

RESOLUTION NO. 2021-04

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, APPROVING A DEVELOPMENT AGREEMENT WITH INN SEDONA, LLC,
FOR CONSTRUCTION OF AN AFFORDABLE HOUSING UNIT.**

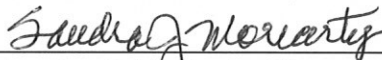
WHEREAS, the City is authorized pursuant to A.R.S. § 9-500.05 to enter into development agreements with businesses or landowners located in the City.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA as follows:

SECTION 1. That it is deemed in the best interest of the City of Sedona and its citizens that the City enter into a Development Agreement (Segner Workforce Housing) with Inn Sedona, LLC, which provides for a financial contribution from the City towards the construction of an affordable housing unit located at 87 Hart Road, Sedona, Arizona, which Agreement is now on file in the office of the City Clerk of the City of Sedona and attached hereto.


SECTION 2. That the Mayor is authorized and directed to execute and deliver said agreement on behalf of the City of Sedona.

ADOPTED AND APPROVED by the Mayor and Council of the City of Sedona, Arizona, this 23rd day of March, 2021.




Sandra J. Moriarty, Mayor

ATTEST:



Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:



Kurt W. Christianson, City Attorney

**DEVELOPMENT AGREEMENT
(Segner Workforce Housing)**

THIS DEVELOPMENT AGREEMENT for the Segner Workforce Housing (“**Agreement**”) is entered into this 29TH day of MARCH, 2021 by and between the CITY OF SEDONA, and Arizona municipal corporation (“**City**”) and Inn Sedona, LLC, an Arizona limited liability company (“**Owner**”).

RECITALS

- A. Owner owns that real property located within the municipal boundaries of the City of Sedona in Coconino County, Arizona, consisting of approximately 0.16 acres, as depicted on the map attached hereto as **Exhibit A** and legally described in attached **Exhibit B** (the "**Property**").
- B. The Owner will be constructing a minimum 900 square foot unit (“Workforce Unit”) on a piece of the Property located at 87 Hart Road, Sedona, AZ 86336. Owner desires to restrict the occupancy of this Workforce Unit for workforce housing pursuant the requirements of this Agreement.
- C. City desires to ameliorate the housing shortage and affordable housing issues by partnering with private developers to buy down the value of rental units to create affordable rents for persons who work in the community.
- D. The City will receive direct benefit from the addition of a workforce unit with a rent cap rather than the addition of another market-rate rental unit. The direct benefit can be quantified by calculating the difference between the restricted rent and the market rate that could otherwise be charged to lease the unit over the same period as a long or short-term rental.
- E. The City will receive the indirect benefits of creating an affordable housing unit, including the increase to the employee’s net disposable income; the employer’s retention of an employee(s) who otherwise may not be able to work locally, the reduction of commuter traffic, and the spillover benefits for the local economy.
- F. Arizona Revised States 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 use of such real property.

AGREEMENT

NOW, THEREFORE, in consideration of the premises above and the mutual covenants and agreements contained herein, the parties, intending to be legally bound, covenant and agree, for themselves, and their successors-in-ownership and assigns, as follows:

By its consenting signature hereto, Owner agrees to recordation of this Agreement on the Property.

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. Workforce Unit. Owner agrees to construct one (1) residential Workforce Unit pursuant to the approved building permit B-04786, attached as Exhibit C and as shown on the attached Exhibit A. The Workforce Unit is to be rented to an individual working in the City of Sedona with a gross household income between 80% and 100% of the Area Median Income in Coconino County.
 - a. *Design*. The design of the Workforce Unit including the site design shall conform to the issued Building Permit B-04786 meeting all the City's Land Development Code, and the City's Building Code *Use Restrictions*. The maximum number of occupants shall conform to City's Land Development Code definition of "family" and shall not exceed the maximum occupancy requirements established in applicable Building and Fire Codes.
 - b. *Workforce Unit Eligible Rental Process*. The Workforce Unit shall be rented to an employee working in the City of Sedona earning a gross household income between eighty (80%) and one hundred (100%) percent of Area Median Income for the household size in Coconino County. Income from all adults who occupy the property shall be included in the household income. The City will provide assistance in determining the Area Median Income for Coconino County upon request.
 - c. *Rental Restrictions*. *Total costs for rental payments* for the workforce unit and the cost of utilities (gas, electric, water and wastewater services, phone, modem and cable services, and solid waste pick-up) will be capped at thirty-five percent (35%) of the gross income for the household. During the term of affordability, rent increases shall be proportionate to increases in the Area Median Income for the household size in Coconino County.
 - d. *Affordability Covenant*. Owner shall record an affordability covenant (the "**Affordability Covenant**") for the Workforce Unit. The Affordability Covenant is effective for a minimum period of ten (10) years during which the Workforce Unit shall be rented to an employee working in the City of Sedona earning a gross household income between eighty (80%) and one hundred (100%) percent of Area Median Income for the household size in Coconino County. By its consenting signature hereto, Owner agrees to recordation of this Agreement on the Property.

- e. *Fee Waiver.* City agrees that it shall not charge Owner plan review fees, permit fees, building fees, sewer fees, grading or development impact fees for the one Workforce Unit. These waived fees total approximately \$14,168, of which the City will pay the sewer capacity and development impact fees on the Owner's behalf in the approximate amount of \$10,208 and waive the remaining fees in the approximate amount of \$3,960.
 - f. *Conversion.* The Workforce Unit shall not be converted to a condominium use or used as a short-term rental for the duration of the Affordability Covenant.
3. Effective Date and Term. This Agreement shall be effective (the "**Effective Date**") upon (i) execution by the parties hereto and (ii) recordation in accordance with ARS Section 9-500.05.
- a. The term of this Agreement shall commence on the Effective Date and shall automatically terminate on the tenth (10th) anniversary of occupancy of the Workforce Unit.
 - i) Notwithstanding Section 3.a., if building permits are not obtained, this Agreement shall automatically terminate on the first (1st) anniversary of the Effective Date. The Affordability Covenant does not expire with the Agreement if terminated pursuant to this Section 3.a.i.
 - b. This Agreement cannot be changed, amended, or altered without the written agreement of the Owner and the City except at renewal period. Either party requesting a change in the Agreement must submit the request in writing a minimum of six months prior to the expiration of Agreement.
 - c. Should the Owner wish to terminate this Agreement prior to the conclusion of the ten (10) year Affordability Covenant period, the Owner shall reimburse the City all waived fees.
 - d. Should a federal or state law regarding housing that may be determined to override any agreements between the City and Owner be enforced, the Owner will have the option to terminate this Agreement with six months' notice. If no notice is submitted, it is assumed the new jurisdiction is accepted by Owner.
4. Miscellaneous.
- a. *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 three (3) business days after deposit in the U.S. Postal System or one (1) business day after the sending of email notice (given between the hours of 8 am and 5 pm on a business day):

To City:
City of Sedona
Attn: Sedona Community Development Director
102 Roadrunner Drive
Sedona, Arizona 86336
kosburn@sedonaaz.gov

Copy To:
Sedona City Attorney
102 Roadrunner Drive
Sedona, Arizona 86336
kchristianson@sedonaaz.gov

To Inn Sedona, LLC:
Steve Segner
PO Box 1750
Sedona, Arizona 86339
Steve@elportalsedona.com

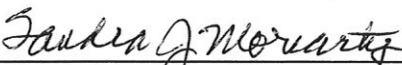
Either party may change the notice recipient or address by giving written notice to the other party as provided above.

- b. *Governing Law; Venue; Waiver of Jury Trial.* This Agreement shall be governed by and enforced using the law of the State of Arizona. The parties agree that any judicial action brought to enforce the terms or conditions of this Agreement shall be brought in a court of competent jurisdiction in Coconino County, Arizona. Both parties hereby waive any right to a jury trial which they may otherwise have in the event of litigation arising out of this Agreement or the subject matter thereof and consent to a trial to the court.
- c. *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.
- d. *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.

- e. *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: Map of Property
Exhibit B: Legal Description of Property.
Exhibit C: Building Permit B-04786
- f. *Entire Agreement.* This Agreement and the referenced exhibits and collateral materials 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.
- g. *Mutual Benefits.* City and Owner 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.
- h. *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.
- i. *Assignment and Successors.* This Agreement shall be binding upon and shall inure to the benefit of the parties and their successor and assigns.
- j. *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.

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

CITY OF SEDONA, ARIZONA, an Arizona municipal corporation




Sandra J. Moriarty, Mayor

ATTEST:


Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:


Kurt W. Christianson, City Attorney

INN SEDONA, LLC, an Arizona limited liability
company

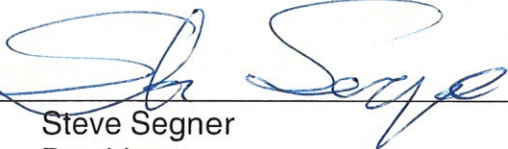
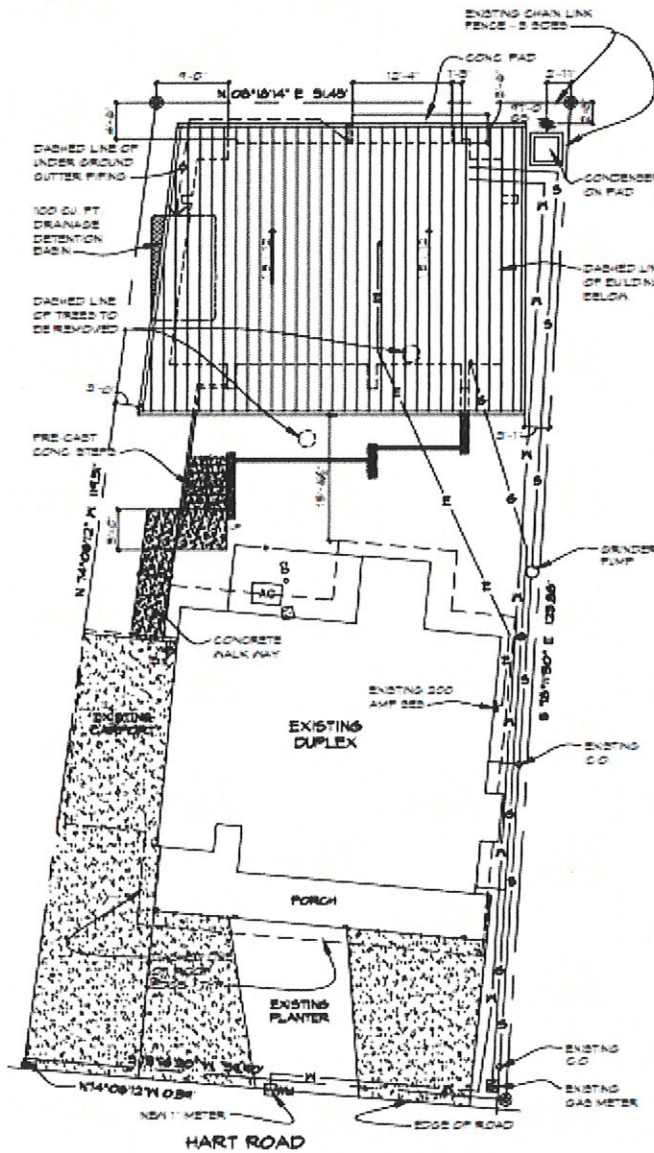
By: 
Steve Segner
Its: President

EXHIBIT A
Map of Property

STORMWATER POLLUTION PREVENTION

- A. CONSTRUCTION PHASE - IMPLEMENT STRAIN MATS/LES, SILT FENCING OR OTHER APPROPRIATE BEST MANAGEMENT PRACTICES (BMP) TO MITIGATE STORMWATER POLLUTION & PREVENT EROSION ON-SITE & SEDIMENT LEAVING THE PROPERTY & ENTERING THE CITY OF SEDONA MS4.
- B. POST-CONSTRUCTION PHASE - BMP'S SHALL BE IMPLEMENTED TO PREVENT STORMWATER POLLUTION & SITE EROSION ONCE ACTIVE CONSTRUCTION IS COMPLETED. THESE BMP'S INCLUDE REVEGETATION, GENTLE SLOPING, TERRACING & LANDSCAPING. THIS SHOULD BE IN CONJUNCTION WITH THE REQUIRED STORMWATER MEASURES ADDRESSING VOLUME, SUCH AS RETENTION/DETENTION BASINS, SWALES AND RUPRAP PADS.



1 SITE DEVELOPMENT PLAN
1/8" = 1'-0"

BUILDING DATA*

- | | | |
|----|--------------------|---------------------------------------------|
| 1 | LIVABLE AREA | 1,000 SQ. FT. |
| 2 | CUT / FILL CALCS | CUT: 29 CUBIC YARDS
FILL: 10 CUBIC YARDS |
| 3 | GAS SERVICE | UNSOURCE ENERGY SERVICES |
| 4 | ELECTRICAL SERVICE | EXISTING 200 AMP, 220 |
| 5 | WATER SERVICE | ARIZONA WATER COMPANY, NEA 1, 220V/60 |
| 6 | SEWER | SEDONA WASTEWATER SERVICES |
| 7 | PARCEL DESIGNATION | APN 401-12-005 |
| 8 | PARCEL SIZE | 10 ACRES (0.18137) |
| 9 | ZONING CATEGORY | CO - COMMERCIAL |
| 10 | APPLICABLE CODES | 2018 IRC
2018 BCC |
| 11 | CLIMATE ZONE | ZONE 4 |

* THESE NUMBERS ARE ESTIMATED FOR BUILDING PERMIT PURPOSES ONLY. NOT FOR BIDDING OR CONSTRUCTION.

GENERAL NOTES

- TOPOGRAPHY AND TREE LOCATIONS PER SURVEY BY LANDMARK ENGINEERING SURVEYING CO., DATED AUG. 2, 2018.
- ALL VEGETATION SHOWN IS TO BE PROTECTED UNLESS DASHED FOR REMOVAL, EVEN THOSE TREES WITHIN THE CONSTRUCTION AREA. EXISTING SWALES WITHIN THE CONSTRUCTION AREA SHOULD BE PROTECTED TO THE MAXIMUM EXTENT POSSIBLE. DO NOT WASH CONCRETE OR MORTAR INTO ANY VEGETATION.
- THE TOP OF CUT SLOPES SHALL BE MADE NOT NEARER TO A SITE BOUNDARY LINE THAN 1/3 OF THE VERTICAL HEIGHT OF THE CUT WITH A MINIMUM OF 2 FEET. THE TOE OF FILL SLOPES SHALL BE MADE NOT NEARER TO A SITE BOUNDARY LINE THAN 1/3 OF THE VERTICAL HEIGHT OF THE FILL WITH A MINIMUM OF 2 FEET. ALL CUT SLOPES STEEPER THAN 2:1 SHALL BE STABILIZED WITH RUPRAP.
- FIRE PROTECTION IS NOT REQUIRED FOR THIS PROJECT SEPARATION BETWEEN NEW STRUCTURE AND EXISTING DUPLEX IS GREATER THAN 10' AND THE COVERED SQUARE FOOTAGE UNDER ROOF IS LESS THAN 3,000 SQ. FT. AS PER R.C.D. 5.010. SEDONA FIRE DISTRICT: 925-204-3100. ADDITIONALLY, THIS PARCEL IS NOT CURRENTLY IDENTIFIED AS AUI.
- SOIL / AGGREGATE TEST REPORT BY WESTERN TECH. NOLOGIES NO. SEPT. 17, 2020, JOB # 20401012. CONTACT CRAIG WEDDEMAN AT 925-714-9700 (P) / (C).
- ON-SITE STORMWATER DETENTION WILL BE ACCOMMODATED WITH 100 CU. FT. BASIN MADE OF RUPRAPPED EARTHEN BERM. IT SERVES RUN-OFF FROM APPROXIMATELY 1,042 SQ. FT. AREA. ALL ROOF WATER IS CONVEYED TO THE BASIN VIA GUTTER, DOWNSPOUTS & BELOW-GRADE SOLID PIPING.
- UTILITY LINES SHOWN ARE DIAGNOSTIC. ACTUAL PATHS MAY VARY BASED ON SURFACE CONDITIONS AND BID CONTRACTOR FEEDBACK. VERIFY ANY MAJOR CHANGES WITH ARCHITECT.
- THE HIGHEST POINT ABOVE GRADE IS 11' AT THE SOUTHEAST CORNER OF THE ROOF.
- THE SITE IS 0.18137 AC. BUILDING COVERAGE IS 1.034% OF EXISTING & 1.042% OF NEW. EQUALS 2,400 SQ. FT. 30% COVERAGE. TOTAL COVERAGE IS 3,104 SQ. FT. - 30% COVERAGE.

DRAWING INDEX

- | | |
|----|------------------------------------------------|
| 1 | SITE DEVELOPMENT PLAN |
| 2 | FLOOR PLAN & BUILDING SECTIONS |
| 3 | BUILDING & CABINET ELEVATIONS |
| 4 | ARCHITECTURAL DETAILS & WALL SECTION |
| 5 | MECHANICAL & ELECTRICAL PLANS & SPECIFICATIONS |
| 6 | PLUMBING PLAN |
| 7 | PLUMBING SPECIFICATIONS & SCHEDULES |
| 8 | PLUMBING & GAS CONVENTOR SPECIFICATIONS |
| 9 | STRUCTURAL NOTES |
| 10 | STRUCTURAL SCHEDULES & TYPICAL DETAILS |
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| 13 | STRUCTURAL DETAILS |
| 14 | STRUCTURAL DETAILS |

EXHIBIT B
Legal Description of Property

87 Hart Road Sedona, AZ 86336

Coconino County APN: 40118055

Subdivision: HARTS VILLAGE Block: 7 PT OF LOTS 10 & 11 BLK 7; BEG AT COR 1
WH IS

A PNT ON E LINE OF LOT 10 THAT LIES SLY 40' FROM THE NE COR OF LO
T 10; TH WLY ON A LINE THAT RUNS TO A PNT 28.2' SLY FROM THE NW CO
R OF LOT 10 125.5' TO COR 2; TH NLY PAR TO THE E LINE OF LOT 10 5
1.47' TO A PNT THAT IS 22' N OF THE S LINE OF LOT 11 FOR COR 3;
TH ELY 125' TO INTRSEC THE E LINE OF LOT 11 AT A PNT 20' N OF S
E COR OF LOT 11 FOR COR 4; TH SLY ON E LINE OF LOTS 11 & 10 60' T

OPOB Sixteenth: SE Quarter: SE Section: 07 Township: 17N Range: 06E

Neighborhood 08.02 - SIERRA VISTA-MOUNTAIN VILLAS-CHIMNEY FLATS-
ORCHARDS-HARTS V- JUNIPER HILLS - BRADLEY YAVAPINO-SEDONA VISTA

EXHIBIT C
Building Permit

(see attached)

B-04786



Department of Community Development Building Permit

102 Roadrunner Drive; Sedona, AZ 86336

www.SedonaAZ.gov

Information: (928) 282-1154

Inspections: (928) 282-3268

Total Fees Due: 0.00

Valuation: \$400,000.00

Permit Type: ResAddition

Permit Number: B-04786

Date Issued: 5/10/2021

Project Description: Residential Addition/MULTI-FAMILY HOUSING UNIT

Property Information

APN: 401-18-055

Address: 87 HART RD

Owner/ Tenant

Name: INN SEDONA LLC
PO BOX 1750
SEDONA AZ 86339

Contractor

Name: LEAKE CONSTRUCTION
Address: PO BOX 3460 SEDONA AZ
86340
Phone: 9283010347
License Number: 199915

Comments: See attached Planning Conditions of Approval.

By signing below, the owner and his/her authorized agent acknowledge that they have read and understand the attached Conditions of Approval in addition to the following adopted Code requirements. Pursuant to City Code Section 15.05.020E amending Section 106.3.1, Approval and to include language stating, in part, that **"Any omission or error in said plans shall not constitute a waiver of any city, state or federal requirement. The designer, builder and owner are responsible to comply with all said requirements."**

Furthermore, Sections 105.4 IBC and 105.4 IRC of the 2018 International Code apply to this project and generally state that the **"issuance or granting of a permit shall not be construed to be a waiver or violation of any of the provisions of this code or any other ordinance of the jurisdiction."**

Should any element of a project be discovered to not be in compliance with any adopted city, state or federal requirement throughout the construction and inspection process it is expected that the designer, builder and owner will address and correct the situation to the satisfaction of the Chief Building Official, before a permit can be finalized.

Owner/Authorized Agent

5/10/21
Date

City Representative

5.10.2021
Date