45 p.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Planning & Zoning Commission held on April 17, 2018.

\_\_\_\_\_  
Donna A. S. Puckett, *Administrative Assistant*

\_\_\_\_\_  
Date

## Excerpt from the P&Z public hearing on the Marriott Residence Inn – April 17, 2018

Re: Commissioner Klein's statements related to his vote for denial

Commissioner Klein stated that he respects Commissioner Brandt's opinion, but he disagrees. We have to start looking at the big picture. He doesn't think you can just say that we shouldn't look at the big picture and just look at this project. We have two major problems in Sedona -- one is traffic, because we have so many tourists coming here, and the other is there is no housing for employees. He had a long conversation with the General Manager of Sedona Rouge, and they are not at full employment. Most of the major resorts here are not at full employment. Most of them have stopped advertising in the Red Rock News, because they can't get employees. The reason they can't get employees is because there is no housing here for them and that is a huge problem we need to address. With all due respect to the money that has been put into the community fund to support housing, basically nothing has ever been done with it. They have \$250,000 sitting there and this will add another \$50,000, but it is not going to add any affordable housing units.

Commissioner Klein stated that this project doesn't comply with the Community Plan as required. The Community Plan went into effect in May of 2014, and the Development Agreement that the Marriott entered into with the City was December of 2014 after the Community Plan, so when the Marriott entered into the Development Agreement, they knew the Community Plan was in existence and they knew they had to comply with it. Just focusing on four of the outcomes in the Community Plan. Housing Diversity - this is not going to do anything for housing diversity. Just building two units is not going to do much of anything. He would be maybe more in favor if they were building the 12% recommended guideline, so in other words, if they were building an 88-unit hotel, they would have to build 10.5 housing units, but that is not being done. In fact, they reduced the housing units from four to two. Community Gathering Places – with all due respect to the Marriott, residents are not going to be saying let's go to the Marriott Residence Inn to hang out. They are going to have the BBQ and the pool, but that is mainly for the guests of the Marriott, so it doesn't do much to provide a community gathering place. Economic Diversity – it does nothing for that. Most of the jobs in Sedona are service-related jobs that are low-paying jobs, so people can't afford to live here. The Community Plan says that we should be less dependent on tourism, and we should attract more business owners and professionals. This does nothing to do that, and we have the goal of reducing traffic; there is no doubt that even if it is to a minimal extent, this is going to be increasing traffic.

Commissioner Klein indicated that a couple of other points he would like to make are in June of 2015, the Arizona Planning & Zoning Commission staff gave us a lodging inventory, and at that time, there were 2,372 lodging units. With the Marriott Courtyard and the Sedona Rouge expansion that came up to 2,525 lodging units. If we now have 1,000 Airbnb units, we have 3,525 units of lodging, which is one for maybe every three people in Sedona. Las Vegas has one for every four people who live there, so we are going to have more lodging units than Las Vegas.

Commissioner Klein added that he just saw this and doesn't know how accurate it is, but it states that the sales tax revenue for the City of Sedona from hotels and lodging in 2015 was \$4.3 million, in 2016 it was \$5.8 million, and in 2017, it was \$6.9 million, so in two years it went up 50%, which seems to mean that is a huge increase in the number of tourists. He appreciates the comment that the gentleman made about the money being given to the Chamber of Commerce to attract tourists here. We don't want to hurt our economy; we are a tourist-based economy and we want to make sure that is stable, but are we getting too many tourists here, looking at the amount of sales tax revenues? Finally, whether you say we don't need to comply with the little old language of the CFA, but the spirit, he doesn't think it complies with the CFA. The CFA that was put into place after the Development Agreement with the Marriott says that we should have a mixed use here – commercial, lodging and housing, and that is not happening, so he is not voting in favor of this.

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**WHEN RECORDED, RETURN TO:**

City Clerk  
City of Sedona  
102 Roadrunner Drive  
Sedona, Arizona 86336

**DEVELOPMENT AGREEMENT  
(Sedona Marriot Residence Inn)**

This Development Agreement (“*Agreement*”) is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2018 (the “*Effective Date*”), by and between the **CITY OF SEDONA, ARIZONA**, an Arizona municipal corporation (the “*City*”) and **SEDONA HOSPITALITY GROUP, L.L.C.**, an Arizona limited liability company (“*Developer*”).

**RECITALS**

**A.** City and Developer entered into that certain Development Agreement (Sedona Marriot Courtyard Hotel) dated December 4, 2014 (“*Original Agreement*”), recorded as Instrument No. 2015-0001623, Records of Yavapai County, Arizona. Unless expressly stated herein to the contrary, this Agreement is intended to stand alone and be enforced independently from the Original Agreement which remains in full force and effect.

**B.** The site plan attached to the Original Agreement as Exhibit B included a 3.04 acre undeveloped parcel, which is more specifically described on the attached **Exhibit A** (“*Undeveloped Parcel*”).

**C.** Arizona Revised States (“ARS”) Section 9-500.05 allows a municipality and a landowner or any other person having an interest in real property located in a municipality to enter into a development agreement pertaining to any matter relating to the development of such real property, including applicable land use rules, regulations and official policies; permitted land uses; density and intensity of land use; phasing of development and duration of the development agreement; and development fees.

**D.** Pursuant to and in compliance with the Land Development Code, Developer has submitted to the City its zone change application to revise the number of permitted lodging units for the Undeveloped Parcel and for development review and conditional use permit approval.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the premises above and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, covenant and agree, for themselves, and their successors-in-ownership and assigns, as follows:

1. **Recitals.** The Recitals set forth above are acknowledged by the Parties to be true and correct and are incorporated herein by this reference.

2. **Development of the Undeveloped Parcel.** Developer shall be permitted to develop the Undeveloped Parcel as a Marriott Residence Inn with eighty five (85) guest units and five (5) employee housing units in general accordance with the site plan attached hereto as **Exhibit B** (“*Residence Inn Site Plan*”).

3. **Additional Covenants of Developer.** Developer agrees as follows.

- (a) Developer shall construct, own and operate a Marriott Residence Inn on the Undeveloped Parcel.
- (b) Developer shall provide five (5) employee housing units in compliance with the City’s Development Incentives and Guidelines for Affordable Housing (DIGAH), including, but not limited to:
  - i. All five (5) rental units shall be targeted to household earning up to 80% of the area median income adjusted for unit size in Yavapai County.
  - ii. Two (2) of the rental units shall be one (1) bedroom units, each approximately five hundred eighty five (585) square feet in size.
  - iii. Three (3) of the rental units shall be studio units, each approximately four hundred sixty three (463) square feet in size.
  - iv. Developer shall adhere to DIGAH’s Eligibility Criteria and Marketing and Application Process when renting the units.
  - v. The rental units and the Developer shall comply with all applicable development guidelines including, but not limited to:
    - 1. Tenants are entitled to the use of all on-site amenities, including the pool, club house, BBQs, etc.
    - 2. Interior finish and quality of construction should at a minimum be comparable to applicable entry level rental housing in the Verde Valley.
    - 3. The units shall be available and remain affordable from the date of initial occupancy for as long as the Undeveloped Parcel remains a lodging use.
  - vi. Tenant preferences, in addition to income restrictions, shall be made first available to qualified Residence Inn and Courtyard Hotel employees. Second preference is for qualified school district and

City employees. Third preference is for qualified citizens at large who are or will be employed within the City's jurisdictional limits.

- vii. An annual report shall be submitted to the Community Development Department each year commencing one (1) year following the date on which the certificate of occupancy is issued for the Residence Inn demonstrating compliance with conditions of approval and the DIGAH.
- (c) Developer shall contribute Fifty Thousand Dollars (\$50,000) to the City's Affordable Housing fund.
- (d) Developer shall provide a trail connection, kiosk and trail parking, including a public access easement for access to the parking and trailhead, as well as signage allowing for public parking near the trailhead during daylight hours. Final sign design and placement shall be approved by the Community Development Director prior to installation.
- (e) Developer shall provide and operate a shuttle for use by hotel guests to destination locations, such as Uptown Sedona and major trail systems, within a 10 mile radius of the Residence Inn.
- (f) Developer shall record permanent emergency ingress and egress easements for both Park Place and Foothills South Subdivisions, at the locations depicted on the Residence Inn Site Plan.
- (g) Developer shall record a permanent access easement to the City for the ingress and egress and for the service and maintenance of the City's odor treatment facility, at the location depicted on the Residence Inn Site Plan.
- (h) Developer shall connect to the City's Wastewater System, construct any required extensions of sewer lines, and pay the fees described in Section 4(b).
- (i) Developer shall pay to City a development impact fee per guest unit of Three Thousand Fifty Four Dollars (\$3,054) and a development impact fee per employee housing unit of Four Thousand Eight Hundred Twenty Nine Dollars (\$4,829), for a total fee of Two Hundred Eighty Three Thousand Seven Hundred Thirty Five Dollars (\$283,735) to be paid by Developer prior to the issuance of the certificate of occupancy.

Developer shall make a contribution to public art, either in the amount of 50.54 cents (\$0.5054) per square foot of gross building area or through the installation of art valued at an equivalent amount to be approved by the Community Development Director prior to fabrication and installation.

Developer shall pay all applicable permit review and building permit fees, in accordance with the adopted City fee schedule.

**4. Covenants of City.** City agrees as follows.

- (a) City will approve zoning for the Undeveloped Parcel, as further revised under PZ16-00009 (ZC), which shall be vested upon the approval of this Agreement.
- (b) City will provide sewer service to the Residence Inn to be constructed for a capacity fee of 7,962.25 per unit for ninety (90) units, for a total capacity fee to be paid by Developer of \$ 716,602.50.

Additional uses not included in the above fee calculation shall be assessed capacity and monthly service fees based on the City's sewer capacity fee schedule in existence at the time of the addition of such uses.

**5. Representations.**

5.1. Developer Representations. Developer represents and warrants that:

- (a) it is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Arizona;
- (b) its execution, delivery and performance of this Agreement is duly authorized;
- (c) it shall execute all documents and take all action necessary to implement and enforce this Agreement; and
- (d) the representations made by Developer in this Agreement are accurate and truthful to the best of its knowledge and belief.

5.2. City Representations. City represents and warrants that:

- (a) its execution, delivery and performance of this Agreement has been duly authorized and entered into in compliance with all ordinances and codes of City;
- (b) this Agreement is enforceable in accordance with its terms;
- (c) it shall execute all documents and take all action necessary to implement and enforce this Agreement; and
- (d) the representations made by City in this Agreement are accurate and truthful to the best of its knowledge and belief.

**6. Default and Remedies.**

- 6.1. Events Constituting Developer Default. Developer shall be deemed to be in default of this Agreement if (a) Developer commits a material breach of any obligation required to be performed by Developer, and (b) such breach continues for a period of thirty (30) days after written notice thereof by City, or if not able to be cured within such time period, Developer fails to commence the cure of such breach within such time period and, thereafter, to diligently pursue the same to completion.
- 6.2. Remedies to City. In the event of a Developer default which is not cured within any applicable cure period, City shall have the right to seek and obtain all legal and equitable remedies available to it including, but not limited to, specific performance.
- 6.3. Events Constituting City Default. City shall be deemed to be in default under this Agreement if (a) City commits a material breach of any obligation required to be performed by City, and (b) such breach continues for a period of thirty (30) days after written notice thereof by Developer, or if not able to be cured within such time period, City fails to commence the cure of such breach within such time period and, thereafter, to diligently pursue the same to completion.
- 6.4. Remedies to Developer. In the event of a City default which is not cured within any applicable cure period, Developer shall have the right to seek and obtain legal and equitable remedies available to it, including, but not limited to, specific performance.

**7. Miscellaneous.**

- 7.1. Notice. Unless otherwise specifically provided in this Agreement, all notices, demands or other communication to be given shall be in writing and shall be deemed to have been duly delivered upon personal delivery or email transmission:

To City:  
City of Sedona  
Attn: Sedona Community Development Director  
102 Roadrunner Drive  
Sedona Arizona 86336  
Email:

Copy to:  
Robert Pickels, City Attorney  
City of Sedona  
102 Roadrunner Drive

Sedona, Arizona 86336  
Email: [rpickels@sedonaaz.gov](mailto:rpickels@sedonaaz.gov)

To Developer:  
Sedona Hospitality Group, L.L.C.  
Attn: Paul Welker  
7255 East Hampton Avenue, Suite 122  
Mesa, Arizona 85209  
Email: [paul@sunridgeproperties.com](mailto:paul@sunridgeproperties.com)

Copy to:  
Beus Gilbert PLLC  
Attn: Jeffrey Blilie  
701 N. 44<sup>th</sup> Street  
Phoenix, Arizona 85003  
Email: [jbilie@beusgilbert.com](mailto:jbilie@beusgilbert.com)

Either party may change the notice recipient, address or email by giving written notice to the other party as provided above.

- 7.2. Amendments. This Agreement may be amended only by a mutual written agreement fully executed by the parties.
- 7.3. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Arizona.
- 7.4. Waiver. No waiver by either party of a breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition.
- 7.5. Severability. If any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law, provided that the fundamental purposes of this Agreement are not defeated by such severability.
- 7.6. Exhibits. All exhibits attached to this Agreement are incorporated herein by reference as though fully set forth in this Agreement. The exhibits are as follows:

Exhibit A: Legal description of the Undeveloped Parcel  
Exhibit B: Residence Inn Site plan

- 7.7. Entire Agreement. This Agreement and the referenced exhibits constitute the entire agreement between the parties pertaining to the subject matter and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties, oral or written, are superseded and merged in this Agreement.
- 7.8. Counterparts. This Agreement may be executed in multiple counterparts.
- 7.9. Consents and Approvals. City and Developer shall at all times act reasonably and in good faith with respect to any and all matters which require either party to review, consent or approve any act or other matter pertaining to the subject matter of this Agreement.
- 7.10. Mutual Benefits. City and Developer agree that in making the promises contained in this Agreement that certain benefits and advantages will accrue to both parties as a result of the performance of this Agreement, and that this Agreement is entered into in reliance upon the actual benefits afforded each of the parties.
- 7.11. Conflict of Interest. No member, official or employee of City may have any direct or indirect interest in this Agreement, nor participate in any decision relating to the Agreement which is prohibited by law. All parties acknowledge that this Agreement is subject to cancellation pursuant to the provisions of ARS Section 38-511.
- 7.12. Enforcement by Either Party. This Agreement shall be enforceable by either party notwithstanding any change in any applicable general plan, specific plan, zoning ordinance, subdivision ordinance or building ordinance adopted by City which substantially changes, alters or amends the applicability of said plans or ordinances to the Property.
- 7.13. Cumulative Remedies. Except as otherwise expressly stated in this Agreement, the rights and remedies of the parties are cumulative, and the exercise by any party of one or more of such rights or remedies will not preclude the exercise by it, at the same time or different times, of any other rights or remedies for the same default or any other default by such defaulting party.
- 7.14. Attorneys' Fees. In any arbitration, quasi-judicial or administrative proceedings or any other action in any court of competent jurisdiction, brought by either party to enforce any covenant or any of such party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing party shall be entitled to reasonable attorneys' fees and all reasonable costs, expenses in connection with such action.

- 7.15. Assignment and Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties and their successor and assigns.
- 7.16. No Third Party Beneficiaries and No Partnership. This Agreement is made and entered into for the sole protection and benefit of the parties. No person other than the parties and their successors in interest shall have any right of action based upon any provision of this Agreement. Nothing contained in this Agreement shall create any partnership, joint venture or agency relationship between the parties.
- 7.17. Effective Date, Term and Recordation. This Agreement will be effective (“*Effective Date*”) upon execution by the undersigned parties and recordation in accordance with ARS Section 9-500.05. The term of this Agreement will commence on the Effective Date and will automatically terminate on the fifth (5th) anniversary of such date if building permits are not obtained.
- 7.18. Time of the Essence. Time is of the essence in this Agreement.
- 7.19. Review Process. City agrees to use its best efforts to expedite all approvals relating to the subject matter of this Agreement.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGES]**



**IN WITNESS WHEREOF**, the parties have executed this Agreement as of the date first above written.

**CITY:**

CITY OF SEDONA, ARIZONA, an Arizona municipal corporation

\_\_\_\_\_  
Sandy Moriarty, Mayor

**ATTEST:**

\_\_\_\_\_  
Susan Irvine, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert Pickels, City Attorney

STATE OF ARIZONA  
County of Yavapai

On this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared Sandy Moriarty, the Mayor of the CITY OF SEDONA, ARIZONA, an Arizona municipal corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above/attached document.

[Affix notary seal here]

\_\_\_\_\_  
Notary Public

**DEVELOPER:**

SEDONA HOSPITALITY GROUP, L.L.C., an  
Arizona limited liability company

By: SUNRIDGE PROPERTIES, INC. an  
Arizona corporation, Manager

By: \_\_\_\_\_  
Paul Welker, CEO

STATE OF ARIZONA  
County of Maricopa

On this \_\_\_\_\_ day of \_\_\_\_\_, 2018, before me personally appeared Paul Welker, the CEO of SUNRIDGE PROPERTIES, INC., an Arizona corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

[Affix notary seal here]

\_\_\_\_\_  
Notary Public

**EXHIBIT A  
TO  
DEVELOPMENT AGREEMENT**

**[Legal Description of the Undeveloped Parcel]**

See following pages

DRAFT

**EXHIBIT B  
TO  
DEVELOPMENT AGREEMENT**

**[Residence Inn Site Plan]**

See following page

DRAFT