

AGENDA



4:30 P.M.

CITY COUNCIL MEETING

TUESDAY, SEPTEMBER 24, 2024

NOTES:

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

www.SedonaAZ.gov

THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT WWW.SEDONAAZ.GOV OR ON CABLE CHANNEL 4.

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.
- No disruptive behavior or profane language will be allowed.

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. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- Minutes - September 10, 2024 City Council Meeting - Executive Session.
- Minutes - September 10, 2024 City Council Regular Meeting.
- Minutes - September 11, 2024 City Council Special Meeting.
- Approval of Proclamation, Meals on Wheels 40th Anniversary, September 28, 2024.
- AB 3108 Approval of an amendment to Sedona City Code (SCC) Sections 12.05.040 and 12.05.110, modifying the Maricopa Association of Governments (MAG) and specifications regarding utility trench backfill procedures. (Second meeting)
- AB 3109 Approval of a recommendation regarding an application for a Temporary Extension of Premises/Patio Permit Liquor License for Mooney's Shebeen LLC, DBA Mooney's Irish Pub, located at 671 SR 179, BST-4, Sedona, AZ.
- AB 3114 Approval of a Resolution authorizing the execution of an Intergovernmental Agreement (IGA) between the City of Sedona and the Yavapai County Flood Control District (YCFCD) contributing an amount not-to-exceed \$300,000 in YCFCD funds to be used for the design and construction of general drainage improvement projects.
- AB 3118 Approval of a Resolution approving the form of the lease purchase agreement with Zions Bancorporation, N.A. and authorizing the execution and delivery thereof for the purchase of four (4) replacement Police Interceptors in the amount of \$360,769.02, plus interest.

4. APPOINTMENTS - None

5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER & COUNCIL ASSIGNMENTS

6. PUBLIC FORUM

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

7. PROCLAMATIONS, RECOGNITIONS & AWARDS

- Proclamation, Meals on Wheels 40th Anniversary, September 28, 2024.

8. REGULAR BUSINESS

Continued on page 2

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.



Page 2, City Council Meeting Agenda Continued

Note: Pursuant to A.R.S. § 38-431.02 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 materials 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. 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.

NOTICE TO PARENTS AND LEGAL GUARDIANS: Parents and legal guardians have the right to consent before the City of Sedona makes a video or voice recording of a minor child, pursuant to A.R.S. § 1-602(A)(9). The Sedona City Council meetings are recorded and may be viewed on the City of Sedona website. If you permit your child to attend/participate in a televised City Council meeting, a recording will be made. You may exercise your right not to consent by not allowing your child to attend/participate in the meeting.

- a. AB 3035 **Public Hearing/possible action** regarding a request for approval of a Zone Change (ZC) and Development Agreement to allow for development of a 100-room hotel and 46-unit multifamily housing project (Village at Saddlerock Crossing) at 1259 & 1335 W State Route 89A; 82 & 86 Saddlerock Circle; and 105 Elk Road. The property is within the Soldiers Pass Community Focus Area, is ±6.3 acres, and is located south of the intersection of W State Route 89A and Soldiers Pass Road between Saddlerock Circle and Elk Road. APN: 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088. The requested Zone Change is from CO (Commercial) and RM-2 (Medium-High Density Multifamily) to L (Lodging). Case Number: PZ19-00005 (ZC, DEV) Owner/Applicant: The Baney Corporation (Curt Baney) Authorized Representative: Withey Morris Baugh, PLC (Jason Morris and Benjamin Tate).
- b. AB 3087 **Discussion/possible action** regarding the award of a Construction Contract for the Dry Creek Road Shared-Use Pathway Improvements Project, Two Fences Trailhead to Gringo Road, to the contractor Mulcaire & Son Contracting, LLC, in an amount not-to-exceed \$376,019.90.
- c. AB 3071 **Discussion/possible direction** on Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP), and Development Fees.
- d. AB 3066 **Discussion/possible action** regarding future meeting/agenda items.

9. EXECUTIVE SESSION

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

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).

10. ADJOURNMENT

Posted: 09-13-24

By: DJ

JoAnne Cook, CMC, City Clerk

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

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

**Action Minutes
Special City Council Meeting
Sedona City Hall, Council Chambers
102 Roadrunner Drive, Sedona, Arizona
Tuesday, September 10, 2024, 3:00 p.m.**

1. Call to Order

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

2. Roll Call

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella and Councilor Jessica Williamson.

Staff Present item: City Manager Anette Spickard, Deputy City Manager Andy Dickey, City Attorney Kurt Christianson, Director of Community Development Steve Mertes, and City Clerk JoAnne Cook.

3. Executive Session

Motion: Councilor Williamson moved to enter into Executive Session at 3:03 p.m. Seconded by Councilor Fultz. Motion carried with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, and Williamson) and zero (0) opposed.

Kurt Christianson gave the admonition.

- a. **Discussion and consultation to consider its position and instruct its attorneys and designated representatives regarding contract negotiation and negotiations for the purchase, sale or lease of real property in the area between SR 179 and Canyon Drive and just north of SR 179 and Copper Cliffs Drive, in the area south of SR 89A just west of Brewer Road, and in the area north of SR 89A between Madole Road and Stutz Bearcat Drive. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(4) & (7).**
- b. **Discussion and consultation for legal advice with the City Attorney, to consider the City's position, and instruct its attorneys regarding pending or contemplated litigation or settlement discussions in order to avoid or resolve litigation in the matter of Axys Capital Total Return Fund, LLC's A.R.S. 12-1134 notice of claim regarding Coconino County APN 408-08-002A, 408-08-006A, 401-09-001A, 401-09-001B, 401-009-001C, 401-13-059, 401-14-015, 401-14-016, and 401-14-017. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3) and (A)(7).**
- c. **Return to open session. Discussion/possible action regarding executive session items including adoption of a resolution waiving partial enforcement of Ordinance 2023-03 on Coconino County APN 408-08-002A, 408-08-006A, 401-09-001A, 401-09-001B, 401-009-001C, 401-13-059, 401-14-015, 401-14-016, and 401-14-01.**

Reconvened in open session at 4:12 p.m.

Motion: Councilor Kinsella moved to adopt Resolution No. 2024-21 waiving partial enforcement of Ordinance 2023-03 on Coconino County APN 408-08-002A, 408-08-006A, 401-09-001A, 401-09-001B, 401-009-001C, 401-13-059, 401-14-015, 401-14-016, and 401-14-01. Seconded by Vice Mayor Ploog. Motion carried with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, and Williamson) and zero (0) opposed.

4. Adjournment – None.

Mayor Jablow advised the meeting will be continued on Tuesday, September 24, 2024 at 3:00 p.m. at 102 Roadrunner Drive, Sedona, AZ, 86336.

I certify that the above are the true and correct actions of the Special City Council Meeting held on September 10, 2024.

JoAnne Cook, CMC, City Clerk

Date

Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, September 10, 2024, 4:30 p.m.

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

Mayor Jablow called the meeting to order at 4:30 p.m.

Council Present: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff Present: City Manager Anette Spickard, Deputy City Manager Andy Dickey, City Attorney Kurt Christianson, Arts & Culture Specialist Nancy Lattanzi, Engineering Supervisor John Hall, Associate Engineer Bob Welch, Interim Housing Manager Jeanne Frieder, Assistant Project Manager Gillian Arnold, Sustainability Manager Bryce Beck, Assistant City Attorney, Police Chief Stephanie Foley, Director of Public Works/City Engineer Kurt Harris, Assistant City Attorney Monique Coady, Director of Community Development Steve Mertes, Lieutenant Raquel Oliver, Interim Deputy Chief Christopher Dowell, Marketing Coordinator Amandha Zhane, Assistant Engineer Hanako Ueda, Planning Manager Cari Meyer, Special Initiatives Coordinator Kegn Moorcroft, Sustainability Coordinator Zach Schwarz, Deputy City Clerk Marcy Garner, and City Clerk JoAnne Cook.

2. Roll Call/Moment of Art

Nancy Lattanzi invited all to attend the next artist reception on Thursday, September 26th from 4:00 – 6:00 p.m., featuring photographs taken by Photographers Elain and Bill Belvin. Nancy introduced Sustainability Coordinator Sarah Estrada and gave a brief story of how the work came about with Sarah and the school. Sarah presented the student's art that is on display at the Sedona Library. Sarah introduced two students, Cali Lewis (2nd grade) and Piper Wagner (3rd grade) who shared with Council what they learned during the project and what their favorite part was.

3. Consent Items

- a. **Minutes - August 13, 2024 City Council Special Meeting - Executive Session.**
- b. **Minutes - August 13, 2024 City Council Regular Meeting.**
- c. **Minutes - August 14, 2024 City Council Special Meeting.**
- d. **Approval of Proclamation, Constitution Week, September 17-23, 2024.**
- e. **AB 3115 Approval of a Final Plat for Chapel View Terrace, to allow for a six (6) unit subdivision at 10 Sky Line Drive. The property is zoned single-family residential (RS-18) and is located south west of the Chapel Road roundabout on State Route 179 Applicant: Passion LLC (Chris Rife) Case Number: PZ21-00014 (SUB).**

Motion: Councilor Williamson moved to approve consent items 3a - 3e. Seconded by Vice Mayor Ploog. Vote: Motion passed with seven (7) in favor (Jablow, Ploog,

Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

4. Appointments - None.

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

Councilor Fultz said NACOG will lead the Verde Valley wide regional transportation planning process, he and Mayor Jablow met with Northern Az Healthcare (NAH) CEO Dave Cheney, he will be giving an update to Council in October. Councilor Dunn advised the Verde Valley Caregivers Coalition's fundraiser Gala will take place in the Anasazi Ballroom at Enchantment on Friday, November 22, 2024 from 5:00-9:00 p.m., tickets for the Black and White Gala Ala 60s are \$150 and can be purchased at www.vvcaregivers.org. She said the Coalition is always looking for drivers. Vice Mayor Ploog gave an update on Sister Cities Association actives and stated that Jaslo, Poland has an interest in being a Sister City with Sedona. She invited all to attend a film viewing at the Mary Fisher Theater on Friday at 8:30 a.m. The film that commemorates their World War II, the destruction of their city during the war, and the rebirth of that city. Mayor Jablow said he and City Manager Anette Spickard attended the Verde Valley Mayor and City Managers meeting today. Anette shared Senator Ken Benette, State Representatives Selena Bliss and Quang Nguyen, and Judy Sulltrup, representing Senator Mary Kelly's office were in attendance. Anette said they learned the Verde Valley regional transportation planning process will be an 18 month process with a 5-year, 15-year, and 20-year plus planning horizon, safety will be the focus. Yavapai County is working on a dispatch center consolidation project.

6. Public Forum – None.

7. Proclamations, Recognitions & Awards

a. Proclamation, Constitution Week, September 17-23, 2024.

Mayor Jablow presented the proclamation to Valarie Maxey. Valery invited all to attend the Constitution Ceremony for the bell ringing next Tuesday at 1:00 p.m. at the Sedona Library.

8. Regular Business

a. AB 3110 Public hearing/discussion/possible action regarding Community Development Block Grant (CDBG) funding reallocation; approval of Resolution to submit new application for FY23 CDBG funds to Arizona Dept. of Housing for a Home Repair Program in partnership with Verde Valley Habitat for Humanity also authorizing City Manager to sign application and execute contract(s) subject to approval by City Attorney; and approval of separate Resolution to approve Home Repair Guidelines for FY2023 CBDG funding.

Presentation by Tania Simms, Executive Director of Verde Valley Habitat for Humanity. Isabel Rollins, CDBG Program Manager of Northern Arizona Council of Governments was available to answer questions.

Questions and comments from Council.

Opened Public Hearing at 5:32 p.m.

No public comment was heard.

Closed Public Hearing at 5:32 p.m.

Questions and comments from Council.

Motion: Councilor Kinsella moved to approve Resolution No 2024-22, authorizing the submission of an application for FY23 State CDBG funds, certifying that said application meets the community's previously identified housing and community development needs and the requirements of the State CDBG program, and authorizing the City Manager to take all actions necessary to implement and complete the activities outlined in said application. Seconded by Councilor Dunn. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

Motion: Councilor Kinsella moved approve Resolution No 2024-23, authorizing adoption of the Owner Occupied Housing Repair Program Guidelines dated September 2024 which shall be used to implement FY23 CDBG funds for an owner-occupied housing repair activity without revision to these guidelines unless authorized by the Mayor or City Manager. Seconded by Councilor Williamson. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

Break at 5:35 p.m. Reconvened in open session 5:40 p.m.

b. AB 3097 Discussion/possible action regarding the Broken Arrow Speed Limit Petition and Ordinance amending the Sedona City Code Title 10 (Vehicles and Traffic) by adding Chapter 10.30 (Improper Motor Vehicle Equipment); and the voluntary agreement with local OHV rental companies.

Presentation by Kurt Christianson. Carl Jackson, Sedona, initiated the petition, provided history on the activities on Morgan Road and the request to limit OHV speed on the road to 15 mph. He believes the lower speed limit would lower the peak noise of the OHV traffic.

Opened to the public at 6:24 p.m.

Guy Lamunyon, Sedona, spoke in favor of the speed limit ban and stated the adverse effects of noise and health. He thanked Council for their efforts.

Nena Barlow, Clarkdale and owner of Barlow Jeep Rentals, spoke in favor of the item and stated there is more to be done in coordination and collaboration with the Forest Service.

Councilor Fultz read a letter from Dan Candler, owner Outback OHV.

Councilor Ploog read a letter from Rob Adams, Sedona.

Brought back to Council at 6:34 p.m.

Questions and comments from Council.

This item will be brought back to Council the first meeting of October.

Break at 7:01p.m. Reconvened at 7:22 p.m.

- c. **AB 3106 Discussion/possible action regarding a contract change order with Fann Contracting, Inc. for the Forest Road Connection Project in the amount not to exceed of \$1,474,527.**

Presentation by Bob Welch and Kurt Harris.

Comments and questions from Council.

Motion: Councilor Williamson moved to the motion to amend approve the contract change order with Fann Contracting, Inc., in an amount not-to-exceed \$1,474,527. Councilor Williamson accepted the motion. Seconded by Vice Mayor Ploog. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

- d. **AB 3112 Discussion/possible action regarding approval of a contract amendment with Kimley-Horn and Associates, Inc. for the Forest Road Project, SIM 5B, post-design professional services in the approximate amount of \$60,075.**

Presentation by John Hall and Kurt Harris.

Questions and comments from Council.

Motion: Councilor Kinsella approve contract amendment to the professional service contract with Kimley-Horn and Associates for Post-Design Services in the not-to-exceed of \$60,075. Seconded by Councilor Dunn. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

- e. **AB 3113 Discussion/possible action regarding approval of a contract amendment with Kimley-Horn and Associates, Inc. for the Brewer/Ranger Roundabout Project, SIM 5D, professional services contract in the approximate amount of \$124,550.**

Presentation by John Hall and Gillian Arnold.

Questions and comments from Council.

Motion: Councilor Williamson approve this contract amendment to the professional service contract with Kimley-Horn and Associates for the Brewer/Ranger Roundabout Project an amount not-to-exceed \$124,550. Seconded by Councilor Furman. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

- f. **AB 3108 Discussion regarding an amendment to Sedona City Code (SCC) Sections 12.05.040 and 12.05.110, modifying the Maricopa Association of Governments (MAG) and specifications regarding utility trench backfill procedures. (First meeting)**

Presentation by John Hall.

Questions and comments from Council.

For discussion only, no action taken.

g. AB 3066 Discussion/possible action regarding future meeting/agenda items.

Councilor Kinsella requested a discussion regarding the possible need for an ordinance to address pickleball court regulations built on private property within the City. Council unanimously supported; this item will be added to the October 9, 2024 agenda. Councilor Furman advised the meeting scheduled for October 23rd may include more than a presentation from staff and the AZ Water Company regarding Water Smart Initiatives. tomorrow's work session will start at 2:30 p.m.

b. Executive Session

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

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

10. Adjournment

Mayor Jablow adjourned the meeting at 8:49 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on September 10, 2024.

JoAnne Cook, CMC, City Clerk

Date

Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall
102 Roadrunner Drive, Sedona, Arizona
Wednesday, September 11, 2024, 2:30 p.m.

1. Call to Order

Mayor Jablow called the meeting to order at 2:32 p.m.

2. Roll Call

Roll Call: Mayor Scott Jablow, Vice Mayor Holli Ploog, Councilor Melissa Dunn, Councilor Brian Fultz, Councilor Pete Furman, Councilor Kathy Kinsella, and Councilor Jessica Williamson.

Staff in attendance: City Manager Anette Spickard, City Attorney Kurt Christianson, Sustainability Manager Bryce Beck, Director of Community Development Steve Mertes, Sustainability Coordinator Zach Schwarz, Sustainability Coordinator Sarah Estrada, AmeriCorps VISTA Intern, Amy Wright, and Deputy City Clerk Marcy Garner.

3. Special Business

a. AB 3101 Discussion/possible action regarding of Year 2 of the Home Energy Retrofit Project Agreement with CozyHome LLC in an amount not-to-exceed \$90,000.

Presentation by Bryce Beck.

Questions and comments from Council.

Motion: Councilor Kinsella moved to approve Year 2 of the Home Energy Retrofit Project Agreement with CozyHome LLC in an amount not-to-exceed \$90,000. Seconded by Councilor Williamson. Vote: Motion passed with seven (7) in favor (Jablow, Ploog, Dunn, Fultz, Furman, Kinsella, Williamson) and zero (0) opposed.

b. AB 3098 Presentation/discussion/possible direction regarding the sustainability programming and the Decarbonization Roadmap created with McKinstry Essention LLC.

Presentation by Bryce Beck and McKinstry Essention LLC Team, Director of Zero Carbon Solutions Brad Liljequist and Account Manager Kreisler Davis. Director of EV Brendan O'Donnell, EV Project Director Tom Chandler and Senior Program Manager Matt Ophardt, joined via teams.

Questions and Comments from Council throughout the presentation.

Break at 3:48 p.m. Reconvened at 3:58 p.m.

Presentation continued with Zach Schwarz, Sarah Estrada and Amy Wright.

Presentation and discussion only, no direction given.

c. Discussion/possible action regarding ideas for future meetings/agenda items

Councilor Fultz requested a subsequent agenda item, after the October 23rd Council meeting, regarding AZ Water rate increase and whether Council has an interest in

sending a letter to the AZ Corporation Commission. Unanimously, Council supported his request. Council agreed to have the next SIM update at the November 13th work session. Councilor Kinsella requested a discussion regarding the 179 underpass and the AT Grade Crosswalk.

4. Executive Session

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

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

No Executive Session was held.

5. Adjournment

Mayor Jablow adjourned the meeting at 5:32 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on September 11, 2024.

Marcy Garner, Deputy City Clerk

Date



City of Sedona Proclamation Request Form

Full Name of Contact Person	Kristen Paduchowski
Contact Phone Number	928-282-2834
Contact Mailing Address	PO Box 2894 Sedona 86339
Contact Email Address	kristenp@sccsedona.org
Group, Organization, Activity or Event Being Recognized (Please make sure you provide complete and current information about the group or event)	Sedona Community Center Meals on Wheels celebrating 40 years of delivering meals on September 28, 2024
Website Address (if applicable)	
Name of the sponsor(s) of the Proclamation (2 Council members or the City Manager)	Kathy Kinsella Holli Plogg
What is the proclaimed day, days, week or month? (e.g. 10/11/12, October 11-17, 2012, October 2012)	September 28, 2024
Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up?	<input checked="" type="checkbox"/> Presentation at Meeting <input type="checkbox"/> Pick up Proclamation
If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group.	Marjorie Harris, Executive Director 928-282-2834- director@sccsedona.org

Provide information about the organization/event including a mission statement, founding date, location and achievements.

About Us

Our Mission is to contribute to the health and well-being of the Seniors in the Greater Sedona area. *Meals on Wheels *Community Meals *Social Events & Physical Activities

At the heart of our services is Meals on Wheels. The Center is the only provider of home-delivered hot, nutritious, home style meals in the greater Sedona and Village of Oak Creek areas. Our menu is especially developed for diabetic, heart health, and age-related nutrient support. Additionally, along with the Monday through Friday home deliveries, food is delivered weekly to the Breakfast/Weekend Club recipients, and a very affordable lunch is available on site, Monday through Friday. We also offer Pet Project services to our Meals on Wheels clients.

In 1984 Margaret Flynn and a friend started the Meals on Wheels program out of their homes providing a much needed service to the local community. This project soon grew to such proportions that they could no longer prepare the meals in their homes even with the donations provided by local stores such as Bashas and Webers.

Please explain why this Proclamation and any events accompanying it are important to the Community and are consistent with the City's vision statement and Community Plan goals. What is the clear reason for the Proclamation and why are you requesting this honor? What activities/events are planned around this Proclamation and how do you plan to promote this to the community?

Meals on Wheels is a vital service to the Sedona community. It's usually the difference between a senior staying in their home or having to be moved to assisted living. For 40 years this has been a service of nutritious hot meals only delivered by Sedona Meals on Wheels and it continues to be a strong program and still growing today.

Saturday, September 28th we will be having an event to celebrate this milestone and invite the community to join us.

Please include a draft of the proposed Proclamation with this request, preferably a Word file in electronic format.

Office of the Mayor



**Proclamation
Sedona Meals on Wheels 40th Anniversary
September 28, 2024**

WHEREAS, the Sedona Community Center is celebrating its 40th year of providing critical meal services to residents of Sedona and Greater Sedona Area, and

WHEREAS, the SCC mission is “to contribute to the health and well-being of the Seniors on the Greater Sedona area,” and

WHEREAS, SCC is a nonprofit 501(c)3 with over 85 dedicated and caring volunteers who help provide meal programs, social and physical activities to our community’s seniors, and

WHEREAS, the Center is the only provider of home-delivered hot, nutritious, home style meals in the greater Sedona and Village of Oak Creek areas through its Meals on Wheels program, and

WHEREAS, assists those who are unable to shop and/or cook for themselves, and

WHEREAS, Meals on Wheels started in the Sedona area in 1984 when Margaret Flynn started a much-needed meal delivery service from her home which grew into the program Meals on Wheels program that was adopted by the Sedona Community Center and is still serving our area residents today, 40 years later, and

WHEREAS, in addition to its the Meals on Wheels Monday through Friday home deliveries, food is also delivered weekly to the Breakfast/Weekend Club recipients, and

WHEREAS, SCC also offer Pet services to Meals on Wheels clients, helping to keep seniors and their companion animals together by helping with quality pet food, grooming, and assistance obtaining veterinary care, and

WHEREAS, the Center also offers affordable community lunches, Monday through Friday, in a friendly atmosphere where people are able to make new friends, and

WHEREAS, he Center offers important programs like grief support, fitness classes, and art classes, and

WHEREAS, the Center is an important hub of community activity through its programs and through its spaces available to other community organization.

NOW, THEREFORE, I, SCOTT JABLOW, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, hereby recognize the important work and programs offered by the Sedona Community Center and expresses its gratitude for 40 years of the Meals on Wheels Program at the Sedona Community Center, and its related programs that each provide critical support to our senior community, and herby offers congratulations and extreme gratitude for 40 years of dedicated service to our community. Issued this 24th day of September 2024.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk



**CITY COUNCIL
AGENDA BILL**

**AB 3108
September 24, 2024
Consent Items**

Agenda Item: 3e

Proposed Action & Subject: Approval of an amendment to Sedona City Code (SCC) Sections 12.05.040 and 12.05.110, modifying the Maricopa Association of Governments (MAG) and specifications regarding utility trench backfill procedures. (*Second meeting*)

Department	Public Works/John Hall
Time to Present	NA
Total Time for Item	
Other Council Meetings	N/A
Exhibits	A. Ordinance amending SCC Section 12.05.040 and 12.05.110

Finance Approval	Reviewed 09/10/24 JDM	Expenditure Required	
City Attorney Approval	Reviewed 09/10/24 KWC		\$ N/A
City Manager's Recommendation	Approve Ordinance amending MAG standards ABS 9/10/24		Amount Budgeted
		\$ N/A	
		Account No. (Description)	

SUMMARY STATEMENT

Background: Like most cities and counties in Arizona, the City of Sedona has adopted Maricopa Association of Governments (MAG) Uniform Standard Specifications and Details for Public Works Construction. The proposed ordinance would update the adopted MAG standards to the latest version. Additionally, in the City's Pavement Preservation Program, city work often requires repairing utility trenching that has settled. These pavement settlement issues can be minimized by specifying that all trench backfilling in city rights-of-way be backfilled with a concrete slurry mix in lieu of a compacted soil backfill. The accompanying ordinance attached as Exhibit A provides the proposed updates to SCC Sections 12.05.040 and 12.05.110 with the proposed additional text shown in **red** font.

This is the second public meeting on the proposed new standard, the first meeting was held on September 10, 2024. Pursuant to SCC 2.25.040 "Two meetings required for new ordinances."

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

The proposed backfill operation specification will result in fewer utility trench repair requirements. Less construction work results in less environmental impact.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Do nothing.

MOTION

I move to: approve City Ordinance No. 2024-__, amending Sedona City Code (SCC) Sections 12.05.040 and 12.05.110, modifying the Maricopa Association of Governments (MAG) and specifications regarding utility trench backfill procedures.

ORDINANCE NO. 2024-__

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, DECLARING THE DOCUMENT TITLED “OCTOBER 2024 AMENDMENTS TO SEDONA CITY CODE SECTIONS 12.05.040 DEFINITIONS AND 12.05.110 MAG UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS” AS A PUBLIC RECORD, ADOPTING THE SAME BY REFERENCE, AND AMENDING THE SEDONA CITY CODE AS SET FORTH THEREIN; PROVIDING FOR PENALTIES, SEVERABILITY, AND REPEAL OF CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City deems it necessary to adopt certain amendments to Sedona City Code Section 12.05.110 MAG uniform standard specifications for public works to protect the health, safety, and welfare of the public.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. That certain document titled the “October 2024 Amendments to Sedona City Code Sections 12.05.040 Definitions and 12.05.110 MAG Uniform Standard Specifications for Public Works” (“MAG Standards Amendment”), of which one paper copy and one electronic copy are maintained, in compliance with A.R.S. § 44-701, on file in the office of the City Clerk as required by A.R.S. § 9-802, and available for public use and inspection during normal business hours, is hereby declared to be a public record and said copies thereof are hereby ordered to remain on file with the City Clerk.

Section 3. Sedona City Code Sections 12.05.040 and 12.05.110 are hereby amended as set forth in the MAG Standards Amendment, which is hereby referred to, adopted, and made a part hereof as if fully set forth herein.

Section 4. If any section, subsection, sentence, clause, phrase, or portion of this ordinance or any part of the MAG Standards Amendment adopted herein is for any reason held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

Section 5. The Mayor, the City Manager, the City Clerk, and the City Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this ordinance.

Section 6. Penalties: Any violation of or failure or refusal to do or perform any act required by the provisions of this ordinance or of the Sedona City Code as amended herein shall constitute a civil violation subject to a fine of up to \$2,500 and be subject to corrective action and the provisions of Sedona City Code Section 1.15.010.

Section 7. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the

remainder of this Ordinance.

Section 8. Repeal. All other code provisions, ordinances, or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict as of the effective date hereof.

Section 9. Effective Date. The effective date of this Ordinance shall be 30 days following adoption by the City Council.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this _____ day of _____, 2024.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

“2024 Amendments to SCC Sections 12.05.040 Definitions and 12.05.110 MAG Uniform Standard Specifications for Public Works”

Eliminated language in ~~strikeout~~ format and new language in **red** format:

Title 12 STREETS, SIDEWALKS AND PUBLIC PLACES

Division I. Public Streets, Easements, and Rights-of-Way

Chapter 12.05 RIGHTS-OF-WAY

...

12.05.040 Definitions.

For the purpose of this chapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning:

“City-developed consent permit” means the permit to construct or maintain on or in city rights-of-way issued subject to permit term and terms of an agreement license or lease with the city.

“City engineer” means city engineer or his designee.

“Contracting agency” means the applicant.

“Contractor” means the applicant or contractor hired by the applicant.

“Emergency work” means work done in city right-of-way as necessary to protect the health, safety and welfare of the public.

“Engineer,” unless otherwise specified, shall mean the applicant’s engineer.

“Encroachment” means construction activity or placement of any trash, debris, or personal property in the public right-of-way.

“Engineering” and “engineering practice” means the practice of engineering as defined in A.R.S. Section [32-101](#).

“General permit” means the permit to construct or maintain on city rights-of-way issued exclusively to public service utilities and franchise grantees.

“MAG” means Maricopa Association of Governments and refers to [the uniform standard specifications and details for public works standards](#) published by that organization ([2008-2024 Revised Edition](#)).

“Optimum moisture” means the water content corresponding to the maximum soil density on a moisture-density curve obtained from laboratory compaction test trials.

“Owner” means that party holding title to property placed within the city rights-of-way.

“Permit” means the permit to construct or maintain on or in city rights-of-way authorized, issued, canceled or denied by the city engineer.

“Permittee” means the grantee of a permit by the city engineer.

“Pre-construction and maintenance conference” means a meeting pursuant to SCC [12.05.070\(C\)\(5\)](#).

“Project permit” means the permit to construct or maintain on city rights-of-way issued to applicants for specific construction or maintenance projects.

“Project permit amendment” means a modification by the city engineer of the time extension requirement of the permit pursuant to SCC [12.05.080\(C\)](#), and any modification allowed by this chapter.

“Public rights-of-way” shall mean, but not be limited to, streets, roads, drainage, alleys, ways, highways, sidewalks, drainages, bridges, utility easements, structures, grounds and places which have been dedicated to and declared by the city to be public.

“Rights-of-way” shall mean, but not be limited to, streets, roads, alleys, ways, highways, sidewalks, bridges, utility easements, structures, grounds and places.

“Solid rock” means material which results in refusal during excavation by equipment of 55 horsepower or greater.

“Street pad” means any rubber or metal device of sufficient strength, thickness and area to protect paved surfaces from damage or deformation.

“Traffic control plan” means a plan pursuant to SCC [12.05.070\(C\)\(7\)](#), the details of which shall be specified by the city engineer.

“Utilities” means any person or business providing service to the public through the use of lines, pipes or other distribution systems.

“Work” means any activity that disrupts vehicular or pedestrian traffic, restricts access or modifies any infrastructure within the city right-of-way. [Code 2006 § 7-15-4. Ord. 2008-05, 6-10-2008; Ord. 2023-05 § 1, 8-8-2023].

...

12.05.110 Amendment additions to sections of MAG Uniform Standard Specifications for Public Works Construction, and MAG Standard Details for Public Works Construction.

For the purposes of this chapter, Chapter [15.35](#) SCC is hereby amended with the following additions. Except where noted below, “engineer” shall mean the applicant’s engineer, “contractor” shall mean the applicant or contractor hired by the applicant, and “contracting agency” shall mean the applicant. The sections specified below in MAG Uniform Standard Specifications for Public Works Construction, and MAG Standard Details for Public Works Construction, are amended with additions as follows; section references, except as noted, are to those standards:

- A. *Construction Stakes, Lines and Grades.* The permittee shall be responsible to ensure that all construction stakes, lines and grades shall be in accordance with Section 105.8.
- B. *Samples and Testing of Materials.* The permittee shall be responsible to ensure that, when so required by the permit, he shall employ an independent testing laboratory to test all physical materials, at his cost, pursuant to Section 106.2. Testing shall be in accord with standard methods approved by AASHTO, ASTM, or other method approved by the city engineer.
- C. *Use of Explosives.* The permittee shall be responsible to ensure that a permit for blasting is obtained from the Sedona fire department. A copy of this permit shall be provided to the city engineer by the permittee. The use of explosives shall be in accordance with MAG Section 107.8.

D. *Preservation of Property.* The permittee shall be responsible to ensure that existing landscaping shall be preserved and special care given to protect trees and large shrubbery, in accordance with SCC [12.05.070\(C\)\(3\)\(b\)](#) and Ordinance 94-08, as amended. The permittee shall also be responsible to ensure that property protection shall be in accordance with MAG Section 201.2.

E. *Backfilling and Compacting.* Nonshrink backfill material may be used in any city right-of-way. Use of other backfill materials shall be subject to city engineer review and approval. Verification of in-place density shall not be required for nonshrink material. Verification of in-place density shall be required for all native material and ABC backfills located under paved surfaces.

1. *Specifications for Nonshrink Backfill and Compaction.* Specifications for nonshrink backfill and compaction which follow shall be mandatory for all paved rights-of-way and for trenches using nonshrink backfill. These specifications may be used for nonpaved rights-of-way as an alternative. City of Sedona standard "Non-Shrinking Backfill" shall be part of this specification. When utilized, the following shall apply:

- a. All pipes and lines shall be not less than 36 inches below the pavement surface, unless due to gravity flow they must be at a lesser depth to connect to existing lines that are less than 36 inches below pavement. In such cases, lines shall be no higher than the existing lines. Lines located in solid rock, as defined in SCC [12.05.040](#), shall be not less than 24 inches below the pavement surface, unless due to gravity flow they must be at a lesser depth to connect to existing lines that are less than 24 inches below pavement. In such cases, lines shall be no higher than the existing lines;
- b. Compacted select granular material, or crushed aggregate base of three-fourths inch maximum size, shall be used for bedding and shading. The city engineer may authorize the use of utility company bedding specifications, if those specifications are superior to the ones listed herein for bedding purposes;
- c. Bedding material shall be placed in horizontal lifts, with thicknesses consistent with the capability of the compaction equipment utilized, but no lift shall be greater than eight inches;
- d. Nonshrink backfill shall be placed to the bottom of pavement subgrade. For nonpaved sections, backfill shall be placed to within six inches of finished grade;

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- e. For nonpaved sections, six inches of ABC shall be placed over the nonshrink backfill and shall meet the compaction methods and relative density requirements of subsection (E) of this section. Native material may be used in place of ABC between the top back of the ditch and the right-of-way boundary;
 - f. Pavement subgrade thickness shall match existing subgrade thickness but shall not be less than six inches thick;
 - g. For trenches not parallel to the roadway centerline, T-top trenches shall be constructed in accordance with MAG Standard Detail No. 200, subject to new pavement patching requirements. The edge of the existing pavement shall be beveled 45 degrees toward the trench for a T-Top pavement;
 - h. Asphalt concrete shall match existing pavement thickness but shall be not less than four inches thick. For local streets, the city engineer may allow three inches of replacement asphalt where appropriate.

2. *Specifications for Earth Backfill and Compaction.* Specifications for earth backfill and compaction which follow may be utilized for all nonpaved rights-of-way and for trenches using earth backfill. City of Sedona standard detail "Trench Detail" shall be part of this specification. When utilized, the following shall apply:

- a. All pipes and lines shall be located pursuant to subsection (E)(1)(a) of this section;
 - b. Compacted granular material, or crushed aggregate base of three-fourths inch maximum size, may be used for bedding and shall provide not less than six inches of cover between the top of the pipe and the compacted native material backfill. The city engineer may authorize the use of utility company bedding specifications, if those specifications are superior to the ones listed herein for bedding purposes;
 - c. Material shall be placed in horizontal lifts, with thicknesses consistent with the capability of the compaction equipment utilized, but no lift shall be greater than eight inches;
 - d. Compaction methods and relative density shall be in accordance with subsection (F) of this section. In addition, the following specifications shall apply:
-

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- i. Backfill materials shall be brought to a uniform moisture content within three percent of optimum moisture;
 - ii. Materials shall be compacted to not less than 95 percent of the maximum density, utilizing the rock correction factor as set forth in MAG Standard Detail No. 190;
- e. Compacted native material of four-inch maximum dimension may be used as backfill, provided either:
- i. The depth shall be not less than six inches below finished grade for nonpaved surfaces; or
 - ii. The depth shall be not less than 12 inches below the bottom of pavement subgrade for paved surfaces;
- f. Compacted native material of three-inch maximum dimension may be used as backfill, provided the depth shall be not less than 12 inches below the bottom of pavement subgrade for paved surfaces;
- g. For nonpaved sections, six inches of ABC shall be placed over the earth backfill and shall be compacted in accordance with MAG Sections 211.3 and 601. Native material may be used in place of ABC between the top back of the ditch and the right-of-way boundary;
- h. Pavement subgrade thickness shall match existing subgrade thickness but shall be not less than six inches thick;
- i. For trenches not parallel to the roadway centerline, T-top trenches shall be constructed in accordance with MAG Standard Detail No. 200;
- j. Asphalt concrete shall match existing pavement thickness but shall be not less than four inches thick. For local streets, the city engineer may allow two inches of replacement asphalt where appropriate;
- k. Compaction tests shall be required under all paved surfaces.

F. *Relative Compaction.* Compaction shall be in accordance with MAG Section 301.3, and with the relative density specification of 95 percent for the following:

-
1. Major streets;
 2. Other streets and traffic ways, including parking lots, access drives and paved bike paths;
 3. Curbs, gutters, sidewalks and pedestrian walks;
 4. All road shoulders and ditches;
 5. Areas outside of the traveled way where vegetative landscaping will be completed immediately following work in the right-of-way shall be compacted to 80 percent relative density.

G. *Untreated Base Material.* All untreated base material shall be in accordance with specifications in MAG Section 702.2.

H. *Weather and Moisture Condition Limitations for Asphaltic Concrete.*

1. Asphalt concrete shall be deposited only when the subgrade surface is dry, and when the ambient temperature in the shade is 60 degrees Fahrenheit and is rising.
2. Asphalt concrete shall not be deposited when it is foggy, rainy or when the base on which the concrete is to be deposited is in a wet or frozen state. By "wet" is meant in excess of optimum moisture.

I. *Tack Coat.* All tack coats shall be applied in accordance with specifications in MAG Section 321.4. When applied to vertical surfaces, tack coats shall be applied only after surfaces have been cleaned and loose particles removed in such manner as to ensure full surface coverage.

J. *Base Preparation.* All base preparation shall be accomplished in accordance with specifications in MAG Section 321.5.1.

1. Leveling operations shall have been completed before the aggregate base course is applied.
2. The base course shall be in reasonably close conformity with lines, grades and dimensions shown on the plans.

K. *Asphalt Base and Surface Course.* Asphalt base and surface courses shall be spread and finished in accordance with specifications in MAG Section 321.5.4, with the following exceptions:

1. Use of self-propelled mechanical spreading and finishing equipment is not required unless specified by the city engineer;
2. A smooth steel wheel roller is required, unless otherwise specified by the city engineer. The permittee is encouraged to utilize walk-behind or riding self-propelled vibratory roller compaction equipment whenever possible. When complete, the pavement surface shall be smooth, dense and of uniform texture and appearance.

L. *Pavement to Be Removed.* Pavement removal shall be accomplished in accordance with specifications in MAG Section 336.2.2. For the purposes of this chapter, the third and fifth paragraphs of MAG Section 336.2.2 shall be deleted. In lieu of cutting trenches across driveways, curbs and gutters, sidewalks, alley entrances and other types of pavements, the city engineer may require the contractor to tunnel or bore under such structures and pavements. When matching to new pavement, existing asphalt pavement shall be removed only by saw cutting.

M. *Concrete Materials.* Concrete shall be portland cement concrete in accordance with specifications in MAG Section 725 with the following stipulations:

1. May have air entraining admixture of four percent to six percent by volume, if required by the city engineer;
2. Expansion filler joints shall be in accordance with specifications in MAG Section 729;
3. Class A concrete shall be used for concrete structures, either reinforced or nonreinforced;
4. Concrete for curbs, gutters, concrete pavements, sidewalks, Americans with Disabilities Act (ADA) facilities ramps, and driveways located in the public right-of-way shall be 4,000 psi minimum, fiber reenforced. Sidewalks, driveways, ADA facilities ramps shall be six inches thick minimum;
5. Class C concrete may be used for thrust blocks, encasements, fill or over excavation, and the like;

6. Exposed concrete shall be Sedona Red unless stated otherwise by the city engineer;
7. When feasible Americans with Disabilities Act (ADA) facilities ramps and related gutter pans, and curbs shall be a monolithic pour.

N. *Curing.* Curing of all concrete shall be in accordance with specifications in MAG Section 505.8.

O. *Asphalt Concrete.* Asphalt concrete utilized as surfacing shall be in accordance with specifications in MAG Section 710 with the following stipulations:

1. Surfacing shall be hot-plant mixed and delivered from the plant to the side at a temperature not greater than 325 degrees Fahrenheit;
2. Cold mix temporary patches shall be utilized, but only until such time that temperature conditions permit, as set forth in subsection [\(H\)](#) of this section, and hot mix asphalt is available, as defined in subsection [\(H\)](#) of this section, and hot mix asphalt is available, as defined in subsection [\(H\)\(3\)](#) of this section;
3. Hot mix asphalt shall be placed as soon as temperature conditions and availability allow. For the purpose of this section, "availability" is defined as suitable hot mix asphalt concrete being available within a 40-mile radius and the cumulative hot mix asphalt requirements of any permittee equals being available within a 40-mile radius and the cumulative hot mix asphalt requirements of any permittee equals or exceeds five cubic yards;
4. The gradation requirements of Table 710-2 shall be as shown below:

**Table 710-2. Gradation Requirements
- Percent by Weight Passing**

Seive Size (mm)	Designation (mm)				
	9.5	12.5	19	25	37.5
50.0	-	-	-	-	100

Seive Size (mm)	Designation (mm)				
	9.5	12.5	19	25	37.5
37.5	-	-	-	100	90 - 100
25.0	-	-	100	90 - 100	<90
19.0	-	100	90 - 100	<90	-
12.5	100	90 - 100	<90	-	-
9.5	90 - 100	<90	-	-	-
4.75	<90	-	-	-	-
2.36	32 - 67	28 - 58	23 - 49	19 - 45	15 - 41
0.075	5.0 - 10.0	5.0 - 10.0	5.0 - 8.0	1.0 - 7.0	0 - 6.0

MAG 710 Table 710-11 requirements are modified to require air voids of 3.0 percent to 5.0 percent with a target of 4.0 percent instead of the 2.8 percent to 6.2 percent as stated. The city retains the right to require removal when air voids exceed 5.0 percent.

P. The tolerance for concrete or other installations shall not apply in the case of facilities required to comply with Americans with Disabilities Act requirements. Such installations shall strictly meet the requirements of the Act and associated regulations. The engineer shall modify the use of details 230 through 250 modification as necessary to comply with Americans with Disabilities Act requirements for the application location or in the alternate prepare a complying design.

Q. *Granular Material.* Granular material shall be in accordance with specifications in MAG Section 601.4.6.

R. *Frames, Covers and Valve Boxes.* Adjustments for all frames, covers and valve boxes shall be in accordance with specifications in MAG Section 345. All such devices shall be adjusted to final finish grades without regard for plan notations which may be contrary. Adjusting rings shall not exceed 18 inches in depth without prior approval of the city engineer. Rings may be made of concrete. Adjustment of sewer manholes and cleanouts shall be such that the manhole will not be in a depression relative to adjacent street grades.

S. The use of porous asphalt and concrete shall be allowed subject to the approval of the city engineer regarding both location and mix design.

T. The use of rubberized asphalt as a final course of between 0.15 inch and two inches shall be allowed subject to approval of the city engineer.

U. *Forms and Temporary Drains.* All form work installed shall be in accordance with specifications in MAG Section 505.3. Temporary drains shall be included in all catch basin forms.

V. *Trenches.* For pipes or lines with diameters larger than two inches, trench widths shall be in accordance with specifications in city of Sedona standard detail, "Trench Detail." For pipes or lines with diameters less than two inches, trench widths may be excavated to the minimum width necessary to permit a safe installation.

W. *Traffic Control Measures.* Traffic control measures shall be in accordance with specifications in MAG Section 401.4 and SCC [12.05.070\(C\)\(8\)\(a\)](#). Devices and measures to adequately control vehicular and pedestrian traffic adjacent to and within the construction area shall be provided and maintained.

X. *Utility Trenching Backfill with Controlled Low Strength Material (CLSM).* Placement of CLSM shall be in accordance with specifications in MAG Sections 604 and 728, with the following additions:

1. Road Pavement Trenching and Utility Repair Backfill

All road pavement crossings and utility repairs within road pavement areas shall be backfilled with an 18-inch capping of Two-Sack CLSM, up to the bottom of the required pavement thickness. CLSM placement shall be in a uniform manner to prevent voids and segregation of material. CLSM backfill material shall be flow tested to nine (9) inches +/- two (2) inches, as described in MAG Section 728.3. Mechanical compaction or vibration may be used to consolidate around structures,

pipes, and multiple conduits. Dye shall be utilized to color the CLSM to correspond to the type of utility in the trench, as per “Bluestaking” convention, e.g. green for sanitary sewer. Additionally, backfill shall include location tape to the approval of City’s site representative.

Backfill material below the CLSM capping may be compacted with native, Aggregate Base Course material with one-foot lifts and density testing as per MAG Specification 310.

The limits of the utility crossing backfill requirements shall extend a minimum of one foot beyond the edge of pavement.

The total elapsed time between the initial addition of water to the CLSM and the completed placement shall not exceed 90 minutes.

After placement has been completed, steel plates may be used to cover the roadway crossing for an additional 24 hours or a similar slurry can be compacted to the top of the existing roadway and removed to the required depth when the final pavement structure is to be placed.

Ready- mixed concrete shall not be used in lieu of CLSM without prior approval from the City Engineer, and otherwise shall be subject to rejection.

2. Shoulder and Off-Pavement Trench Backfill

Backfill for trenching and utility repairs outside of the pavement areas may be carried out in a similar fashion as described above in X.1 for road pavement areas. Alternatively, backfill outside of pavement areas shall be entirely with native, Aggregate Base Course materials and placed in one (1) foot lifts and density tested as per MAG Specification 310.

Y. The requirements of this code and any adopted city of Sedona standard specifications shall have precedence over the provisions of the MAG. [Code 2006 § 7-15-11. Ord. 2008-05, 6-10-2008; Ord. 2008-11, 10-14-2008; amended during 2012 codification].



**CITY COUNCIL
AGENDA BILL**

**AB 3109
September 24, 2024
Consent Items**

Agenda Item: 3f

Proposed Action & Subject: Approval of a recommendation regarding an application for a Temporary Extension of Premises/Patio Permit for Mooney’s Shebeen LLC, DBA Mooney’s Irish Pub, located at 671 SR 179, BST-4, Sedona, AZ.

Department	City Clerk/JoAnne and Marcy
Time to Present	NA
Total Time for Item	NA
Other Council Meetings	NA
Exhibits	Temporary Extension of Premises/Patio Permit application is available for review in the City Clerk’s Office.

Finance Approval	Reviewed 09/10/24 JDM	Expenditure Required	
City Attorney Approval	Reviewed 09/09/24 KWC		\$ N/A
City Manager’s Recommendation	Recommend approval 09/10/24		Amount Budgeted
		\$ N/A	
		Account No. (Description)	

SUMMARY STATEMENT

Background: State liquor laws require Sedona’s City Council to forward a recommendation for approval or denial of applications for Temporary Extension of Premises/Patio permits.

The City has received a Temporary Extension of Premises/Patio Permit application for Mooney’s Shebeen LLC, DBA Mooney’s Irish Pub, located at 671 SR 179, BST-4, Sedona, AZ. The Temporary Extension of Premises/Patio Permit to host the Sedona Chamber of Commerce Mixer Event on October 16, 2024 from 5:30-7:00 p.m. The application is available for review and inspection in the City Clerk’s office or by email.

A Temporary Extension of Premises/Patio Permit is a liquor license that allows the extension of the footprint of an existing licensed business per ARS 4-207.03.

Community Development, Finance, the City Clerk’s Office, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Recommend denial of a Temporary Extension of Premises/Patio Permit for Mooney's Shebeen LLC, DBA Mooney's Irish Pub, located at 671 SR 179, BST-4, Sedona, AZ. Reasons for a recommendation of denial would need to be specified.

MOTION

I move to: recommend approval of a Temporary Extension of Premises/Patio Permit for Mooney's Shebeen LLC, DBA Mooney's Irish Pub, located at 671 SR 179, BST-4, Sedona, AZ.



**CITY COUNCIL
AGENDA BILL**

**AB 3114
September 24, 2024
Consent Items**

Agenda Item: 3g
Proposed Action & Subject: Approval of a Resolution authorizing the execution of an Intergovernmental Agreement (IGA) between the City of Sedona and the Yavapai County Flood Control District (YCFCD) contributing an amount not-to-exceed \$300,000 in YCFCD funds to be used for the design and construction of general drainage improvement projects.

Department	Public Works, Sandy Phillips
Time to Present	N/A
Total Time for Item	N/A
Other Council Meetings	February 13 th , 2024(Previous IGA), November 8, 2022 (Previous IGA), July 27, 2021 (Previous IGA) June 22, 2021 (SW Master Plan Update - Phase 3 Contract) October 27, 2020 (Previous IGA)
Exhibits	A. Proposed IGA B. Proposed Resolution authorizing the new IGA C. Site Map

Finance Approval	Reviewed 09/10/24 JDM	Expenditure Required	
City Attorney Approval	Reviewed 09/09/24 KWC		\$ N/A
City Manager's Recommendation	Recommend approval ABS 9/10/24		Amount Budgeted
		\$	
		Account No. (Description)	

SUMMARY STATEMENT

A portion of tax money collected by the Yavapai County Flood Control District (YCFCD) and allocated for flood control is contributed to the City for flood control related projects. The City successfully leverages County flood control funds to complete flood control improvement projects. During FY 2024-2025, the YCFCD funds will be used for the design and construction of general drainage improvement projects.

Background: Since the mid 1990's, the YCFCD has provided the City funds for flood control studies and projects located in the Yavapai County portion of the City on an annual basis, as requested.

Consideration:

- The amount of funding contributed by the YCFCD is based on specific drainage projects requested for funding by the City. YCFCD distributes funding at the discretion of its governing body, the County Board of Supervisors. Over the past five years, the YCFCD has collected an average of \$465,211 per year in secondary property tax from the Yavapai County portion of Sedona. The YCFCD keeps a portion of the taxes collected for floodplain management activities, overhead, general county-wide studies, District projects, etc.
- For the City to accept the funds and agree to the terms and conditions for their use, an Intergovernmental Agreement (IGA) is needed.
- The IGA details each party's responsibilities related to the use of the funding, including the amount of the funding, fiscal year restrictions for its use, and the necessity for projects to be located within Yavapai County for flood mitigation meeting FEMA regulations.
- The resolution and IGA for City Council consideration provides the mechanism for the City to be reimbursed in an amount not to exceed \$300,000 by the YCFCD for design and construction of general drainage improvement projects.

FY 2024-2025 Projects:

- We will be completing the design and construction of general drainage improvements at the intersection of Rodeo Road and Thunder Mountain Road as shown on the Site Map in Exhibit C. This project will mitigate ponding that is occurring within the public right-of-way. During large monsoon storms, ponding at this intersection occurs.



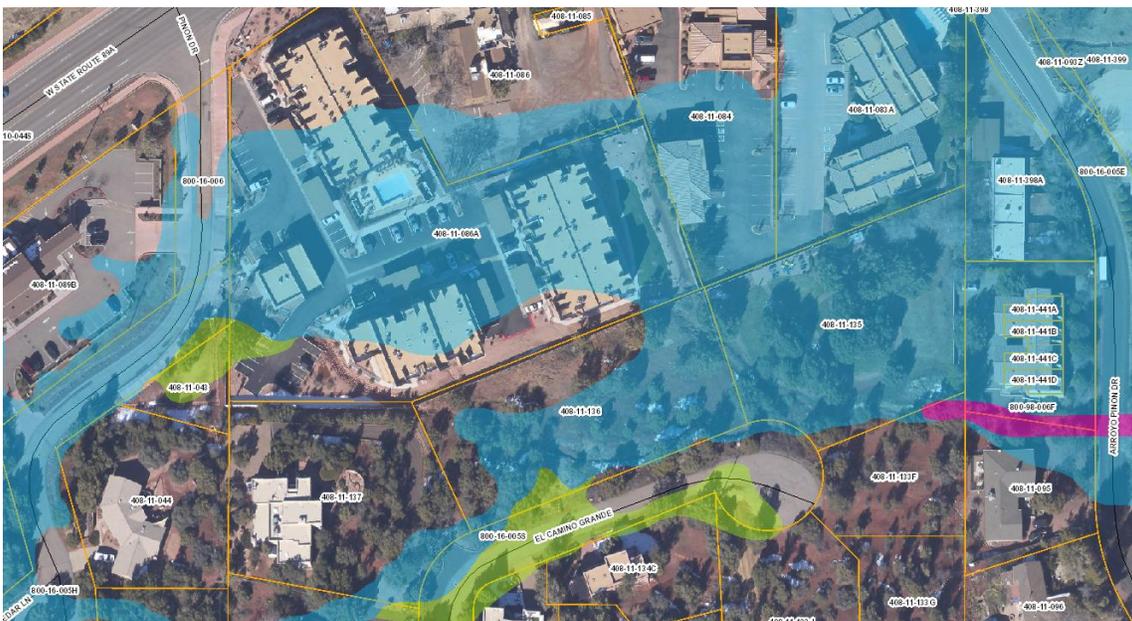
Rodeo Road, just south of Thunder Mountain Road

- Investigate drainage system from Kachina Drive to Dry Creek Road, verify system capacity and mitigate overtopping of system.



Kachina Drive following June 2024 storm event

- In the El Camino Grande area (shown below), staff is investigating the drainage to see if drainage improvements can be made to enable shared use pathway construction in the drainage improvement alignment, which is a segment identified in the GO! Sedona Pathways Plan. Design is programmed for FY 2024-2025.



City GIS Map with current floodplain shown in blue

The Yavapai County Board of Directors is scheduled to approve this IGA at their October 2nd, 2024 meeting. The YCFCD has requested that the IGA be approved by Sedona City Council and that three signed copies of the IGA be forwarded to them before their meeting.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Projects that mitigate flood risk are in alignment with program goals and vastly increase the resiliency of the community.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): If the funds are not received, it will be necessary to use additional General Fund monies for this project.

MOTION

I move to: approve Resolution No 2024-__, authorizing the execution of an Intergovernmental Agreement between the City of Sedona and the Yavapai County Flood Control District contributing an amount not-to-exceed \$300,000 in YCFCD funds to be used for general drainage improvement projects.

INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND THE
CITY OF SEDONA
FOR THE FISCAL YEAR 2024-2025 FINANCIAL CONTRIBUTION
FROM THE DISTRICT TO THE CITY FOR FLOOD CONTROL
IMPROVEMENTS

THIS INTERGOVERNMENTAL AGREEMENT BETWEEN THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND THE CITY OF SEDONA FOR THE FISCAL YEAR 2024-2025 FINANCIAL CONTRIBUTION TO THE CITY FOR FLOOD CONTROL IMPROVEMENTS (the “Agreement”) is entered into, effective this 2nd day of **October 2024**, between the Yavapai County Flood Control District, a political subdivision of the State of Arizona (the “DISTRICT”), and the City of Sedona, Arizona, a municipal corporation of the State of Arizona (the “CITY”). The District and the City are sometimes collectively referred to as the “Parties” or individually as a “Party.”

RECITALS

WHEREAS:

- A. The DISTRICT is a special taxing district legally created in the State of Arizona and organized by Yavapai County to include and govern its jurisdiction.
- B. The DISTRICT administers the Federal Emergency Management Agency (“FEMA”) Regulations under the National Flood Insurance Program.
- C. The Yavapai County Board of Supervisors is the Board of Directors of the DISTRICT.
- D. The CITY lies within the legal boundaries of the DISTRICT.
- E. The DISTRICT, the CITY, and Yavapai County (“County”) are separate and distinct political subdivisions, but each can provide for the benefit of the other(s), for the benefit of public health, safety, and welfare, and other public purposes.
- F. The DISTRICT and the CITY have authority to enter into Intergovernmental Agreements pursuant to Arizona Revised Statutes (“A.R.S.”) § 11-952, § 48-3603, and § 9-499.01, and CITY’s Charter and Code.
- G. Among other things, the DISTRICT receives tax proceeds as general funding for the planning, construction, and maintenance of flood control improvements.
- H. Under the budgeting process for the DISTRICT, a category of “Contributions” (hereinafter “Funds”) has been established, setting aside monies that may be utilized by the various political subdivisions located within the boundaries of Yavapai County.

- I. The DISTRICT has approved and budgeted Funds to provide funding assistance for flood mitigation work and is authorized to expend such Funds for flood control projects (including storm water control) to political subdivisions for projects so long as the projects are flood or drainage related, cost-effective, a benefit to the County, the DISTRICT, and the political subdivision and are in accordance with FEMA regulations.
- J. The CITY has experienced storm water control and flooding problems for a number of years in various locations and seeks to mitigate such problems to increase safety and protect public and private property and persons within the CITY.
- K. The CITY seeks to improve its storm water control, make drainage improvements, and/or mitigate flooding problems by constructing any or all of the following drainage improvements within the Incorporated City limits (hereinafter collectively referred to as the “Project”):
 - Rodeo Drive
 - Creek Road
 - El Camino Road
 - General Drainage Improvements as Determined by the City
- L. The CITY desires to receive DISTRICT Funds for the 2024-2025 fiscal year to be used for its Project.
- M. The DISTRICT has budgeted Funds to support the Project in an amount not to exceed **Three Hundred Thousand Dollars (\$300,000.00)** for fiscal year 2024-2025 which begins on July 1, 2024.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, including consideration of the mutual promises, terms, and conditions hereinafter set forth, including the mutual promises and obligations to be performed by the Parties hereto, IT IS AGREED BETWEEN THE CITY AND THE DISTRICT AS FOLLOWS:

I. PURPOSE

The purpose of this Agreement is to authorize the DISTRICT to pay and contribute to the CITY Funds in support of the CITY’s Project. Such funding for fiscal year 2024-2025 shall not exceed **Three Hundred Thousand Dollars (\$300,000.00)**.

II. COMMENCEMENT, DURATION, AND TERMINATION

The effective date is as set forth on page one (1) of this Agreement. Performance under this Agreement shall occur during fiscal year 2024-2025 and shall terminate upon the earliest of:

- A. The completion of the Project as determined by the CITY;
- B. The exhaustion of the Funds allocated to the CITY for the Project;
- C. June 30, 2025 (however, the CITY shall have until July 31, 2025, to request Funds and the DISTRICT shall provide Funds as described in this Agreement); or
- D. The mutual agreement of the Parties.

If this Agreement terminates for any reason, any unused portion of the Funds shall not be available to the CITY without further agreement of the Parties.

III. RESPONSIBILITIES OF PARTIES

A. The CITY shall:

1. Be solely responsible for the design, engineering, bidding, right-of-way acquisition, supervision, construction, inspection, administration, and project management of the Project and for contracting directly for all Project work.
2. If plans are used to bid, provide the DISTRICT a copy of the final Project plans.
3. Use the Funds for the Project in fiscal year 2024-2025.
4. Use the Funds exclusively for costs associated with the Project described above.
5. When requesting Funds from the DISTRICT, provide detailed invoices with supporting documentation for the request(s).
6. Request Funds from the DISTRICT on or before July 31, 2025 (for work completed in fiscal year 2024-2025).
7. Be responsible for the proper disbursement of the Funds provided by the DISTRICT.
8. Be responsible for maintaining the Project and the resulting improvements.

B. The DISTRICT shall:

1. Make Funds available to the CITY for the Project as approved by the Board of Directors.
2. Provide funding as available and appropriate upon proper request(s) by the CITY.
3. Pay properly invoiced requests monthly or on an alternate schedule as agreed to by the CITY and DISTRICT.
4. Pay properly invoiced requests for work completed by the CITY in fiscal year 2024-2025 so long as CITY's requests are received by the DISTRICT on or before July 31, 2025.

C. The DISTRICT and CITY mutually agree:

1. That they recognize the Funds to be used by Parties pursuant to this Agreement are tax funds. The agreements herein for funding are based upon projected tax funds to be received. In the event the projected income is not received, there is the possibility that some or all of the Funds anticipated by this Agreement and set forth herein will not be available. All monetary obligations under this agreement shall be subject to annual budget approval of the respective governing bodies of the parties. A failure of either party's governing body to approve funding for payment of any obligation hereunder shall constitute grounds for termination of this agreement.
2. The Project is the sole responsibility of the CITY, and not of the DISTRICT or the County. All real property upon which the Project work will occur is within the CITY limits and not owned or under the control of the DISTRICT or County.

IV. INDEMNIFICATION8

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

V. OTHER PROVISIONS

A. NOTICE. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by certified mail, return receipt requested, addressed as follows:

CITY OF SEDONA
City Manager
102 Roadrunner Drive
Sedona, AZ 86336

DISTRICT
Yavapai County Flood Control District Director
1120 Commerce Drive
Prescott, AZ 86305

B. ENTIRE AGREEMENT. This Agreement represents the entire understanding between the parties with respect to the subject matters herein, and may be amended, modified, or waived only by written instrument signed by both Parties.

C. CONFLICT OF INTEREST. This contract is subject to the cancellation provisions of A.R.S. § 38-511.

D. SEVERABILITY. In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.

E. NON-DISCRIMINATION. The Parties shall comply with Executive Order 2023-01, which mandates that all persons, regardless of race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status.

F. EMPLOYMENT VERIFICATION. Both parties hereby warrant that they will at all times during the term of this Agreement comply with all federal immigration laws applicable to their employment of their employees, and with the requirements of A.R.S. §23-214 and § 41-4401 (together the “State and Federal Immigration Laws”). A breach of the foregoing warranty shall be deemed a material breach of this Agreement, and the parties shall have the right to terminate this Agreement for such a breach, in addition to any other applicable remedies. The parties retain the legal right to inspect the papers of each contractor or subcontractor employee of either who performs work pursuant to this Agreement to verify performance of the foregoing warranty of compliance with the State and Federal Immigration Laws.

G. LAWS. The Parties shall each be fully responsible for compliance with all statutes ordinances, codes, regulations, rules, court decrees, or other laws (hereinafter “Laws”) applicable to it as part of fully performing the Project with regards to their respective roles. This Agreement shall not relieve either Party of any obligation or responsibility imposed upon it by Laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year specified below.

YAVAPAI COUNTY
FLOOD CONTROL DISTRICT

CITY OF SEDONA

Craig L. Brown, Chairman Date
Board of Directors
Yavapai County Flood Control District

Scott Jablow, Mayor Date
City of Sedona

ATTEST:

Jayme Rush Date
Clerk of the Board of Directors

JoAnne Cook Date
City Clerk

RESOLUTION NO. 2024 - ____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH YAVAPAI COUNTY FLOOD CONTROL DISTRICT FOR THE DISTRICT TO PROVIDE FUNDS TO THE CITY IN THE APPROXIMATE AMOUNT OF THREE HUNDRED THOUSAND DOLLARS (\$300,000) TO BE USED BY THE CITY TO FUND THE DESIGN AND CONSTRUCTION OF GENERAL DRAINAGE IMPROVEMENTS; PROVIDING AUTHORIZATION FOR THE MAYOR TO EXECUTE SAID AGREEMENT.

WHEREAS, the City of Sedona (“City”) and the Yavapai County Flood Control District (“District”) have reached an intergovernmental agreement concerning the distribution of a portion of *ad valorem* taxes paid by City residents for flood control projects, including storm water control; and

WHEREAS, the District is authorized to expend funds for flood control projects pursuant to A.R.S. § 48-3603(C)(7) and reimburse municipalities for such work, and has approved and budgeted such funds for the City in the approximate amount of \$300,000 for fiscal year 2023-2024, to be used by the City to fund the design and construction of general drainage improvements within the Yavapai County portion of the City; and

WHEREAS, the City is authorized by A.R.S. § 9-240(B)(5) to perform this work, and the District may enter into an appropriate intergovernmental agreement under ARS § 48-3603(C)(9); and

WHEREAS, the City has reviewed the terms of the intergovernmental agreement and determined that it is in the proper form required by A.R.S. § 11-952;

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

The City of Sedona, through its Mayor and Council, hereby approves the Intergovernmental Agreement with the Yavapai County Flood Control District to provide funds to the City in the approximate amount of three hundred thousand dollars (\$300,000) for the design and construction of general drainage improvements, and the Mayor is authorized to execute said Agreement on behalf of the City.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 24th day of September, 2024.

Scott Jablow, Mayor

ATTEST:

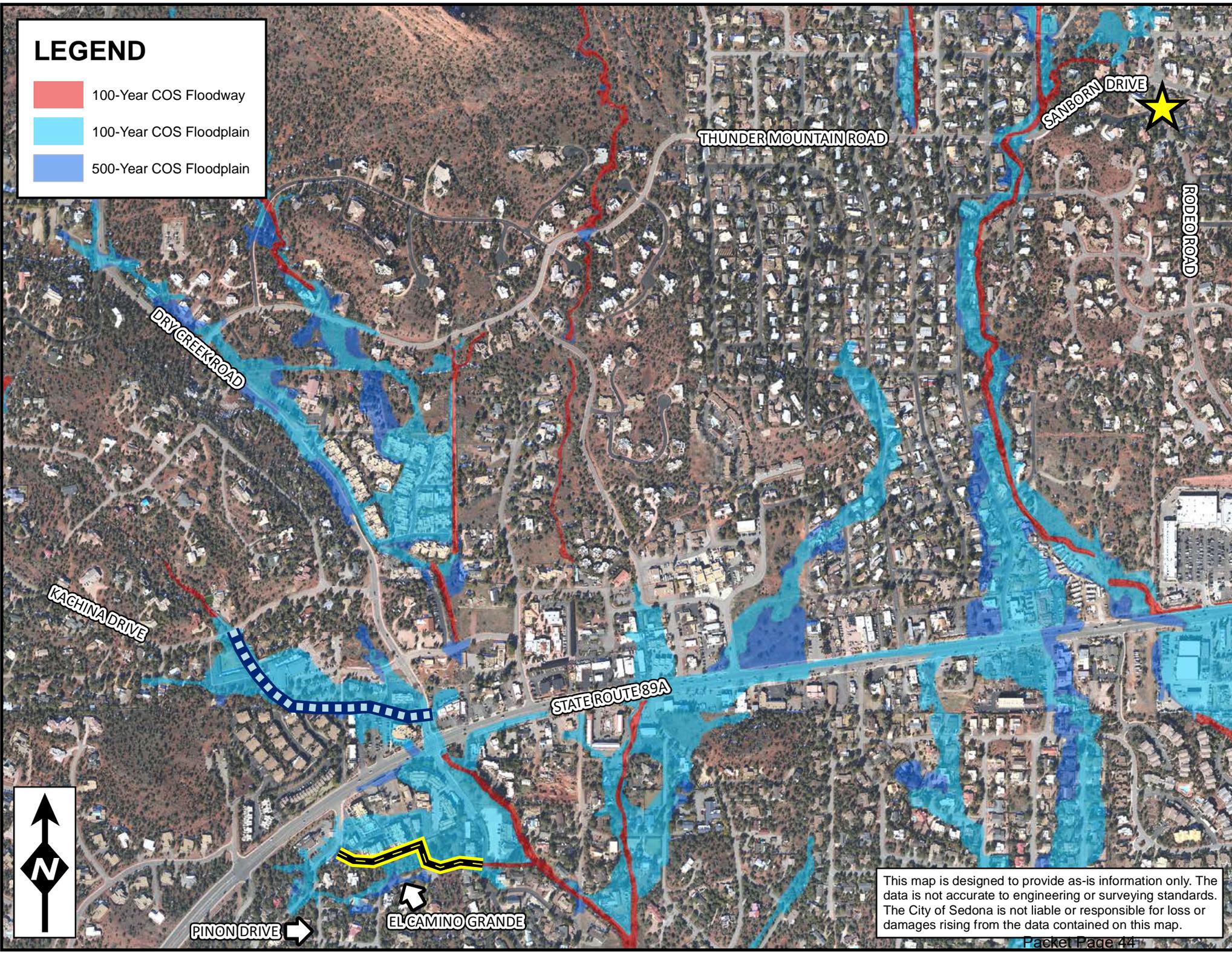
APPROVED AS TO FORM:

JoAnne Cook, City Clerk

Kurt W. Christianson, City Attorney

LEGEND

- 100-Year COS Floodway
- 100-Year COS Floodplain
- 500-Year COS Floodplain



This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.



**CITY COUNCIL
AGENDA BILL**

**AB 3118
September 24, 2024
Consent Items**

Agenda Item: 3h

Proposed Action & Subject: Approval of a Resolution approving the form of the lease purchase agreement with Zions Bancorporation, N.A. and authorizing the execution and delivery thereof for the purchase of four (4) replacement Police Interceptors in the amount of \$360,769.02, plus interest.

Department	Financial Services/Ian Coubrough
Time to Present	N/A
Total Time for Item	
Other Council Meetings	N/A
Exhibits	A. Resolution B. Lease Purchase Agreement w/ Escrow Agreement C. Quotes for Lease Purchase

Finance Approval	Reviewed 09/10/24 JDM	
City Attorney Approval	Reviewed 09/10/24 KWC	Expenditure Required
		\$ 360,769.02 plus interest over five years
City Manager's Recommendation	Recommend approval ABS 9/10/24	Amount Budgeted
		\$ (Lease purchase payments begin in FY 2026)
		Account No. 10-5510-43-6927 (Description) (Financed purchase payments)

SUMMARY STATEMENT

Background: The Police Department has obtained proposals from State contracted vendors for the purchase and upfitting of four (4) 2025 Ford Flex Fuel Interceptor replacement vehicles. The total cost referenced in this agenda bill is inclusive of all radios, lights, video cameras, and other equipment typical to the City's Police fleet.

Lease Purchase Information: The City solicited a quotation from Zions Bancorporation, N.A. three (3) banks offering lease purchase financing to local governments. Two (2) banks responded to the solicitation, with Zions Bancorporation, N.A. providing the lowest quotation.

The lease purchase financing quotation is attached hereto as Exhibit B and includes the following terms:

- Five (5) year term commencing on September 27, 2024
- Annual payments range from \$76,690.41 to \$84,592.21.
- Payments in arrears (at the end of each year instead of the beginning)
- Interest rate of 4.7%
- No prepayment penalty

Lease purchase payments would begin in FY 2026 and be paid from the Replacement Motor Vehicles Fund.

Please note: A lease purchase agreement is a debt financing arrangement for the purchase and acquisition of vehicles. This is not a leasing arrangement in which vehicles are turned back into the vendor at the end of the lease or per mile charges assessed. The City will own the vehicle with clear title at the end of the lease purchase term.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

The Police and Sustainability departments are exploring adoption of electric vehicles for future deployment to support patrol operations. Due to current lead times, infrastructure requirements, and other factors, the Ford Flex Fuel models are being acquired for pursuit rated vehicles for this purchase.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Fund vehicle purchase with cash or defer purchase to a later date.

MOTION

I move to: approve Resolution No. 2024-___ approve the form of the lease purchase agreement with Zions Bancorporation, N.A. and authorizing the execution and delivery thereof for the purchase of four (4) replacement Police Interceptors in the amount of \$360,769.02, plus interest.

RESOLUTION NO. 2024-____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A LEASE PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., FOR FUNDS TO BE USED BY THE CITY TO LEASE/PURCHASE TWO POLICE INTERCEPTORS AND RELATED EQUIPMENT.

WHEREAS, the City of Sedona (“City”) has determined that the leasing of the police interceptors and equipment as described in the Lease Purchase Agreement is for a valid public purpose and is essential to the operations of the City; and

WHEREAS, the City Council has reviewed the form of the Lease Purchase Agreement and has found the terms and conditions thereof acceptable; and

WHEREAS, the City has taken the necessary steps to comply with legal bidding requirements to arrange for the leasing of such property.

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

SECTION 1. That it is deemed in the best interest of the City of Sedona and the citizens thereof that the Lease Purchase Agreement for leasing/purchasing of police interceptors be entered into, which agreement is now on file in the office of the City Clerk.

SECTION 2. That Mayor or designee is authorized to execute and deliver said Lease Purchase Agreement in substantially the form presented on behalf of the City. That City officers are authorized to make such changes to the Lease Purchase Agreement and related documents and certificates as such officers deem necessary and to fulfill all obligations under the terms of the Lease Purchase Agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 24th day of September, 2024.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

ARIZONAFIXED EQUIPMENT LEASE

Long Name of Entity: City of Sedona, Arizona
Address: 102 Roadrunner Drive
City, State Zip: Sedona, AZ 86336
Attention: Ian Coubrough
Public Finance Office: Procurement Officer
County: Yavapai
Amount: 360,769.02
Rate: 4.70
Maturity Date: September 27, 2029
First Pmt Date: September 27, 2025
Payment Dates: September 27, March 27
Auto Extend: 4
Governing Body: City Council
Resolution Date: September, 2024
Dated Date: September, 2024
Day: 27th
State: Arizona

\$360,769.02
City of Sedona, Arizona
Lease Purchase Agreement

-
-
1. Lease/Purchases Agreement of the City of Sedona, Arizona
 2. Exhibit A. Calculation of Interest Component
 3. Exhibit B. Description of Leased Property
 4. Exhibit C. Resolution of Governing Body
 5. Exhibit D. Opinion of Lessee's Counsel
 6. Exhibit E. Security Documents
 7. Exhibit F. Delivery and Acceptance Certificate
 8. Form 8038-G
 9. Wire Transfer Request

LEASE/PURCHASE AGREEMENT

Dated as of September 27, 2024

by and between

ZIONS BANCORPORATION, N.A.,
as Lessor

and

CITY OF SEDONA, ARIZONA,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of September 27, 2024, by and between ZIONS BANCORPORATION, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank” or “Lessor”), and City of Sedona, Arizona (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

W I T N E S S E T H:

WHEREAS, the Lessee desires to finance the acquisition of the equipment and/or other personal property described as the “Leased Property” in Exhibit B (the “Leased Property”) by entering into this Lease/Purchase Agreement with the Bank (the “Lease”); and

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

WHEREAS, it is the intent of the parties that the original term of this Lease, and any subsequent renewal terms, shall not exceed 12 months, and that the payment obligation of the Lessee shall not constitute a general obligation under State law; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease, have the meanings specified in the definitions below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms, as used in this Lease, refer to this Lease as a whole.

“Acquisition Amount” means \$360,769.02 and is the amount represented by Lessee to be sufficient to acquire the Leased Property and pay any ancillary costs associated therewith.

“Advance” shall have the meaning set forth in Section 2.1(l)(i)(D) hereof.

“Bank” shall have the meaning set forth in the Preamble hereof.

“Business Day” means any day except a Saturday, Sunday, or other day on which banks in Salt Lake City, Utah or the State are authorized to close.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” means the date this Lease is executed by the Bank and the Lessee and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Escrow Account” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agent” means the Escrow Agent identified in the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement dated September 27, 2024 executed by Lessee, Bank and the Escrow Agent, pursuant to which the Escrow Account is established and administered. A copy of the Escrow Agreement shall be found in Exhibit G.

“Event of Nonappropriation” shall have the meaning set forth in Section 3.2 hereof.

“Governing Body” means the governing body of the Lessee.

“Lease Payments” means the rental payments described in Exhibit A hereto.

“Lease Payment Date” shall have the meaning set forth in Section 3.4(a) hereof.

“Leased Property” shall have the meaning set forth in the Whereas clauses hereof.

“Lessee” shall have the meaning set forth in the Preamble hereof.

“Net Proceeds” means insurance or eminent domain proceeds received with respect to the Leased Property less expenses incurred in connection with the collection of such proceeds.

“Obligation Instrument” shall have the meaning set forth in Section 2.1(c) hereof.

“Original Term” shall have the meaning set forth in Section 3.2 hereof.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Section 5.3 hereof, permit to remain unpaid; (ii) this Lease; (iii) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 5.4(b) hereof; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the execution date of this Lease and which the Lessee hereby certifies will not materially impair the use of the Leased Property by the Lessee; and (v) other rights, reservations, covenants, conditions or restrictions established following the date of execution of this Lease and to which the Bank and the Lessee consent in writing.

“Rebate Exemption” shall have the meaning set forth in Section 2.1(l)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(l)(i) hereof.

“Renewal Term” shall have the meaning set forth in Section 3.2 hereof.

“Scheduled Term” shall have the meaning set forth in Section 3.2 hereof.

“State” shall have the meaning set forth in the Preamble hereof.

“Term” or “Term of this Lease” means the Original Term and all Renewal Terms provided for in this Lease under Section 3.2 until this Lease is terminated as provided in Section 3.3 hereof.

SECTION 1.2 Exhibits. Exhibits A, B, C, D, E, F and G attached to this Lease are by this reference made a part of this Lease.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The Lessee is a public agency of the State duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease and to enter into the transactions contemplated by, and to carry out its obligations under, this Lease. The Lessee has duly authorized, executed and delivered this Lease in accordance with the Constitution and laws of the State. This Lease constitutes the legal, valid and binding special obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; Other Liens or Encumbrances. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, **including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of the Lessee** (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an “Obligation Instrument”), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property except for Permitted Encumbrances.

By way of example, and not to be construed as a limitation on the representations set forth in the immediately preceding paragraph:

(A) no portion of the Leased Property is pledged to secure any Obligation Instrument; and

(B) the interests of the Lessor in the Leased Property hereunder do not violate the terms, conditions or provisions of any restriction or revenue pledge in any agreement or instrument pertaining to any Obligation Instrument.

If any Obligation Instrument existing on the date of execution of this Lease creates any pledge, lien, charge or encumbrance on any revenues, property or assets associated with the Leased Property that is higher in priority to the Bank’s interests therein under this Lease, the Bank hereby subordinates its interests therein, but only to the extent required pursuant to such existing Obligation Instrument.

(d) Compliance with Open Meeting Requirements. The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Lessee's execution of this Lease was authorized.

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

(f) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending, or to the best knowledge of the Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Lease.

(g) Opinion of Lessee's Counsel. The letter attached to this Lease as Exhibit D is a true opinion of Lessee's counsel.

(h) Governmental Use of Leased Property. During the Term of this Lease, the Leased Property will be used solely by the Lessee, and only for the purpose of performing one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority, and the Leased Property will not be subject to any direct or indirect private business use.

(i) Other Representations and Covenants. The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.

(j) No Nonappropriations. The Lessee has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(k) No Legal Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation.

(l) General Tax and Arbitrage Representations and Covenants.

(i) The certifications and representations made by the Lessee in this Lease are intended, among other purposes, to be a certificate permitted in Section 1.148-2(b) of the Treasury Regulations promulgated pursuant to Section 148 of the Code (the "Regulations"), to establish the reasonable expectations of the Lessee at the time of the execution of this Lease made on the basis of the facts, estimates and circumstances in existence on the date hereof. The Lessee further certifies and covenants as follows:

(A) The Lessee has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as an issuer which may certify bond issues.

(B) To the best knowledge and belief of the Lessee, there are no facts, estimates or circumstances that would materially change the conclusions, certifications or representations set forth in this Lease, and the expectations herein set forth are reasonable.

(C) The Scheduled Term of this Lease does not exceed the useful life of the Leased Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Leased Property.

(D) Each advance of funds by the Bank to finance Leased Property under this Lease (each an "Advance") will occur only when and to the extent that the Lessee has reasonably determined and identified the nature, need, and cost of each item of Leased Property pertaining to such Advance.

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

(F) The Lessee will at all times comply with the rebate requirements of Section 148(f) of the Code as they pertain to this Lease, to the extent applicable.

(G) In order to preserve the status of this Lease and the Advances as other than "private activity bonds" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease and any such Advances are outstanding and unpaid:

(I) none of the proceeds from this Lease or the Advances or any facilities or assets financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code;

(II) the Lessee will not allow any such "private business use" to be made of the proceeds of this Lease or the Advances or any facilities or assets financed therewith; and

(III) none of the Advances or Lease Payments due hereunder shall be secured in whole or in part, directly or indirectly, by any interest in any property used in any such "private business use" or by payments in respect of such property and shall not be derived from payments in respect of such property.

(H) The Lessee will not take any action, or omit to take any action, which action or omission would cause the interest component of the Lease Payments to be ineligible for the exclusion from gross income as provided in Section 103 of the Code.

(I) The Lessee is a "governmental unit" within the meaning of Section 141(b)(6) of the Code.

(J) The obligations of the Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the

Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

(L) In compliance with Section 149(e) of the Code relating to information reporting, the Lessee will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, within fifteen (15) days from the execution of this Lease, IRS Form 8038-G or 8038-GC, as appropriate, reflecting the total aggregate amount of Advances that can be made pursuant to this Lease.

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

(N) Inasmuch as Advances will be made under this Lease only when and to the extent the Lessee reasonably determines, identifies and experiences the need therefor, and will remain outstanding and unpaid only until such time as the Lessee has moneys available to repay the same, the Lessee reasonably expects that (I) the Advances will not be made sooner than necessary; (II) no proceeds from the Advances will be invested at a yield higher than the yield on this Lease; and (III) the Advances and this Lease will not remain outstanding and unpaid longer than necessary.

(O) The Lessee will either (i) spend all of the moneys advanced pursuant to this Lease immediately upon receipt thereof, without investment, on the portion of the Leased Property that is to be financed thereby; or (ii) invest such moneys at the highest yield allowable and practicable under the circumstances until they are to be spent on the portion of the Leased Property that is to be financed thereby, and track, keep records of, and pay to the United States of America, all rebatable arbitrage pertaining thereto, at the times, in the amounts, in the manner, and to the extent required under Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith. At least five percent (5%) of the total amount of moneys that are expected to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property within six (6) months from the date of this Lease. All moneys to be advanced pursuant to this Lease are reasonably expected to have been expended on the Leased Property no later than the earlier of: (I) the date twelve (12) months from the date such moneys are advanced; and (II) the date three (3) years from the date of this Lease.

(P) This Lease and the Advances to be made hereunder are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated in connection therewith (I) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (II) overburdening the tax-exempt bond market, as those terms are used in Section 1.148-10(a)(2) of the Regulations.

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not

expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

(ii) Arbitrage Rebate Under Section 148(f) of the Code. With respect to the arbitrage rebate requirements of Section 148(f) of the Code, either (check applicable box):

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

(2) Neither this Lease, any Advances to be made hereunder, nor any portion thereof are private activity bonds as defined in Section 141 of the Code ("Private Activity Bonds").

(3) Ninety-five percent (95%) or more of the net proceeds of the Advances to be made hereunder are to be used for local government activities of the Lessee (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Lessee).

(4) Neither the Lessee nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt obligations other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during the current calendar year, including the Advances to be made hereunder, which in the aggregate would exceed \$5,000,000 in face amount, or \$15,000,000 in face amount for such portions, if any, of any tax-exempt obligations of the Lessee and any aggregated issuer as are attributable to construction of public school facilities within the meaning of Section 148(f)(4)(D)(vii) of the Code.

For purposes of this Section, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee.

The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV) of the Code.

Accordingly, the Lessee will qualify for the Rebate Exemption granted to governmental units issuing less than \$5,000,000 under Section 148(f)(4)(D) of the Code (\$15,000,000 for the financing of public school facilities construction as described above), and the Lessee shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to this Lease and the Advances to be made hereunder.

- or -

(B) Lessee Will Keep Records of and Will Rebate Arbitrage. The Lessee does not qualify for the small issuer Rebate Exemption described above, and the Lessee hereby certifies and covenants that it will account for, keep the appropriate records of, and pay to the United States, the rebate amount, if any, earned from the investment of gross proceeds of this Lease and the Advances to be made hereunder, at the times, in the amounts, and in the manner prescribed in Section 148(f) of the Code and the applicable Regulations promulgated with respect thereto.

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest components of the Lease Payments hereunder as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code: (i) this Lease and the Lease Payments hereunder are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with all “aggregated issuers,” will not issue during the current calendar year obligations (other than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with this Lease, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, the Lessee and its aggregated issuers may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code. For purposes of this subsection, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee. The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code.

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

SECTION 2.2 Representations, Covenants and Warranties of the Bank. The Bank is a national banking association, duly organized, existing and in good standing under and by virtue of the laws of the United States of America, has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same, and has duly authorized the execution and delivery of this Lease. This Lease constitutes the legal, valid and binding obligation of the Bank, enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

SECTION 3.1 Lease. The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D, E, F and G hereto.

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, which is also the date on which the Acquisition Amount is deposited with the Escrow Agent, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E, F, and G attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be extended for 4 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a "Renewal Term") subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on September 27, 2029, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the "Scheduled Term" irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an "Event of Nonappropriation"), this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

SECTION 3.3 Termination. This Lease will terminate upon the earliest of any of the following events:

- (a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Leased Property;
- (c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein;
- (d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date; or
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

SECTION 3.4 Lease Payments.

(a) Time and Amount. During the Term of this Lease and so long as this Lease has not terminated pursuant to Section 3.3, the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Leased Property, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit A, to be due and payable in arrears on each payment date identified in Exhibit A (or if such day is not a Business Day, the next succeeding Business Day) specified in Exhibit A (the "Lease Payment Date").

(b) Rate on Overdue Payments. In the event the Lessee should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Lease Payments.

(c) Additional Payments. Any additional payments required to be made by the Lessee hereunder, including but not limited to Sections 4.1, 5.3, and 7.4 of this Lease, shall constitute additional rental for the Leased Property.

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a), or 3.3(c), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

SECTION 3.6 No Withholding. Notwithstanding any dispute between the Bank and the Lessee, in connection with this Lease or otherwise, including a dispute as to the failure of any portion of the Leased Property in use by or possession of the Lessee to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee. Notwithstanding any other provision of this Lease, the Lessee and the Bank acknowledge and agree that the obligation of the Lessee to pay Lease Payments hereunder constitutes a current special obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general tax revenues or credit of the Lessee to the payment of the Lease Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

SECTION 3.8 Net Lease. This Lease shall be deemed and construed to be a "net-net-net lease" and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 3.9 Offset. Lease Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Lease Payments or other sums for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Leased Property or any part thereof; (iii) any restriction or interference with Lessee's use of the Leased Property; (iv) any defects, breakdowns, malfunctions, or unsuitability of the Leased Property or any part thereof; or (v) any dispute between the Lessee and the Bank, any vendor or manufacturer of any part of the Leased Property, or any other person.

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self-insure, or at Lessee's cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than \$1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-

insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance or self-insurance satisfactory to Bank, together with receipts for the applicable premiums before the Leased Property is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V

COVENANTS

SECTION 5.1 Use of the Leased Property. The Lessee represents and warrants that it has an immediate and essential need for the Leased Property to carry out and give effect to the public purposes of the Lessee, which need is not temporary or expected to diminish in the foreseeable future, and that it expects to make immediate use of all of the Leased Property.

The Lessee hereby covenants that it will install, use, operate, maintain, and service the Leased Property in accordance with all vendors' instructions and in such a manner as to preserve all warranties and guarantees with respect to the Leased Property.

The Lessor hereby assigns to the Lessee, without recourse, for the Term of this Lease, all manufacturer warranties and guaranties, express or implied, pertinent to the Leased Property, and the Lessor directs the Lessee to obtain the customary services furnished in connection with such warranties and guaranties at the Lessee's expense; provided, however, that the Lessee hereby agrees that it will reassign to the Lessor all such warranties and guaranties in the event of termination of this Lease pursuant to Sections 3.3(a) or 3.3(c).

SECTION 5.2 Interest in the Leased Property and this Lease. Upon expiration of the Term as provided in Section 3.3(b) or 3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

(a) Maintenance; Repair and Replacement. Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property excepting ordinary wear and tear, and the Lessee hereby covenants and agrees that it will comply with all vendors' and manufacturers' maintenance and warranty requirements pertaining to the Leased Property. In exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

(b) Tax and Assessments; Utility Charges. The Lessee shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessee or levied, assessed or charged against any portion of the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Bank with the opinion of an independent counsel acceptable to the Bank to the effect that, by nonpayment of any such items, the interest of the Bank in such portion of the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Bank.

SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other

than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

SECTION 5.5 Permits. The Lessee will provide all permits and licenses necessary for the ownership, possession, operation, and use of the Leased Property, and will comply with all laws, rules, regulations, and ordinances applicable to such ownership, possession, operation, and use. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Leased Property, such changes or additions will be made by the Lessee at its own expense.

SECTION 5.6 Bank's Right to Perform for Lessee. If the Lessee fails to make any payment or to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, the Bank may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and the expense of any such action incurred by the Bank, as the case may be, will be deemed to be additional rent payable by the Lessee on the Bank's demand.

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased Property and shall lease the same to the Lessee as herein provided, the Bank's only role being the facilitation of the financing of the Leased Property for the Lessee. THE BANK MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY, OR ANY PORTION THEREOF. THE LESSEE ACKNOWLEDGES THAT THE BANK IS NOT A MANUFACTURER OR VENDOR OF ALL OR ANY PORTION OF THE LEASED PROPERTY, AND THAT THE LESSEE IS LEASING THE LEASED PROPERTY AS IS. In no event shall the Bank be liable for incidental, direct, indirect, special or consequential damages, in connection with or arising out of this Lease, for the existence, furnishing, functioning or Lessee's use and possession of the Leased Property.

SECTION 5.8 Indemnification. To the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

SECTION 5.9 Inclusion for Consideration as Budget Item. During the Term of this Lease, the Lessee covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay Lease Payments for the Leased Property during the next succeeding Renewal Term. Nothing herein shall be construed to direct or require that Lessee take or direct that any legislative act be done, or that the Governing Body of Lessee improperly or unlawfully delegate any of its legislative authority.

SECTION 5.10 Annual Financial Information. During the Term of this Lease, the Lessee covenants and agrees to provide the Bank as soon as practicable when they are available: (i) a copy of the Lessee's final annual budget for each fiscal year; (ii) a copy of the Lessee's most recent financial statements; and (iii) any other financial reports the Bank may request from time to time.

ARTICLE VI

ASSIGNMENT AND SUBLEASING

SECTION 6.1 Assignment by the Bank. The parties hereto agree that all rights of Bank hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part, including without limitation transfer to a trustee pursuant to a trust arrangement under which the trustee issues certificates of participation evidencing undivided interests in this Lease and/or the rights to receive Lease Payments hereunder, provided that notice of any such assignment, transfer or other disposition is given to Lessee.

SECTION 6.2 Assignment and Subleasing by the Lessee. The Lessee may not assign this Lease or sublease all or any portion of the Leased Property unless both of the following shall have occurred: (i) the Bank shall have consented to such assignment or sublease; and (ii) the Bank shall have received assurance acceptable to the Bank that such assignment or sublease: (A) is authorized under applicable state law, (B) will not adversely affect the validity of this Lease, and (C) will not adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Payment Default. Failure by the Lessee to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date.

(b) Covenant Default. Failure by the Lessee to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Bank; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or

attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

The foregoing provisions of this Section 7.1 are subject to the provisions of Section 3.2 hereof with respect to nonappropriation.

SECTION 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, the Bank shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

- (a) take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property;
- (b) hold the Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the rent paid by a lessee of the Leased Property pursuant to such lease; and
- (c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease, the Security Documents (defined in Section 9.3), the Escrow Agreement or as a secured party in any or all of the Leased Property or the Escrow Account hereunder.
- (d) terminate the Escrow Agreement and apply the proceeds in the Escrow Account to the Lease Payments due hereunder.

SECTION 7.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 7.5 Waiver of Certain Damages. With respect to all of the remedies provided for in this Article VII, the Lessee hereby waives any damages occasioned by the Bank's repossession of the Leased Property upon an event of default.

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1 Extraordinary Prepayment From Net Proceeds. To the extent, if any, required pursuant to Section 4.1 the Lessee shall be obligated to purchase the Leased Property by prepaying the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys pursuant to Article IV hereof. The Lessee and the Bank hereby agree that in the case of such prepayment of the Lease Payments in part, such Net Proceeds or other moneys shall be credited toward the Lessee's obligations hereunder pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

SECTION 8.2 Option to Purchase Leased Property. Subject to the terms and conditions of this Section, the Bank hereby grants an option to the Lessee to purchase all or a portion of the Leased Property by paying on any date a price equal to the portion of the outstanding principal component of the Lease Payments that is allocable to such portion of the Leased Property that is being so purchased, without premium, plus the accrued interest component of such portion of the Lease Payments to such payment date. To exercise this option, the Lessee must deliver to the Bank written notice specifying the date on which the Leased Property is to be purchased (the "Closing Date"), which notice must be delivered to the Bank at least thirty (30) days prior to the Closing Date specified therein. The Lessee may purchase the Leased Property pursuant to the option granted in this Section only if the Lessee has made all Lease Payments when due (or has remedied any defaults in the payment of Lease Payments, in accordance with the provisions of this Lease) and all other warranties, representations, covenants, and obligations of the Lessee under this Lease have been satisfied (or all breaches thereof have been waived by the Bank in writing).

Upon the expiration of the Scheduled Term of this Lease and provided that all conditions of the immediately preceding paragraph have been satisfied (except those pertaining to notice), the Lessee shall be deemed to have purchased the Leased Property (without the need for payment of additional moneys) and shall be vested with all rights and title to the Leased Property.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

If to the Lessee:

City of Sedona, Arizona
102 Roadrunner Drive
Sedona, AZ 86336
Attention: Ian Coubrough

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

SECTION 9.2 System of Registration. The Lessee shall be the Registrar for this Lease and the rights to payments hereunder. The Bank shall be the initial Registered Owner of rights to receive payments hereunder. If the Bank transfers its rights to receive payments hereunder, the Registrar shall note on this Lease the name and address of the transferee.

SECTION 9.3 Instruments of Further Assurance. To the extent, if any, that the Bank's interest in the Leased Property as Lessor under this Lease is deemed to be a security interest in the Leased Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Leased Property and any moneys and investments held from time to time in the Escrow Account to the Bank, which security interest includes proceeds, and this Lease shall constitute a security agreement under applicable law. Concurrently with the execution of this Lease, the Lessee has executed, delivered, and filed and/or recorded all financing statements, UCC forms, mortgages, deeds of trust, notices, filings, and/or other instruments, in form required for filing and/or recording thereof, as are required under applicable law to fully perfect such security interest of the Bank in the Leased Property (collectively, "Security Documents"). Attached hereto as Exhibit E are copies of all such Security Documents. The Lessee will do, execute, acknowledge, deliver and record, or cause to be done, executed, acknowledged, delivered and recorded, such additional acts, notices, filings and instruments as the Bank may require in its sole discretion to evidence, reflect and perfect the title, ownership, leasehold interest, security interest and/or other interest of the Bank in and to any part or all of the Leased Property, promptly upon the request of the Bank.

SECTION 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Lessee and their respective successors and assigns.

SECTION 9.5 Amendments. This Lease may be amended or modified only upon the written agreement of both the Bank and the Lessee.

SECTION 9.6 Section Headings. Section headings are for reference only and shall not be used to interpret this Lease.

SECTION 9.7 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, to the extent permitted by law, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between the Bank and the Lessee and supersedes any prior agreement between the Bank and the Lessee with respect to the Leased Property, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by both the Bank and the Lessee.

SECTION 9.9 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of

the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

SECTION 9.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 9.12 Immigration. To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Bank's practice, Bank hereby warrants and certifies that Bank complies with the Immigration Reform and Control Act of 1986 and employment with the Bank is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Bank is not contingent on any of the other requirements of Section 23-214(A). Bank does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Bank generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9.1 of this Agreement and Lessor will investigate and respond to these concerns.

SECTION 9.13 Boycotting Israel. Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Bank hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Bank's certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Bank has caused this Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

ZIONS BANCORPORATION, N.A., as Lessor

By: _____
Authorized Officer

CITY OF SEDONA, ARIZONA, as Lessee

By: _____

Title

EXHIBIT A
FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. Interest. Interest components payable on the principal amount outstanding have been computed at the rate of four and seventy hundredths' percent (4.70 %) per annum calculated based on twelve 30-day months during a 360-day year.

2. Payment Dates and Amounts.

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/27/2024	-	-	-	-	-
09/27/2025	67,636.07	4.700%	16,956.14	84,592.21	84,592.21
03/27/2026	-	-	6,888.62	6,888.62	-
09/27/2026	69,801.79	4.700%	6,888.62	76,690.41	83,579.03
03/27/2027	-	-	5,248.28	5,248.28	-
09/27/2027	72,051.50	4.700%	5,248.28	77,299.78	82,548.06
03/27/2028	-	-	3,555.07	3,555.07	-
09/27/2028	74,403.98	4.700%	3,555.07	77,959.05	81,514.12
03/27/2029	-	-	1,806.58	1,806.58	-
09/27/2029	76,875.68	4.700%	1,806.58	78,682.26	80,488.84
Total	\$360,769.02	-	\$51,953.24	\$412,722.26	-

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Four (4) Police Interceptor Utility Vehicles and auxiliary equipment (see attached invoices).

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with ZIONS BANCORPORATION, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The City Council (the “Governing Body”) of City of Sedona, Arizona (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

Be it resolved by the Governing Body of City of Sedona, Arizona as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Adopted and approved this _____ day of September, 2024.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF ARIZONA

)

) ss.

COUNTY OF YAVAPAI

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of City of Sedona, Arizona (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on September 24, 2024, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on September __, 2024.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this ____ day of September, 2024.

By _____

Print Name _____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

As counsel for City of Sedona, Arizona (“Lessee”), I have examined duly executed originals of the Lease/Purchase Agreement (the “Lease”) dated this 27th day of September, 2024, between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah (“Bank”), and the proceedings taken by Lessee to authorize and execute the Lease (the “Proceedings”). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Arizona (the “State”).
2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Proceedings were adopted and the Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditor's rights generally.
5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.
6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.
7. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.
9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach a UCC-1 Financing Statement and Certificates of Title showing ZIONS BANCORPORATION, N.A. as the
lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and ZIONS BANCORPORATION, N.A. (the “Bank”), dated September 27, 2024 , (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that the Bank is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. The serial numbers and vehicle identification numbers for each item of Equipment which is set forth on Exhibit “B” to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

CITY OF SEDONA, ARIZONA

By: _____
(Authorized Signature)

Date: _____

EXHIBIT G

ESCROW AGREEMENT

[Attach Escrow Agreement]

ESCROW AGREEMENT

This Escrow Agreement (this “Agreement”) dated September 27, 2024, by and among ZIONS BANCORPORATION, N.A., a national banking association (hereinafter referred to as “Lessor”), CITY OF SEDONA, a body politic and corporate of the State of Arizona (hereinafter referred to as “Lessee”), and ZIONS BANCORPORATION, National Association, a national banking association (hereinafter referred to as “Escrow Agent”).

Reference is made to that certain Lease/Purchase Agreement, dated September 27, 2024, between Lessor and Lessee (hereinafter referred to as the “Lease”), covering the acquisition and lease of certain Leased Property described therein (the “Leased Property”). It is a requirement of the Lease that the Acquisition Amount be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Leased Property costs.

The parties agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created a special trust fund to be known as the “CITY OF SEDONA Escrow Account” (the “Escrow Account”) to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, from proceeds of the Lease, Lessor has caused the amount of \$360,769.02 to be transferred to Escrow Agent for deposit into the Escrow Account.

(b) The Escrow Agent shall invest and reinvest moneys on deposit in the Escrow Account in Qualified Investments in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Escrow Account. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account and is not a trustee or a fiduciary to Lessee. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this agreement, “Qualified Investments” means any investments which meet the requirements of the investment of public funds by Lessee in accordance with applicable Arizona law and any applicable policy that the governing body of the Lessee has adopted with respect to the investment of public funds.

(c) Lessee covenants that all investments of amounts deposited in the Escrow Account or other fund containing gross proceeds of the Lease will be acquired, disposed of and valued at the fair market value thereof. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”) will be valued at their present value. Terms used in this subsection (c) shall have the meanings given them in the applicable provisions of the Code.

(d) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (e) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Leased Property. Any moneys remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate shall be applied as provided in Section 4 hereof.

(e) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account (including delivery to Lessor by Lessee of an executed Delivery and Acceptance Certificate contained in the Lease), or (ii) written notice given by Lessor of the occurrence of a default or non-appropriation of the Lease.

(f) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(g) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all expenses; including reasonable attorneys’ fees and the cost of defending any action, suit or proceeding or resisting any claim.

(h) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys’ fees, in connection with such civil action, and shall be fully

protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(i) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(j) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(k) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 90 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(l) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no fiduciary or implied duties, responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Leased Property, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Leased Property are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Leased Property, and the operation and maintenance thereof.

(b) Authorized Escrow Account Disbursements. Disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the Leased Property Costs and any delivery costs.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and

the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by Ian Coubrough (including his successors or anyone whom he or his successors may appoint to sign) of Lessee (an "Authorized Representative") and by Kirsi Hansen or her designees of Lessor, and shall be subject to the following:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1 certifying that:

(i)(A) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof); (B) the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee, and (C) Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the Leased Property's capability and functionality in order to accept such Leased Property; (ii) the Lessee has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made; (iii) such requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee); (iv) the Leased Property is insured in accordance with the Lease; (v) no Event of Default (nor any event which, with notice or lapse of time or both, would become an Event of Default) has occurred and is continuing; (vi) no material adverse change in Lessee's financial condition has occurred since the date of the execution of the Lease; and (vii) the representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date thereof; and

2. Delivery to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement); bills of sale (if title to such Leased Property has passed to Lessee); a description, and serial and/or VIN number for each item and any additional documentation reasonably requested by Lessor; and
3. In the case of the final distribution from the Escrow Account, delivery to Lessor a properly executed Delivery and Acceptance Certificate as required by the Lease.

3. Deposit to Escrow Account. Upon execution of the Lease and the satisfaction of any conditions specified in the Lease or otherwise, Lessor will cause the Acquisition Amount of \$360,769.02 to be deposited into the Escrow Account. Lessee agrees to pay any costs with respect to the Leased Property in excess of amounts available therefor in the Escrow Account and to pay delivery costs in excess of amounts available therefor in the Escrow Account; provided, however,

that any amount required for either such purpose shall be payable solely from moneys that have been appropriated by Lessee for such purpose.

4. Excessive Escrow Account. Any funds remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate, or upon a termination of the Escrow Account as otherwise provided herein, shall be delivered by the Escrow Agent to Lessor, and Lessor shall apply such funds to amounts owed under the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account or any part thereof, is converted to investments as set forth in this agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 6 which are defined in the Uniform Commercial Code of the State of Arizona ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person

requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 7 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

- 8. Fee Schedule; Initial Fee. \$1,500.00.
- 9. Miscellaneous.

(a) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor: ZIONS BANCORPORATION, N.A.
 1 South Main Street 17th Floor
 Salt Lake City, UT 84133
 Attn: Jon Dunfield, Vice President

If to Lessee: CITY OF SEDONA
 102 Roadrunner Drive
 Sedona, AZ 86336
 Attn: Ian Coubrough, Procurement Officer

If to Escrow Agent: ZIONS BANCORPORATION, National Association
 Corporate Trust Department
 6001 North 24th Street, Bldg. B
 Phoenix, AZ 85016
 Attn: Isabella McNicol

(b) As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the District may, within three (3) years of the execution hereof, cancel this Agreement without penalty or further obligations, if any person significantly involved in initiating, negotiation, securing, drafting or creating this Agreement on behalf of the District is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of the Escrow Agent or a consultant to the Escrow Agent with respect to the subject matter of this Agreement. The cancellation shall be effective when written notice from the District is received by the Escrow Agent unless the notice specifies a later time.

(c) To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Escrow Agent's practice, Escrow Agent hereby warrants and certifies that Escrow Agent complies with the Immigration Reform and Control Act of 1986 and employment with the Escrow Agent is contingent on the successful completion of the I-9 verification process and the E-Verify

requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Escrow Agent is not contingent on any of the other requirements of Section 23-214(A). Escrow Agent does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Escrow Agent generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9 (a) of this Agreement and Lessor will investigate and respond to these concerns.

(d) Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Escrow Agent hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Escrow Agent’s certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

In Witness Whereof, the parties have executed this Escrow Agreement as of the date first above written.

ZIONS BANCORPORATION, N.A.
as Lessor

CITY OF SEDONA
as Lessee

By: _____
Lee Davis, Senior Vice President

By: _____
Its: _____

ZIONS BANCORPORATION, National Association
as Escrow Agent

By: _____
Isabella McNicol, Corporate Trust Officer

SCHEDULE 1

TO THE ESCROW AGREEMENT

FORM OF DISBURSEMENT REQUEST

Re: Lease/Purchase Agreement, dated September 27, 2024 (the “Lease”), between ZIONS BANCORPORATION, N.A., as Lessor, and CITY OF SEDONA, as Lessee (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow Agreement, dated September 27, 2024 (the “Escrow Agreement”) by and among ZIONS BANCORPORATION, N.A., a national banking association (“Lessor”), CITY OF SEDONA (“Lessee”) and ZIONS BANCORPORATION, National Association, (the “Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Agreement for the following purposes:

PAYEE’S NAME AND ADDRESS	INVOICE NUMBER	DOLLAR AMOUNT	PURPOSE (INCLUDE SERIAL AND/OR VIN NUMBER)

The undersigned hereby certifies as follows:

(i) The date on which “acceptance” occurred with respect to the portion of the Leased Property for which disbursement is hereby requested is _____, and such portion of Leased Property is hereby accepted by Lessee for all purposes of the Lease.

(ii) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee. Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the

Leased Property's capability and functionality in order to accept such Leased Property. Attached hereto is the original invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Leased Property is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vii) No material adverse change in Lessee's financial condition has occurred since the date of the execution of the Lease.

(viii) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

Dated: _____

By: _____
Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

ZIONS BANCORPORATION, N.A.,
as Lessor under the Lease

By: _____
Name: _____
Title: _____

COMMERCIAL LOAN - AUTHORIZATION FOR AUTOMATIC PAYMENT

In this **Authorization for Automatic Payment** ("**Authorization**"), the words "**we**," "**us**," and "**our**" mean **Zions Bancorporation, N.A.**, doing business through its Divisions under the trade names Amegy Bank, California Bank & Trust, National Bank of Arizona, Nevada State Bank, Vectra Bank Colorado and Zions Bank ("**Lender**") and the Lender's successors, assigns, agents and service providers. The words "**you**" and "**your**" mean the Depositor signing below.

Borrower Name: _____ ("**Borrower**")
Loan Account #: _____ (the "**Loan**")
Owner of Deposit Account to Debit: _____ ("**Depositor**")

"**Deposit Account**" if held at Lender. Lender's Division Name: _____
_____ Checking Account: Routing # _____ Account # _____
_____ Savings Account: Routing # _____ Account # _____

* This Authorization must be received by Lender's Enterprise Loan Operations Dept. thirty (30) business days before the first debit.

"**Deposit Account**" if held at another bank. Bank Name: _____
If the Deposit Account is not held at Lender, Borrower and Depositor represent and warrant that the Deposit Account is not a consumer account held for personal, family or household purposes. Initials _____ ✓

_____ Checking Account: Routing # _____ Account # _____
_____ Savings Account: Routing # _____ Account # _____

* This Authorization must be received by Lender's Enterprise Loan Operations Dept. thirty (30) business days before the first expected debit.

"**Debit Amount**" shall be in the following total amount for each debit:

1. the payment amount due on the Loan for the related due date; plus
2. the following stated "**Additional Principal Amount**", if any: \$ _____.

AUTHORIZATION FOR LOAN PAYMENTS AND FEES. Depositor hereby requests and authorizes us to debit the above Deposit Account in the above Debit Amount, and to apply that debited amount to the above Loan. **Depositor further authorizes Lender to debit the Deposit Account for any fee or charge payable under the Loan.**

TIMING OF DEBITS. Debits will occur on each due date specified in the Loan documents. The first automatic debit payment will occur on the next due date following setup by Lender, subject to the timing requirements specified above. Amounts payable prior to the setup of this Authorization and amounts payable after the Loan maturity date until the time of any agreed Loan renewal will not be debited pursuant to this Authorization and must be paid separately. This Authorization is applicable only to the Loan specified above.

AUTHORIZATION TO CORRECT ERRORS AND MODIFY PAYMENTS. In the event that we make an error in processing a debit, you authorize us to correct the error by initiating a credit or debit to the Deposit Account. You authorize us to verify the Deposit Account and other information you have provided to us. If you make an error in providing us with such information, you authorize us to correct the error.

REINITIATING A REJECTED DEBIT. Unless otherwise limited by law, if an automatic debit is rejected, you authorize us to re-initiate the debit up to two additional times. **You agree that we are under no obligation to re-initiate any rejected debit.**

TERMINATION AND REVOCATION. Borrower and Depositor agree that this Authorization is for their convenience, and any payment returned unpaid may be an act of default under the Loan and may also result in Lender cancelling this Authorization. This Authorization will terminate upon the maturity date of the Loan. If Lender agrees to a renewal of the Loan, this Authorization shall also be considered renewed and continue in full force for future debits. Lender's willingness to renew this Authorization upon renewal of the Loan does not constitute an agreement to renew the Loan.

Lender may terminate this Authorization at any time upon notice to Borrower. At any time and for any reason Borrower or Depositor may voluntarily terminate this Authorization by written notice to Lender. Notice termination by Borrower or Depositor must be received by Lender not less than 30 days prior to the next payment due date to avoid the next scheduled payment being automatically debited from the Deposit Account. Terminating this Authorization does not affect the Borrower's obligation to repay amounts due under the Loan.

MISCELLANEOUS. Depositor represents and warrants that Depositor is an authorized signer on the Deposit Account. Borrower and Depositor understand that this Authorization is subject to applicable law and, to the extent applicable, ACH network rules.

BORROWER AND DEPOSITOR AGREE TO THE TERMS ABOVE AND ACKNOWLEDGE RECEIVING A COPY OF THIS AUTHORIZATION.

Authorized Signature for Borrower (and for Depositor if the same entity or person as Borrower):

✓ By _____ Print Signer's Name: _____
Title: _____ Date: _____

Authorized Signature for Depositor (if not the same entity or person as Borrower):

✓ By _____ Print Signer's Name: _____
Title: _____ Date: _____

Please image with closing documents and attach via Credit LEAD. New or updated requests submit change via MIT request.



Government Fleet Account Manager

Chad Welsh

(623) 261-0570

Department Fax

(480) 621-3796

chadwelsh@santanford.com

Date: 7/11/2024

Customer: City of Sedona

Line Item/State Contract #: K8A/CTR059323

Vehicle Description: 2025 Ford Police Interceptor Utility

with 3.3L FFV V6 Engine

Base Bid Price \$44,068.35 11% off MSRF

Upgrade Options

1 Driver Side LED Spot Light - Whelen	420.00
2 Remote Keyless Entry Key Fob	Standard Option
3 Hidden Door-lock Plunger W/R HNDL Inoper	160.00
4 Dark Car Feature	Standard Option
5 Police Engine Idle Feature	Standard Option
6 Reverse Sensing System	Standard Option
7 Rear Aux A/C	Standard Option
8 Window Tint (per contract)	250.00
9	
10	
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17	
18	
19	
20	

\$830.00

Bid Price (with options) **\$44,898.35**

Tire Tax 5.00

Sales Tax (7.80%) 3,502.07

Ford Extended Service Plan

Transportation Fee \$150.00

Total Delivered Price (Single Unit) **\$48,555.42**

Quantity 4 Total Delivered Price (Multiple Units) \$194,221.69

Notes:

Thank You,
Joe

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
(833) 455-0503



Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
Build	Build	Contact Name: Ryan Kwitkin Contact Number:928-592-7146 e-mail: rkwitkin@sedonaaz.gov Vehicle/Year: 2023 Ford PI Utility Type: Patrol Build			0.00T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
(833) 455-0503



Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
CSP	CSP	Customer Supplied Parts: Installed per manufacturer specs. All components must be included such as: Hardware, Cables, Connectors, Brackets, Plugs, Antennas etc. Any items not functioning once installed will be diagnosed at \$85.00 per hr. repair items will be quoted Separately. All items need to be delivered completely before build will start. Items Listed Below to be Supplied: Getac Video System *** (wireless mic mount near flash light on partition - OVMAKAXFAXX1 - ONX01U -ONX04U -OTX11X - c-fp-35 -591GVS000021 -GE-SVCVEXT4Y -OWC011 * Motorola Radio		0.00	0.00T
AZ DPS Contract 4/23		New AZ Upfitting Co-Op Contract Number CTR049798-3, 4/23 Extended to 5/18/24.		0.00	0.00T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
(833) 455-0503



Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
C399-Legacy 54" D...	Whelen	Legacy DUO Bundle, CORE Package KB 026 CORE PKG 126, Includes: 54" Legacy Bar, CORE C399 Controller, CCTL* Control Head, C399K* OBDII cable, Straps, Photocell. 1/24	4.00	3,265.36	13,061.44T
MKEZ105	Whelen	E-Z LIGHTBAR MOUNT KIT #105 9/22	4.00	0.00	0.00T
C399-PKG	Whelen	CENCOM CORE WCX CONTROL CENTER. Included in Bundle KB 026 2/23	4.00	0.00	0.00T
CCTL7-PKG	Whelen	WeCanX 21 BUTTON/SLIDE CTRL HD. Included in Bundle KB 026 2/23	4.00	0.00	0.00T
C399K7-PKG	Whelen	OBD II CANPORT KIT 2021 F-150. KB 026 2021 8/22	1.00	0.00	0.00T
PB47UINT20HD	Pro-Guard	* Front of Vehicle * 2020 + Ford Utility PI, HD Push Bumper - Includes wire covers 4/23	4.00	548.58	2,194.32T
TLI2E	Whelen	* Push bumpers lights * ION™ T-Series™ Linear Super-LED®. Color Blue / White. KB 026-1/24	8.00	112.86	902.88T
TLI2D	Whelen	* Push bumper lights * ION™ T-Series™ Linear Super-LED®. Color Red / White. KB 026-1/24	8.00	112.86	902.88T
SA315P	Whelen	Siren speaker, Not a Package, 123db. KB026 1/24	4.00	218.58	874.32T
SAK1	Whelen	Universal Siren Speaker Mounting Bracket	4.00	0.00	0.00T
CHWLFE29	Whelen	CORE (only) Siren Amplifier with One Speaker, Includes Mounting Bracket for 2020-2021 Ford Police Interceptor Utility 12/23	4.00	481.65	1,926.60T
CEM16	Whelen	New! 16 Output, 4 Input WeCanX™ Expansion Module. KB 026 1/24	4.00	185.90	743.60T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
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Sales Confirmation

Date	S.O. NBR
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Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
COREHEXP16	K Bruce Co.	CEM16 output harness kit, J-6 (8'), J-5 (8') 4/23	4.00	102.86	411.44T
I3JC	Whelen	*** Sides of Vehicle *** * Quarter window lights * ION Trio Red / Blue / White with White Over ride. KB 026 12/23	8.00	154.70	1,237.60T
ETFBSSN-P	SoundOff Sig...	*** Rear of Vehicle *** Flashback Alternating Taillight Flasher, Solid State - 2.4 f.p.s. 1/23	4.00	66.30	265.20T
VTX609B	Whelen	Vertex Super LED Lighthead, Blue KB 026 2022 1/24	8.00	91.65	733.20T
IONBKT8	Whelen	ION REAR SPOILER MTG BKT (PR) 7/23	4.00	27.45	109.80T
I3JC	Whelen	ION Trio Red / Blue / White with White Over ride. KB 026 12/23	8.00	154.70	1,237.60T
TLMI2J	Whelen Man...	* underhatch lights * T ION Mini Duo Red Blue (Side and Grill lighting). KB026 2/23	8.00	94.665	757.32T
TLMI2J	Whelen Man...	* Underhatch Lights * T ION Mini Duo Red Blue . KB026 2/23	8.00	96.85	774.80T
C-MD-317	Havis	Heavy-Duty Computer Monitor / Keyboard Mount and Motion Device 1/24	4.00	345.84	1,383.36T
C-HDM-1006	Havis	Heavy-Duty Mount For 2020-2024 Ford Interceptor Utility 1/24	4.00	139.58	558.32T
C-HDM-202	Havis	8.5" Heavy Duty Telescoping Pole, Short Handle. 1/24	4.00	131.95	527.80T
PKG-KB-205	Havis	Package – Chiclet Keyboard With Mount 7/23	4.00	657.76	2,631.04T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
(833) 455-0503



Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
DS-GTC-312-3	Havis	Docking Station For Getac V110 Convertible Notebook With Triple Pass-Thru Antenna Connections & LIND Power Supply. 4/24	4.00	1,073.26	4,293.04T
C-VS-1210-INUT	Havis	2020-2024 Ford Interceptor Utility Mid-Height Angled Console 2/24	4.00	384.00	1,536.00T
CM009785-1	Havis	HVAC Relocation Bracket Kit. Option used in C-VS-1012-INUT console if vehicle is equipped with rear HVAC controller. 8/22	4.00	32.74	130.96T
LPS-211	Havis	Multipurpose Bracket Secures Power Supplies on Havis Docking Stations or Cradles 3/23	4.00	32.25	129.00T
CV2V	Whelen	Vehicle to Vehicle Sync Module. CORE Promo# KB 026 1/24	4.00	235.95	943.80T
MMBP-25	Magnetic Mic	Magnetic Mic 2/24	8.00	34.285	274.28T
C-EB25-XTL-1P	Havis	Remote head Equipment Mounting Bracket, 2.5" Mounting Space, Fits Motorola XTL 2500, XTL5000-05, APX 7500, 1/23	4.00	0.00	0.00T
C-EB40-CCS-1P	Havis	1-Piece Equipment Mounting Bracket, 4" Mounting Space, Fits Whelen Cencom, CORE CCSRN, CCSRNNTA, MPC03, CCTL7, CCTI6. 1/23	4.00	0.00	0.00T
C-FP-25	Havis	2-1/2" Filler Plate	4.00	0.00	0.00T
C-FP-3	Havis	3" Filler Plate	8.00	0.00	0.00T
CUP2-1001	Havis	Self-Adjusting Double Cup Holder to fit cups up to 3.5" in diameter. 3/24	4.00	50.25	201.00T
C-MCB	Havis	Mic Clip Bracket 5/23	8.00	14.25	114.00T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

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Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
C-USB-2	Havis	Dual USB Charge Module. Two 2.4A charging ports. 3 yr warr.	4.00	89.25	357.00T
C-ARM-108	Havis	Side Mounted Flip Up Armrest. 12/23	4.00	161.35	645.40T
C-AP-0325-1	Havis	3" Accessory Pocket, 2.5" Deep. 3/23	4.00	38.25	153.00T
7060-061-110	Pelican	7060 LED Flashlight- AC Charger - Gen 5 9/22	4.00	214.22	856.88T
GVPMS-H	Pro-Gard	Tri-lock weapon mount, partition mounted 7/23	4.00	499.99	1,999.96T
ECVDMLTAL00	SoundOff Sig...	* Driver Dome Light * LED Dome Light, Universal Mount 6" Round w/ Red LED Night Light, 10-30v - White LEDs/White Lens. 1/23	4.00	89.05	356.20T
KB-GPSB-SEDON...	Panorama An...	GPSB-SEDONAZ-LT, Panorama GPSB antenna package 7/23	4.00	264.96	1,059.84T
PRSP4714UINT20A	Pro-Gard	Poly Center Slider Window with Expanded Metal Insert 7/23	4.00	994.31	3,977.24T
ECVDMLTST4G	SoundOff Sig...	Interior Cargo/LED Dome Light, Flush Surface Mount w/ Grey Base, 6" x 3" - White LEDs. 6/22	4.00	22.40	89.60T
S4702UINTOSB	Pro-Gard	Charcoal Grey ABS, Transport Seat w/ Poly Window Cargo Barrier and Outboard Seat Belts 7/23	4.00	1,768.32	7,073.28T
WBP47NPTUINT20	Pro-Gard	steal window bar kit, for OEM door panels 7/23	4.00	265.72	1,062.88T
SBX-5004	Havis	Modular Storage Drawer Mount for 2020-2021 Ford Interceptor Utility 12/22	4.00	630.76	2,523.04T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal
	Sales Tax (7.8%)
	Total

MHQ of Arizona
550 N 54th Street
Chandler AZ 85226
(833) 455-0503



Sales Confirmation

Date	S.O. NBR
4/3/2024	104998

Name / Address
Sedona Police Department 100 Roadrunner Dr. Sedona, AZ 86336

Ship To
MHQ West Chandler, AZ

Rep	Phone #	Website	Unit NBR	Project	P.O. No.
Tom	(800) 299-1804	MHQwest.com		2024 PIU Patrol	

Item	MfG	Description	Ordered	Price	Amount
SBX-F28-PROKIT	Havis	Filler Panel For Havis Storage Drawer Mount To Pro-Gard Partition 7/23	4.00	105.75	423.00T
SBX-1004	Havis	Large Modular Storage Drawer with Medium-Duty Lock 12/22	4.00	994.51	3,978.04T
SBX-3003	Havis	Open Storage Drawer Topper. 6/23	4.00	199.50	798.00T
S-9872	Uline	2.5 lb Fire Extinguisher	4.00	71.25	285.00T
CRS849	Kustom Sign...	Raptor RP-1 Dual Ka-Band Antennas, Directional Mode, Same Lane Mode, Fastest Vehicle Mode 7/23	4.00	2,286.00	9,144.00T
CH27.1.20	911 Circuits	Ch27 Harness with Single Stage Smart Start Timer and 20' Outputs. (full size) 20 Ft.with timer, bracket, circuit breaker. 5/23	4.00	719.98	2,879.92T
Graphics		Graphics	4.00	1,085.70	4,342.80T
Labor AZ	MHQ of AZ	EVT Certified Installation Labor	312.00	95.00	29,640.00
Materials		Misc Shop Supplies and Materials	4.00	225.00	900.00T
Shipping		Shipping	4.00	370.00	1,480.00
TCRWX5	Whelen	WeCanX TRACER DUO 5-LAMP HOUSING R/W B/W PROMO# KB026 CORE PKG 123 7/23	8.00	754.30	6,034.40T
TCRB50	Whelen	TRACER MTG KIT INTERCEPTOR SUV 2020. KB 026 2022	4.00	0.00	0.00T
Tint Window - SUV ...	Tint	Tint SUV / PU, STD Film. Level TBD.	4.00	337.50	1,350.00T

Please contact Tom VanNess with any questions, (480) 375-1276 . Thank you for your business!	Subtotal	\$120,265.08
	Sales Tax (7.8%)	\$6,953.32
	Total	\$127,218.40



QUOTE

Date: 7/21/2024
 QUOTE: 24-394

Sgt. Casey Pelletier
 Sedona Police Dept.
 100 Roadrunner Dr.
 Sedona, AZ 86336
 928-282-3100

Thanks for your business!
 Quote Expires 10/30/2024*

Customer ID: SPDAZ009

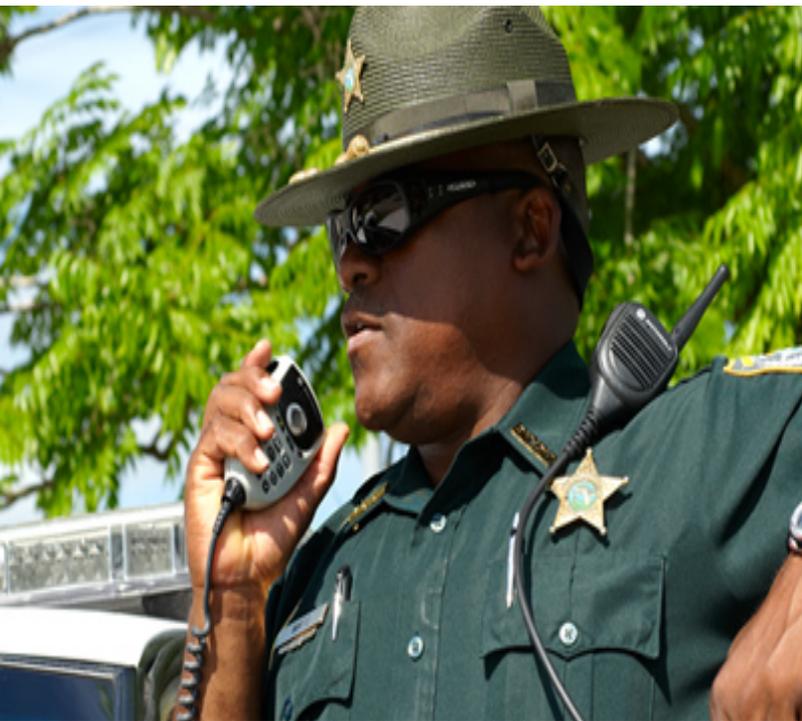
Salesperson	Project	Payment Terms	Contract#
Jim Boubelik	Getac In-Car Video	Net 30	

Part#	Description	Qty	Unit Price	Ext Price
OVMACAXFAXX1	GVS: VR-X20 for In Car Video - DVR(VR-X20-i5) with Blackbox Recording- [Integrated 8GB RAM+256GB SSD+2nd 256GB SSD+Battery Backup+WIFI+GPS+Crash Sensor], Display (CU-D50) - 5" Touch Display includes cable (16ft), ZeroDark FHD IP Camera CA-NF21-146 (Wind Shield Mount) includes cable (25ft), Cabin Camera (CA-MF50S) - Analog Infrared includes cable set, Wiring kit (25ft), DVR mounting bracket, 1yr hardware warranty	4	\$3239	\$12,956
ORB51X	GVS: BWC (C-03 Single Port Dock (VD-03), w/ 40W Vehicle Adapter	4	\$159	\$636
ONX0GX	Ethernet Cable - RJ45/CAT5e (25 ft)	4	\$16	\$64
ONX01U	GVS: Wireless Mic (WM-T2400) - 2.4GHz Complete Kit - Receiver, Transmitter, lapel, holster, cable	4	\$539	\$2156
ORB312	BWC Alligator Clip V2.0	4	\$21	\$84
OTX11X	GVS: Body Worn Camera Bluetooth Trigger Box (TB-02)	4	\$144	\$576
591GVS000035	GVS: Mounting Bracket (Visor) - Front Camera AND Display (CU-D50)-2020 Interceptor	4	\$70	\$280
591GVS000015	Airgain Multimax Vehicle Antenna, 3in1, Wifix2-Gpsx1, Bolt Mount, 19ft, Black	4	\$189	\$756
OWC01M	Enterprise-Video License and Annual Maintenance (Per Client Device per month)	48	\$15	\$720
OUA03X	ICV Getac Cloud - Monthly Plan 3 (Cloud 60G, Software & Maintenance) 4 in-car video systems *Annual Subscription	48	\$37	\$1776

Subtotal	\$20,004.00
Sales Tax	\$1970.39
Shipping	\$0.00
Total	\$21,974.39



*We offer financing & Leasing, device buyback, and rugged device insurance coverage, just ask!
 *CCs add 2.89%. Purchasing contracts add 1-2% (GSA, OMNIA, NCPA, Sourcewell, PEPPM, SLP, DIR)



SEDONA, CITY OF
(3) APX 4500 NO ANTENNA
07/17/2024

07/17/2024

SEDONA, CITY OF
102 ROADRUNNER DR
SEDONA, AZ 86336

RE: Motorola Quote for (3) APX 4500 NO ANTENNA
Dear Sherri Oconnor,

Motorola Solutions is pleased to present SEDONA, CITY OF with this quote for quality communications equipment and services. The development of this quote provided us the opportunity to evaluate your requirements and propose a solution to best fulfill your communications needs.

This information is provided to assist you in your evaluation process. Our goal is to provide SEDONA, CITY OF with the best products and services available in the communications industry. Please direct any questions to Dequincy Dennis at Dequincy.Dennis@motorolasolutions.com.

We thank you for the opportunity to provide you with premier communications and look forward to your review and feedback regarding this quote.

Sincerely,

Dequincy Dennis

Billing Address:
 SEDONA, CITY OF
 102 ROADRUNNER DR
 SEDONA, AZ 86336
 US

Quote Date:07/17/2024
 Expiration Date:10/09/2024
 Quote Created By:
 Dequincy Dennis
 Dequincy.Dennis@
 motorolasolutions.com

End Customer:
 SEDONA, CITY OF
 Sherri Oconnor
 soconnor@sedonaaz.gov
 928) 203-5170

Contract: 21069 - STATE OF AZ

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
	APX™ 4500 Enhanced					
1	M22KSS9PW1BN	APX4500 ENHANCED VHF MOBILE	3	\$2,117.44	\$1,545.73	\$4,637.19
1a	G24AX	ENH: 3 YEAR ESSENTIAL SVC	3	\$216.00	\$216.00	\$648.00
1b	GA09008AA	ADD: GROUP SERVICES	3	\$165.00	\$120.45	\$361.35
1c	G67DQ	ADD: REMOTE MOUNT O2 APXM	3	\$327.00	\$238.71	\$716.13
1d	B18CR	ADD: AUXILIARY SPKR 7.5 WATT APX	3	\$66.00	\$48.18	\$144.54
1e	GA00804AA	ADD: APX O2 CH (GREY)	3	\$541.00	\$394.93	\$1,184.79
1f	G444AH	ADD: APX CONTROL HEAD SOFTWARE	3	\$0.00	\$0.00	\$0.00
1g	W22BA	ADD: STD PALM MICROPHONE APX	3	\$79.00	\$57.67	\$173.01
1h	G193AK	ADD: ADP ONLY (NON-P25 CAP COMPLIANT) (US ONLY)	3	\$0.00	\$0.00	\$0.00
1i	G89AC	ADD: NO RF ANTENNA NEEDED	3	\$0.00	\$0.00	\$0.00
1j	QA09113AB	ADD: BASELINE RELEASE SW	3	\$0.00	\$0.00	\$0.00



Any sales transaction following Motorola's quote is based on and subject to the terms and conditions of the valid and executed written contract between Customer and Motorola (the "Underlying Agreement") that authorizes Customer to purchase equipment and/or services or license software (collectively "Products"). If no Underlying Agreement exists between Motorola and Customer, then Motorola's Standard Terms of Use and Motorola's Standard Terms and Conditions of Sales and Supply shall govern the purchase of the Products.
 Motorola Solutions, Inc.: 500 West Monroe, United States - 60661 ~ #: 36-1115800

Line #	Item Number	Description	Qty	List Price	Sale Price	Ext. Sale Price
1k	GA01606AA	ADD: NO BLUETOOTH/ WIFI/GPS ANTENNA NEEDED	3	\$0.00	\$0.00	\$0.00
1l	Q811BU	ADD: SOFTWARE P25 CONVENTIONAL	3	\$715.00	\$521.95	\$1,565.85

Subtotal \$9,430.86

\$928.94

Grand Total **\$10,359.80(USD)**

Notes:



Gila Electronics

2481 E Palo Verde St,
Yuma AZ 85365
USA



Original

SALES QUOTATION

Document Number: **3019** Document Date: **08/01/24** Page: **1/1**
Customer No.: **C1484** Federal Tax ID - Business Partner

[Gila Electronics](#)

City of Sedona Procurement Office

102 Roadrunner Dr.
Bldg 104
Sedona AZ 86336
USA

Your Reference

Your Contact

Jim McDonald

Delivery Address

City of Sedona Procurement Office

Same as Bill-to

Currency: \$

Description	Quantity	UoM	Price	Tax %	Total
001 P25 Mobile VHF Radio & Install Package Item Code: VM5730	2		3,226.00	8.412	6,452.00

Tax Details

Tax Code	Tax %	Net	Tax
AZ	8.41	6,452.00	542.74

Quotation Subtotal:	\$ 6,452.00
Total Before Tax:	\$ 6,452.00
Total Tax Amount:	\$ 542.74
Total Amount:	\$ 6,994.74

Additional Expenses Shipping Type:

Payment Term **Net 30 Customers**

Quotation Valid Until: 09/01/24

Equivalent to APX4500 with remote head and encryption.

CEO:	Harold Henrick	Phone:	(928) 726-0896	Bank Name:	1st Bank Yuma
Shareholder:		Fax:	(928) 726-8238	Bank Account:	xxxxxx4682
Tax Official:		E-Mail:	Solutions@gilaelectronics.com	Bank Code:	1ST
Headquarters:		Tax No.:		Swift/BIC:	
Website:	gilaelectronics.com	Tax ID No.:		IBAN:	



**CITY COUNCIL
AGENDA BILL**

**AB 3035
September 24, 2024
Regular Business**

Agenda Item: 8a

Proposed Action & Subject: Public Hearing/discussion/possible action regarding a request for approval of a Zone Change (ZC) and Development Agreement to allow for development of a 100-room hotel and 46-unit multifamily housing project (Village at Saddlerock Crossing) at 1259 & 1335 W State Route 89A; 82 & 86 Saddlerock Circle; and 105 Elk Road. The property is within the Soldiers Pass Community Focus Area, is ±6.3 acres, and is located south of the intersection of W State Route 89A and Soldiers Pass Road between Saddlerock Circle and Elk Road. APN: 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088. The requested Zone Change is from CO (Commercial) and RM-2 (Medium-High Density Multifamily) to L (Lodging). Case Number: PZ19-00005 (ZC, DEV) Owner/Applicant: The Baney Corporation (Curt Baney) Authorized Representative: Withey Morris Baugh, PLC (Jason Morris and Benjamin Tate).

Department Community Development

Time to Present 20 min

Total Time for Item 1 hour

Other Council Meetings March 26, 2024

- Exhibits**
- A. Ordinance for Rezoning
 - B. Resolution for Development Agreement
 - C. Summary of Changes
 - D. Draft Development Agreement
 - E. Revised Conditions of Approval
 - F. Additional Public Comments

Finance Approval	Reviewed 9/10/24 JDM
City Attorney Approval	Reviewed 9/9/24 KWC
City Manager's Recommendation	Recommend denial for both the Zone Change

Expenditure Required	\$ NA
Amount Budgeted	\$

	and Development Review applications based on lack of compliance with applicable Community Plan and CFA Plan goals and Land Development Code criteria as enumerated in the Planning and Zoning Commission Staff Reports. ABS 9/10/24	Account No. (Description)
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SUMMARY STATEMENT

This is a continued public hearing on a proposed zone change from CO (Commercial) and RM-2 (Medium-High Density Multifamily) to L (Lodging) for the property at 1259 & 1335 W State Route 89A; 82 & 86 Saddlerock Circle; and 105 Elk Road to allow for development of a 100-unit hotel and 46-unit multifamily project (The Village at Saddlerock Crossing).

The property is approximately 6.3 acres and is located between Saddlerock Circle and Elk Road south of W State Route 89A. The majority of the site (±5.3 acres) is zoned CO (Commercial) and ±1 acre in the southeastern corner of the property is zoned RM-2 (Medium-High Density Multifamily). The property is currently vacant but was previously developed with commercial uses.

Background:

This is a continued public hearing from the original public hearing on March 26, 2024. A complete history of the project, including links to submittal materials and past meeting materials, is on the webpage for the project, available at the following link:

<https://www.sedonaaz.gov/your-government/departments/community-development/projects-and-proposals/the-village-at-saddlerock-crossing-oxford-hotel>

At the March public hearing, Council voted to continue the public hearing for a maximum of six (6) months to allow the applicant additional time to address outstanding issues. This Agenda Bill outlines the changes to the project since the March meeting and should be seen as a supplement to the Agenda Bill and project documentation provided to Council in March. Public comments received since the March meeting are included as Exhibit F.

Revised Development Submittal

The applicant submitted a revised development application on July 31, 2024. Due to the file size of those plans, the revised plans are not attached to this Agenda Bill, but are included at the link above. The applicant’s summary of changes is included as Exhibit B. These are summarized below, with additional Staff comments.

Please note that, due to the time frames required to complete this Agenda Bill, there was not enough time to provide comments or corrections to the applicant on their revised plans and receive a resubmittal. If the project were to move forward, Staff has included a

recommendation for revised conditions of approval to ensure outstanding issues can be addressed at the building permit stage.

1. **Good Neighbor Policy:** Outlines the policies and the commitments the applicant has made to address concerns of the Saddlerock community.
 - a. **Staff Comment:** While this may address concerns of the community, the entire agreement should be incorporated into the Development Agreement to ensure it is enforceable.
2. **Hotel/Residential Unit Counts:** Reduced hotel rooms from 110 to 100 and increased multifamily units from 40 to 46. Hotel room reduction was achieved by changing the floor plan of the north hotel building and consolidating rooms into larger suites. Increase in multifamily units achieved by changing some of the 2-bedroom units into 1-bedroom units.
 - a. **Staff Comments:**
 - i. Recommended conditions of approval have been updated to reflect new numbers.
 - ii. The project plans have not been consistently updated with the new layouts and sufficient information to review for compliance has not been provided.
3. **Hotel Floor Plan:** North wing has been reduced from 34 guest rooms to 24 guest rooms by consolidating standard guest rooms into larger premium suites, in response to concerns about overall hotel density and a desire to see guest rooms compete with STRs. Removed hot tubs from balconies of certain suites.
 - a. **Staff Comments:**
 - i. The building footprints have changed, and site plans have not been updated.
 - ii. The locations of the stairwells and elevators have changed, without updated roof plans or height analysis.
 - iii. There is a note on the floor plan that the building will be moved 5' closer to the highway. The site plans have not been updated and it is unclear whether there is 5' between the former location of the building and the setback to move the building.
 - iv. Updated elevations have not been provided.
 - v. Massing and height requirements will need to be reviewed for once a full set of updated plans has been provided.
4. **Multifamily South Floor Plans:** Increased multifamily count from 40 to 46 units by dividing up space within the buildings as previously designed. In addition, sizes of decks were reduced and a screen wall extended on west cluster to screen an east-facing balcony.
 - a. **Staff Comments:**
 - i. Majority of these changes are regarding the internal layout of the buildings and do not affect the external appearance of the buildings.
 - ii. It is unclear where the extended screen wall is on the plans. Additional details will be required.

5. **Bike Racks:** Removed bike racks for five (5) bikes closes to Saddlerock Circle at request of residents.
 - a. **Staff Comment:** The site provided an excess of bicycle parking, so bicycle parking requirements are still met.
6. **Saddlerock Circle Sidewalk Extension:** Removed the sidewalk from the southwest corner of the site to Valley View Drive at the request of the residents.
 - a. **Staff Comment:** Extension of the sidewalks along Saddlerock Circle is a strategy to address the CFA Goal of a more walkable community and providing a connected network of sidewalks and trails (See Soldiers Pass CFA Plan, page 17).
7. **Screening of Ground-Floor Outdoor Dining:** Added site plan note to provide screening of western edge of ground-floor outdoor dining area at request of residents concerned about noise/light.
 - a. **Staff Comment:** No details of this screening have been provided.
8. **Dog Park:** Added dog park to provide area for pets of registered guests to play, relive themselves, etc. Added at the request of Saddlerock residents to discourage hotel guests from using the Saddlerock neighborhood for dog walking and dog relief.
 - a. **Staff Comment:** No comment.
9. **Directional Signage:** Added “No Right Turn – Not a Through Street” sign at Elk Road Driveway and “No Left Turn – Local Traffic Only” at Saddlerock Circle driveway. Responsive to concerns expressed regarding cut-through traffic.
 - a. **Staff Comment:** No comment.
10. **Parking Study:** Updated to reflect new hotel room and multifamily unit numbers. Overall parking requirement reduced from 193 to 188.
 - a. **Staff Comment:** No comment.
11. **Updated Plans:** The Architectural Plans were updated to address deficiencies noted by Staff that were required to be fixed prior to issuance of building permits.
 - a. **Staff Comments:** While there have been modifications made to the plans, they do not fully address the deficiencies noted in the previous review. If the project moves forward, Staff would not recommend any changes to the conditions of approval based on these changes, as all items would still need to be reviewed at the building permit phase of the project. These items include, but are not limited to:
 - i. **Heights & Massing:** While some additional information has been provided, the buildings still do not meet massing requirements and the height plans for the redesigned North Wing have not been updated.
 - ii. **Lot Coverage:** While some additional information has been provided, it still not clear how all site elements are being counted when building coverage and impervious coverage are calculated.
 - iii. **Sign Lighting:** It is not clear where sign lighting has been added to the lighting plan.

- iv. **Landscape Plan:** The landscape plan does not appear to have been updated to show the site plan changes that have occurred since the first P&Z Public Hearing.

Development Agreement

In addition to the revised plans, the applicant has also submitted a draft Development Agreement for Council consideration (Exhibit C). The Development Agreement is intended to address the affordability commitments from the applicant along with operational aspects of the project. The Development Agreement has been reviewed by Community Development Staff along with the City Attorney to ensure that it accurately reflects the commitments that the applicant has made through their project documents as well as statements made in previous public hearings.

Staff Recommendation

As outlined in the staff report, Staff’s recommendation was denial for both the Zone Change and Development Review applications based on lack of compliance with applicable Community Plan and CFA Plan goals and Land Development Code criteria as enumerated in the Planning and Zoning Commission Staff Reports.

Planning and Zoning Commission Recommendation

The Planning and Zoning Commission held a public hearing on this item on November 7, 2023, at which time they reviewed the application submitted by the applicant, the materials provided by staff, asked questions of staff and the applicant, and took public comment. At that meeting, the Commission voted to continue the public hearing to February 6, 2024, to allow the applicant the opportunity to address the deficiencies of the projected noted in the staff report.

At the continued public hearing on February 6, 2024, Staff continued to recommend denial of the project, as outlined in the packet provided to the Commission for that meeting (Exhibit D).

The Commission voted to approve the Development Review and recommend approval of the Zone Change to City Council on a 4-2 vote (Chair Levin and Commissioner Hirst opposed, Commissioner Braam was excused). The commissioners voting in favor of the project stated that they believed the project is in compliance with the Community Plan and CFA Plan. The Commissioners who voted against the project were in agreement with Staff’s evaluation.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

The commitments to Sustainability/Climate Action Plan have been included in the draft development agreement.

Board/Commission Recommendation: Applicable - Not Applicable

The Planning and Zoning Commission held a public hearing on this item on November 7, 2023. At that meeting, they continued the item to February 6, 2024. At the February 6, 2024 meeting, the Commission recommended approval of the Zone Chage and approved the Development Review on a 4-2 vote (Chair Levin and Commissioner Hirst opposed, Commissioner Braam was excused), subject to the recommended conditions of approval in Exhibit F.

Alternative(s): Council can choose to approve (Planning and Zoning Commission Recommendation) or deny (Staff Recommendation) the Zone Change. Motions for both are included below.

Though the Planning and Zoning Commission approved the associated Development Review, the first Development Review condition of approval states “If the City Council does not approve PZ19-00005 (ZC), this development review approval shall become null and void.” If the City Council does not approve the zone change, no further action is necessary for the development review application.

If Council chooses to approve the Zone Change, they would also have the option of approving the Development Agreement. A motion for that is included below.

MOTION

Motions for Approval (Zone Change and Development Agreement)

I move to: approve Ordinance No. 2024-___, regarding case number PZ 19-00005 (ZC), Village at Saddlerock Crossing, rezoning the property identified herein from its present designation of CO (Commercial) & RM-2 (Medium-High Density Multifamily) to L (Lodging), based on compliance with ordinance requirements, consistency with the Sedona Community Plan, Soldiers Pass CFA Plan, Transportation Master Plan, GO! Sedona Pathways Plan, Climate Action Plan, the Land Development Code, and the requirements for approval, as specified in LDC Sections 8.3 and 8.6, and satisfaction of the Zone Change findings and applicable Land Development Code requirements, and conditions of approval as recommended by the Planning and Zoning Commission.

I move to: approve Resolution 2024-___ authorizing the City of Sedona to enter into a development agreement with Baney Corporation for the development of a lodging and multifamily residential mixed-use project at 1259 & 1335 W State Route 89A; 82 & 86 Saddlerock Circle; and 105 Elk Road.

Motion for Denial (Zone Change)

I move to: deny the proposed zoning request as set forth in case number PZ19-00005 (ZC), Village at Saddlerock Crossing, based on lack of compliance with ordinance requirements, inconsistency with the Sedona Community Plan, Soldiers Pass CFA Plan, Transportation Master Plan, GO! Sedona Pathways Plan, Climate Action Plan, the Land Development Code, and the requirements for approval, as specified in LDC Sections 8.3 and 8.6, and failure to satisfy the Zone Change findings and applicable Land Development Code requirements as outlined in the staff report, this Agenda Bill 3035, and accompanying exhibits, which staff report, Agenda Bill, and exhibits are hereby adopted as the findings of the City Council.

ORDINANCE NO. 2024-__

**THE VILLAGE AT SADDLEROCK CROSSING
PZ 19-00005 (ZC)**

AN ORDINANCE OF THE OF THE CITY OF SEDONA, ARIZONA, REZONING THAT PROPERTY DESCRIBED HEREIN FROM ITS PRESENT DESIGNATION OF CO (COMMERCIAL) AND RM-2 (MEDIUM/HIGH DENSITY MULTI FAMILY RESIDENTIAL) TO L (LODGING); ESTABLISHING CONDITIONS OF SUCH REZONING; DIRECTING THE AMENDMENT OF THE ZONING MAP UPON COMPLETION OF ALL ZONING CONDITIONS SET FORTH HEREIN; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND ESTABLISHING AN EFFECTIVE DATE.

RECITALS:

WHEREAS, the Planning and Zoning Commission has formally considered the proposed rezoning, following proper notice and a hearing on February 6, 2024, and has recommended approval of the requested rezoning, subject to the recommended conditions of approval;

WHEREAS the City Council has considered the probable impact of this ordinance on the cost to construct housing for sale or rent; and

WHEREAS, City Council has read and considered the staff reports prepared by the Community Development Department staff and all attachments to those reports, the applicant's application, the narrative provided by the applicant and all statements made by the applicant and its representatives during the presentations to the Planning and Zoning Commission and to City Council, City Council finds that the proposed rezoning meets the findings required by the Sedona Land Development Code (LDC) Section 8.6.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA AS FOLLOWS:

Section 1. Description and Rezoning

The subject property, as depicted in Exhibit A, consists of Yavapai County Assessor's Parcels 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088, containing approximately 6.3 acres, and is located between Saddlerock Circle and Elk Road south of W State Route 89A in Sedona, Arizona, a legal description and zoning map of which is attached as "Exhibit A" and incorporated by this reference.

The owner/applicant desires to rezone the property from its present designation of CO (Commercial) and RM-2 (Medium/High Density Multifamily Residential) to L (Lodging), allowing for a 100 room hotel and a 46 unit multi family development, upon completion of all conditions as set forth in Exhibit A, based on conformance with the requirements for approval of a zone change and consistency and conformance with the Community Plan, Soldiers Pass CFA Plan, and subject to all applicable ordinance requirements and based on the Planning and Zoning Commission and City Council's findings.

Section 2. Zoning Map

The zoning map of the City of Sedona is hereby amended to reflect this rezoning, and at least three (3) copies of the map shall be kept in the office of the City Clerk for public use and inspection.

Section 3. Repeal

All ordinances and parts of ordinances in conflict with this Ordinance are repealed to the extent of such conflict.

Section 4. Effective Date

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona, this 24th day of September, 2024.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

Exhibit A

PZ19-00005 (ZC): The Village at Saddlerock Crossing Legal Description, Zoning Map, and Conditions of Approval

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

Zone Change Request:

CO (Commercial) and RM-2 (Medium/High Density Multifamily Residential) to L (Lodging)

LEGAL DESCRIPTION

PARCEL 1:

A PARCEL OF GROUND LYING IN SECTION 12 AND 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT THE E-W-W 1/256 CORNER OF SECTION 12 AS MARKED BY A FOUND 1949 G.L.O. BRASS CAP MONUMENT FROM WHICH, A FOUND 1949 G.L.O. BRASS CAP MONUMENT AT THE SOUTHEAST CORNER OF SECTION 12 LIES SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST (BASIS OF BEARINGS PER DOCUMENT RECORDED IN BOOK 1154 OF OFFICIAL RECORDS, PAGE 430 HEREAFTER REFERRED TO AS R1), A DISTANCE OF 4187.63 FEET;
THENCE SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST, 1610.87 FEET TO A POINT FOR THE CALCULATED POSITION OF THE SOUTH QUARTER CORNER OF SECTION 12 AS PERPETUATED FROM PREVIOUS SURVEYS;
THENCE CONTINUING SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST, 708.93 FEET (RECORD 709.75 FEET PER R1 ALSO, 710.50 FEET RECORD PER DOCUMENT RECORDED IN BOOK 587 OF OFFICIAL RECORDS, PAGE 52 HEREAFTER REFERRED TO AS R2) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "LS 5541" AT THE TRUE POINT OF BEGINNING;
THENCE NORTH 00 DEGREES, 05 MINUTES, 44 SECONDS WEST, 40.34 FEET (RECORD NORTH 00 DEGREES, 14 MINUTES, 01 SECONDS EAST, 40.46 FEET PER R1) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "MINUS RLS 5541" AT A POINT OF CURVATURE;
THENCE THROUGH A CENTRAL ANGLE OF 16 DEGREES, 57 MINUTES, 36 SECONDS ALONG AN ARC LENGTH OF 92.30 FEET ON A CURVE TO THE RIGHT WITH A RADIUS OF 311.81 FEET, THE CHORD OF SAID CURVE BEARS NORTH 09 DEGREES, 03 MINUTES, 40 SECONDS EAST, 91.96 FEET, (RECORD LENGTH 91.91 FEET, RADIUS OF 311.81 FEET, CENTRAL ANGLE 16 DEGREES, 53 MINUTES, 17 SECONDS PER R1) TO A FOUND 1/2 INCH REBAR AT A POINT OF REVERSE CURVATURE;
THENCE THROUGH A CENTRAL ANGLE OF 13 DEGREES, 30 MINUTES, 14 SECONDS ALONG AN ARC LENGTH OF 105.05 FEET ON A CURVE TO THE LEFT WITH A RADIUS OF 445.72 FEET, THE CHORD OF SAID CURVE BEARS NORTH 09 DEGREES, 58 MINUTES, 20 SECONDS EAST, 104.81 FEET (RECORD LENGTH 105.45 FEET, RADIUS OF 445.72 FEET, CENTRAL ANGLE 13 DEGREES, 30 MINUTES, 14 SECONDS PER R1) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "MINUS RLS 5541" FROM WHICH, A FOUND 1/2 INCH REBAR, NO TAG OR CAP, LIES NORTH 77 DEGREES, 44 MINUTES, 08 SECONDS EAST 0.72 FEET;
THENCE NORTH 03 DEGREES, 33 MINUTES, 56 SECONDS EAST, 129.02 FEET (RECORD NORTH 03 DEGREES, 34 MINUTES, 01 SECONDS EAST, 129.12 FEET PER R1) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015" ON THE SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 89A FROM WHICH, A FOUND 1/2 INCH REBAR WITH CAP STAMPED "LANDMARK LS 14184" LIES NORTH 81 DEGREES, 18 MINUTES, 28 SECONDS WEST (RECORD NORTH 81 DEGREES, 18 MINUTES, 49 SECONDS WEST PER R1) A DISTANCE OF 364.79 FEET;
THENCE SOUTH 81 DEGREES, 18 MINUTES, 28 SECONDS EAST, 200.84 FEET (RECORD SOUTH 81 DEGREES, 18 MINUTES, 49 SECONDS EAST, 200.84 FEET PER R1) TO A FOUND A.D.O.T. ALUMINUM CAP IN CONCRETE AT STATION 1053+00;
*THENCE SOUTH 81 DEGREES, 19 MINUTES, 46 SECONDS EAST, 3.29 FEET (RECORD SOUTH 81 DEGREES, 48 MINUTES, 00 SECONDS EAST PER R2 3.35 FEET PER RESULTS OF SURVEY PLAT PREPARED BY JOE JONES, RLS, JOB NO. 88-53) TO A FOUND 1 INCH IRON PIPE;
THENCE SOUTH 03 DEGREES, 32 MINUTES, 22 SECONDS WEST, 150.61 FEET (RECORD SOUTH 03 DEGREES, 34 MINUTES, 01 SECONDS WEST 150.50 FEET PER R1) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015";
THENCE SOUTH 81 DEGREES, 18 MINUTES, 28 SECONDS EAST, 131.05 FEET (RECORD SOUTH 81 DEGREES, 48 MINUTES, 00 SECONDS EAST, PER R2 AND 129.90 FEET PER DOCUMENT RECORDED IN BOOK 1239 OF OFFICIAL RECORDS, PAGE 545 HEREAFTER REFERRED TO AS R3) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015" FROM WHICH A FOUND 3/4 INCH IRON PIPE LIES NORTH 00 DEGREES, 13 MINUTES, 22 SECONDS EAST, 151.70 FEET (RECORD 151.50 FEET PER R3);
*THENCE SOUTH 00 DEGREES, 13 MINUTES, 22 SECONDS WEST, 20.62 FEET (RECORD SOUTH 20.90 FEET PER A RESULTS OF SURVEY PREPARED BY LEROY GABERAL, P.E. SEALED ON JULY 19, 1971);
THENCE SOUTH 00 DEGREES, 23 MINUTES, 18 SECONDS WEST 94.34 FEET (RECORD SOUTH 94.91 FEET PER R2) TO A FOUND 1/2 INCH REBAR;
THENCE SOUTH 00 DEGREES, 19 MINUTES, 53 SECONDS WEST, 169.80 FEET (RECORD SOUTH 168.70 FEET PER R2) TO A FOUND 1/2 INCH REBAR FROM WHICH, A FOUND 1/2 INCH REBAR WITH CAP STAMPED "LS 2626" LIES NORTH 01 DEGREES, 56 MINUTES, 28 SECONDS EAST 3.50 FEET;
THENCE NORTH 89 DEGREES, 18 MINUTES, 17 SECONDS WEST, 139.66 FEET (RECORD NORTH 9 DEGREES, 58 MINUTES, 00 SECONDS WEST 140.00 FEET PER R2) TO A FOUND 1/2 INCH REBAR;
THENCE NORTH 89 DEGREES, 33 MINUTES, 49 SECONDS WEST, 217.93 FEET (RECORD NORTH 89 DEGREES, 43 MINUTES, 59 SECONDS WEST 218.34 FEET PER R1) TO A FOUND 1/2 INCH REBAR;
THENCE NORTH 00 DEGREES, 05 MINUTES, 44 SECONDS WEST, 98.10 FEET (RECORD NORTH 00 DEGREES, 14 MINUTES, 01 SECONDS EAST 98.10 FEET PER R1) TO THE TRUE POINT OF BEGINNING.
(AFFECTS PARCELS 408-26-014, 408-26-013, 408-26-086A AND 408-26-010)
THE SURVEYOR BELIEVES THE CALLS MARKED WITH AN "" ARE REFERENCE CALLS AND NOT LINES ALONG THE PROPERTY BOUNDARY.

PARCEL 2:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT ON THE SOUTHERLY 60 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A, THAT LIES NORTH 60°03' EAST, 754.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;
THENCE SOUTH 81°48' EAST, 290.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;
THENCE SOUTH 81°48' EAST, 100.0 FEET ALONG SAID RIGHT-OF-WAY LINE;
THENCE SOUTH, 151.5 FEET;
THENCE NORTH 81°48' WEST, 108.0 FEET;
THENCE NORTH 3°20' EAST, 150.5 FEET TO THE POINT OF BEGINNING.
(AFFECTS 408-26-012-6)

PARCEL 3:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT ON THE SOUTHERLY 66 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A, THAT LIES NORTH 60°03' EAST, 754.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;
THENCE SOUTH 81°48' EAST, 290.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;
THENCE SOUTH 81°48' EAST, 21.9 FEET ALONG SAID RIGHT-OF-WAY LINE;
THENCE SOUTH, 151.5 FEET;
THENCE NORTH 81°48' WEST, 21.9 FEET;
THENCE NORTH, 151.5 FEET TO THE POINT OF BEGINNING.
(AFFECTS 408-26-011-3)

Exhibit A

PZ19-00005 (ZC): The Village at Saddlerock Crossing Legal Description, Zoning Map, and Conditions of Approval

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

Zone Change Request:

CO (Commercial) and RM-2 (Medium/High Density Multifamily Residential) to L (Lodging)

LEGAL DESCRIPTION (CONT'D)

PARCEL 4:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 13:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A DISTANCE OF 1,239.19 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A CAP MARKED LS #19853 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 100.00 FEET TO A 1/2 INCH REBAR;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST A DISTANCE OF 270.28 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF BEGINNING.
EXCEPT THE FOLLOWING DESCRIBED PARCEL:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN PLASTIC DISC MARKED LS# 19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF- WAY OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT OF BEGINNING.
ALSO EXCEPT ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-009C AND 408-26-009A)

PARCEL 5:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 12:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A DISTANCE OF 1,239.19 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A CAP MARKED LS#19853 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 100.00 FEET TO A 1/2 INCH REBAR;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST A DISTANCE OF 270.28 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF BEGINNING.
EXCEPT THE FOLLOWING DESCRIBED PARCEL:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN PLASTIC DISC MARKED LS# 19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF- WAY OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT OF BEGINNING.
ALSO EXCEPT ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-088 AND 408-26-004B)

PARCEL 6:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER, 1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN PLASTIC DISC MARKED LS#19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF-WAY OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT OF BEGINNING.
EXCEPT THEREFROM ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-004C-0)

Exhibit A

PZ19-00005 (ZC): The Village at Saddlerock Crossing Legal Description, Zoning Map, and Conditions of Approval

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

Zone Change Request:

CO (Commercial) and RM-2 (Medium/High Density Multifamily Residential) to L (Lodging)

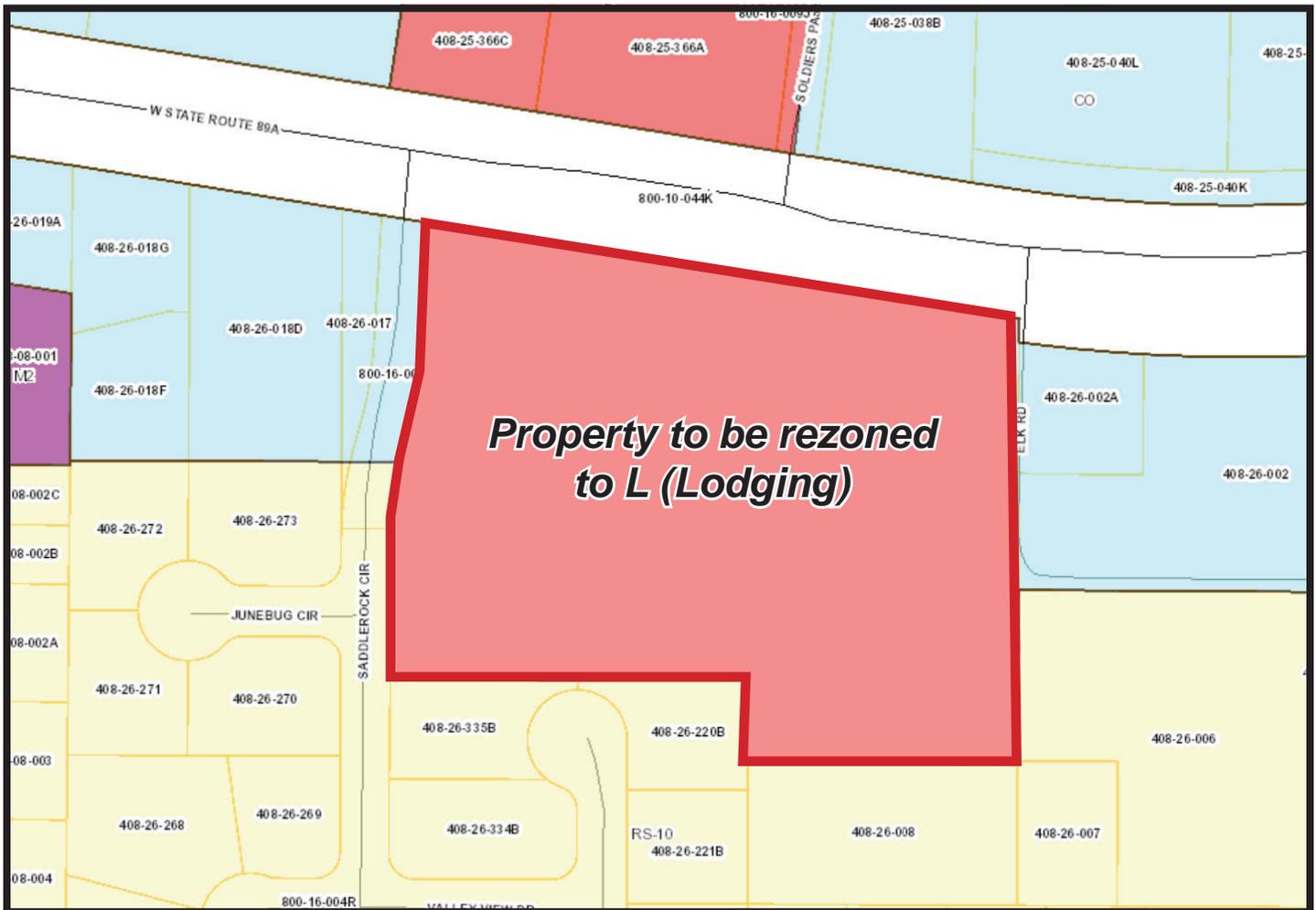


Exhibit A

PZ19-00005 (ZC): The Village at Saddlerock Crossing Legal Description, Zoning Map, and Conditions of Approval

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

Zone Change Request:

CO (Commercial) and RM-2 (Medium/High Density Multifamily Residential) to L (Lodging)

Conditions of approval to be added after approval by City Council

RESOLUTION NO. 2024-__

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, APPROVING A DEVELOPMENT AGREEMENT WITH BANEY
CORPORATION FOR THE DEVELOPMENT OF A LODGING AND MULTIFAMILY
MIXED-USE PROJECT AT 1259 & 1335 W STATE ROUTE 89A; 82 & 86
SADDLEROCK CIRCLE; AND 105 ELK ROAD.**

WHEREAS, the City is authorized pursuant to A.R.S. §§ 9-441 et seq. and 9-500.05 to enter into development agreements with businesses or landowners located in the City; and

WHEREAS, the City Council held a public hearing on September 24, 2024, and approved Ordinance 2024-__, approving the associated rezoning application; and

WHEREAS, one of the conditions of approval requires that the applicant enter into a Development Agreement with the City to address lease term and affordability commitments for the multifamily units and operational commitments for the lodging component of the project,

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 with Baney Corporation, which provides for lease term and affordability restrictions for a multi-family development and operational and parking restrictions for the lodging use located at 1259 & 1335 W State Route 89A; 82 & 86 Saddlerock Circle; and 105 Elk Road, Sedona, Arizona.

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 24th day of September, 2024.

Scott M. Jablow, Mayor

ATTEST:

JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:

Kurt W. Christianson, City Attorney

WHEN RECORDED RETURN TO:

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

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is made as of the 24th day of September, 2024, by and between the CITY OF SEDONA, ARIZONA, an Arizona municipal corporation (the "**City**") and BANEY CORPORATION, an Oregon domestic business corporation (the "Owner"). The City and the Owner are sometimes referred to in this Agreement collectively as the "**Parties**," or individually as a "**Party**."

RECITALS

A. BANEY CORPORATION (the "Owner") owns that certain real property located south of the intersection of State Route 89A and Soldiers Pass Road in Sedona, Arizona, which consists of approximately 6.36 acres and is more particularly described on **Exhibit A** (the "**Property**").

B. It is the desire and current intention of the Owner to improve and develop the Property by constructing certain improvements consisting of a hotel with 100 lodging units, a restaurant, and a rooftop lounge (the "Hotel") and 46 multi-family apartment units as contemplated in Sedona case number PZ19-00005 (ZC, DEV) (the "Project").

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

D. The Parties desire to enter into this Agreement in order, among other things, to facilitate development of the Property by providing for and establishing the community character of the Property, the type of land uses and the location, density, and intensity of such land uses, designating forty-six (46) residential units for affordable rental housing, and other matters relating to the development of the Property as depicted in the preliminary site plan for the Project (the "**Site Plan**"), a copy of which is attached as **Exhibit B** and incorporated by reference in this Agreement.

E. The City believes that the development of the Property pursuant to this Agreement would provide certain benefits to the City, and the Owner believes that the development of the Property pursuant to this Agreement would be beneficial and advantageous to the Owner.

AGREEMENT

Now, therefore, in consideration of the foregoing recitals and representations and the mutual promises contained in this Agreement, the Parties agree as follows:

1. **Definitions.**

In this Agreement, unless a different meaning clearly appears from the context:

1.1 **"Agreement"** means this Agreement, as amended and restated or supplemented in writing from time to time, and includes all attached exhibits and schedules. References to Sections or Exhibits are to this Agreement unless otherwise qualified. The Recitals set forth in Paragraphs A through E, inclusive, are incorporated by reference and form a part of this Agreement but are not intended to expand the scope, number or nature of the City's or Owner's obligations beyond those expressly set forth in the numbered Sections of this Agreement.

1.2 **"Applicable Laws"** means as defined in Section 8.1.

1.3 **"Application"** means as defined in Section 3.

1.4 **"Approvals"** means all approvals, consents and permits necessary pursuant to Applicable Laws and encumbrances recorded against the Property for the development of the Project.

1.5 **"City"** means the Party designated as City on the first page of this Agreement.

1.6 **"City Representative"** means as defined in Section 13.1.

1.7 **"Default"** or **"Event of Default"** means one or more of the events described in Section 12.1 or 12.2; provided, however, that such events shall not give rise to any remedy until effect has been given to all grace periods and cure periods provided in Section 12.3 and/or periods of Force Majeure provided for in Section 12.6 and that in any event the available remedies shall be limited to those set forth in Section 12.4.

1.8 **"Owner Representative"** means as defined in Section 13.1.

1.9 **"Effective Date"** means the date first set forth above as of which this Agreement has been adopted and approved by the City Council and executed by duly authorized representatives of the City and the Owner.

1.10 **"Force Majeure"** means as defined in Section 12.6.

1.11 **"Lender"** or **"Lenders"** means as defined in Section 14.21.

1.12 **"Party"** or **"Parties"** means as designated on the first page of this Agreement.

1.13 **"Project"** means as defined in Recital B.

- 1.14 "Property" means as defined in Recital A.
- 1.15 "Term" shall mean ten (10) years from the Effective Date.
- 1.16 "Third Party" means any person other than a Party.

2. **Recitals.** The recitals above, A through F are incorporated into this Agreement.

3. **Zone Change and Development Review Application.** The Owner has submitted an application for a zone change to rezone the Property from Commercial (CO) and Medium-High Density Multifamily (RM-2) to Lodging (L) in accordance with the Site Plan in Zoning and Development Review case PZ19-00005 (ZC, DEV) (the "Application"). The Owner and the City shall work together using reasonable efforts throughout the development stages to resolve any City comments regarding implementation of the Applications. Subject to Applicable Laws, the City and the Owner will cooperate reasonably in processing the approval or issuance of any permits, plans, specifications, plats or other development approvals requested by the Owner in connection with development of the Project. All decisions by the City regarding Owner's compliance with this Development Agreement and the Applications shall be made by the City Representative (as designated in Section 13.1).

4. **Development Standards.** Unless otherwise modified by this Agreement, the development of the Property shall be governed by the Development Plan and adopted Conditions of Approval for the property approved under PZ19-00005 (ZC, DEV); City's ordinances, rules, guidelines, and policies controlling permitted uses of the Property; the density and intensity of uses, the maximum height and size of the buildings within the Property; as well as the standards for off-site and on-site public improvements in existence as of the effective date of this Agreement as well as any Rezoning Conditions and requirements set forth in this Agreement.

5. **Project Description.** The Project contemplated by this Agreement shall consist of a 100-guestroom hotel (the "Hotel") and a 46-unit multi-family housing development (the "Apartments") as set forth in the Site Plan. The multi-family housing development will consist of twenty-four (24) studio units, sixteen (16) one-bedroom units and six (6) two-bedroom units. All rental units will be permanently affordable and subject to the Housing Plan, attached as **Exhibit C** and incorporated by reference in this Agreement, and to the Workforce Housing requirements of Section 6.3. The Owner may request subsequent amendments to the Site Plan in accordance with the Sedona Land Development Code ("LDC").

6. **Covenants of Owner.** Owner agrees as follows:

6.1 **Sustainability Commitments.**

a. **Green Hotel Measures:** As part of the Project, the Owner has identified several "Green Hotel Measures" that will be incorporated into the Hotel to enhance the long-term environmental sustainability of the Project. Consequently, the following items shall be incorporated into the development and operations of the Hotel:

i. In-room recycling program.

- ii. Recycling receptacles in public areas and back-office areas.
 - iii. Composting of food waste.
 - iv. Low-flow bathroom fixtures in Hotel guest rooms and common areas.
 - v. Dual-flushing toilets in Hotel guest rooms.
 - vi. Energy Star appliances throughout the Hotel.
 - vii. Thermostat occupancy sensors in guest rooms.
 - viii. Automatic light sensors in Hotel guest rooms, bathrooms, and hallways.
 - ix. LED lighting for all ceiling and wall fixtures.
 - x. Five (5) tankless filtered water coolers and water bottle fill stations.
 - xi. Non-chemical-based Ozone cleaning system.
 - xii. Saline-based pool and spa sanitation system.
 - xiii. Bulk soap amenities in Hotel guest room showers.
 - xiv. Cold water hotel laundry system.
 - xv. Prohibition of single-use plastic water bottles at Hotel.
- b. APS Green Choice: The Owner shall enroll in Arizona Public Service's ("APS") Green Choice program or an equivalent renewable energy program offered/available once the Project is completed and operational.
- c. Construction Materials Management: The Owner and its general contractor shall utilize a Construction and Demolition Waste Management Plan to identify different types of construction waste, collection locations on site, disposal methods, handling procedures, and recycling/disposal location(s). This plan will be provided to the City of Sedona prior to the commencement of construction.

6.2 Parking. The Project utilizes a shared parking model due to the overlap of several related land uses that will occur on the Property, particularly the Hotel's meeting space, restaurant, and rooftop lounge. Parking for these areas will be managed as follows:

- a. Restaurant and Rooftop Lounge: A minimum fifty percent (50%) of the seating capacity for both the ground-floor restaurant and rooftop lounge as identified on the Site Plan shall be reserved for registered guests of the Hotel at all times. The remaining seating capacity for both the ground floor restaurant and rooftop lounge shall be available to the general public by reservation only. The Hotel shall not accept walk-in guests for the restaurant or rooftop lounge who are not registered guests of the Hotel. Reservations shall be managed by the Hotel's digital point-of-sale reservation system.

For the purposes of Section 6.2(a), the owners of lots in the Saddlerock Homes subdivision, as recorded in Book 20, Page 58 of the Yavapai County Recorder's Office and the owners of Yavapai Assessor Parcel

Numbers 408-26-008 and 408-26-007 (collectively “Saddlerock Residents”), shall be treated the same as registered guests of the Hotel. Upon demonstrating proof of ownership to the Hotel, Saddlerock Residents shall be permitted as walk-in guests at both the ground floor restaurant and rooftop lounge so long as seating capacity is available.

- b. Hotel Meeting Space: The meeting space in the basement level of the Hotel as identified in the Site Plan (the “Meeting Space”) shall be used only by registered guests of the Hotel. The Meeting Space shall not be leased or rented out to the general public.
- c. Parking Survey: The Owner shall conduct a parking demand survey no earlier than twelve (12) months after a final certificate of occupancy has been issued for the Project. The survey shall count the number of vacant parking spaces on the Property during the afternoon peak traffic hour for a period of fourteen (14) consecutive days (the “Parking Survey”). The Survey shall be submitted to the City for review no later than eighteen (18) months after a final certificate of occupancy has been issued for the Project .
- d. Remedies: If, during the Parking Survey, there are more than two (2) days in which there are no available parking spaces on the Property at the time of the survey count, the Parties shall proceed with the following steps:
 - i. The Owner shall be provided with a 180-day period to cure the parking deficiency. During this period, the Owner may pursue mitigation measures including, but not limited to:
 - 1. Expansion of mandatory valet services
 - 2. Off-site parking agreement(s)
 - 3. Hiring a designated parking manager
 - 4. Expansion of shuttle services to include transportation of general public guests with reservations at the restaurant and rooftop lounge
 - ii. At the end of the 180-day cure period, the Owner shall conduct a Parking Survey using the criteria identified in Section 6.2c. and submit it to the City for review (the “Second Parking Survey”).
 - iii. If, during the Second Parking Survey, there are more than (2) days in which there are no parking spaces available on the Property at the time of the survey count, the Owner shall immediately reserve seventy-five percent (75%) of Hotel

restaurant and rooftop lounge seating capacity for registered Hotel guests at all times (the “Intermediate Restriction”).

- iv. Ninety (90) days after the Intermediate Restriction is instituted, the Owner shall conduct a Parking Survey using the criteria identified in Section 6.2c. and submit it to the City for review (the “Third Parking Survey”).
- v. If, during the Third Parking Survey, there are more than (2) days in which there are no parking spaces available on the Property at the time of the Parking Survey count, the Owner shall immediately reserve one hundred percent (100%) of Hotel restaurant and rooftop lounge seating capacity for registered Hotel guests at all times (the “Final Restriction”).
- e. Reversion: The Owner may continue to pursue parking mitigation measures at any point in the Remedies process outlined in Section 6.2d. If the Owner demonstrates, to the satisfaction of the City Representative, that adequate parking capacity exists to support the desired percentage of public seating capacity in the Hotel restaurant and rooftop lounge, the City Representative may modify the percentage of seating capacity reserved for registered Hotel guests accordingly.
- f. Apartments: Parking for tenants of the Apartments shall be reserved parking only. Tenants shall be limited to a maximum of one space/vehicle per studio unit or one-bedroom unit and a maximum of two spaces/vehicles per two-bedroom unit.

6.3 Workforce Housing. Owner agrees to provide a workforce housing contribution of one hundred percent (100%) of the forty-six (46) residential units proposed for the Apartments. Owner shall provide for the long-term management of the Apartments at the following U.S. Department of Housing and Urban Development (HUD) Yavapai County Area Median Income (“AMI”) levels, as defined by HUD, or its successors:

Table 6.3

	Studio	1 Bedroom	2 Bedroom
80% AMI Rent	12 Units	8 Units	N/A
100% AMI Rent	12 Units	8 Units	3 Units
120% AMI Rent	N/A	N/A	3 Units

Owner agrees to maintain the Apartments at the income and rent levels identified in Table 6.3 for fifty (50) years after the units are placed into service or for as long as the Property is used for any hotel or lodging use. Owner will comply with the affordable housing requirements set forth in the Housing Plan attached as Exhibit C. The Housing Plan may be modified only with the express written consent of the City Representative.

Owner's property manager shall not discriminate against an applicant's source of income and will accept HUD Housing Choice Vouchers and Veterans Affairs Supportive Housing ("VASH") Vouchers. No limits will be set on the number of vouchers accepted at the Project. Standards for applicant income shall be waived for voucher holders, as the rent affordability is reviewed and determined by the Sedona Community Development Department.

The provisions of **Section 6.3** shall survive the termination of this Agreement.

6.4 Lease Terms. Lease agreements for the Apartments shall include the following terms and conditions:

- a. The minimum lease term shall be ninety (90) days.
- b. A prospective tenant assuming an existing lease/subletting from an existing tenant shall be subject to the same qualifications and tenant screening requirements as outlined in the Housing Plan attached as Exhibit C. All lease assumptions, subleases, or sublets shall not be for less than the remaining term of the lease or 30 days, whichever is greater.
- c. Tenants and guests of tenants shall not park in the Saddlerock Homes neighborhood.
- d. Tenant(s) must keep the balcony or patio free from garbage and debris. No personal property may be kept or stored on the balcony or patio, including barbeque grills. Only outdoor furniture is permitted on the balcony or patio. Nothing may be hung on or from the balcony or patio, including but not limited to clothing, towels, rugs, flags, and banners.
- e. Quiet hours will be observed from 9:00 pm to 8:00 am daily, and shall be in effect 7 days a week, 365 days a year. During these times, tenants agree not to:
 - i. Operate stereos, radios, televisions, and musical instruments in a manner that disturbs other tenants or neighbors
 - ii. Create or allow any noise or activity that disturbs other tenants or neighbors.
 - iii. Allow loud talking or other noise emanating from the unit that can be heard outside of the unit.
- f. No amplified music/audio source is permitted on balconies or patios at any time.

- g. Except for service animals or approved support animals for persons with disabilities, no dogs are permitted (even temporarily) in or about the Apartments.

6.5 Deliveries and Trash Pickup. Deliveries and trash pickup for the Project shall occur no earlier than 7:00 am and no later than 9:00 pm.

6.6 Cut-Through Traffic Mitigation. The Owner shall install a “No Left Turn – Neighborhood Residents Only” sign at the Saddlerock Circle exit, and a “No Right Turn – Not a Through Street” sign at the Elk Road exit.

6.7 Historical Society Contribution. The Owner will provide the Sedona Historical Society and Sedona Heritage Museum with a one-time contribution of twenty-five thousand dollars (\$25,000.00) for future improvements to Cook’s Cemetery. The contribution shall be provided no later than six (6) months after the Application is approved by the Sedona City Council.

6.8 Land Division/Subdivision or Condominium Conversion. The Owner agrees to combine all properties as shown on the development plans and that no further subdivision or splits of the property or a condominium conversion to divide the property into separate ownership units shall be permitted.

6.9 Good Neighbor Policy. Owner agrees to abide by the provisions of the Good Neighbor Policy, as amended from time to time, incorporated by this reference, and attached as Exhibit D.

6.10 The provisions and covenants of Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.8, and 6.9 shall survive the rescission, cancellation, expiration, or termination of this Agreement and shall remain in effect for a minimum of fifty (50) years or as long as a hotel is in operation on the Property, whichever is longer.

7. Covenants of City.

7.1 Rezoning Approval. Development of the Property shall be deemed “vested” when the Development Agreement is approved, executed, and recorded; all other Conditions of Approval are met; and construction of the Project as approved under PZ19-00005 (DEV) is complete. If the applicant does not complete construction of the Project, the City may initiate proceedings to revoke the zoning, subject to the provisions of Sedona Land Development Code Section 8.6.A(3)g.2 and applicable State statutes. City shall not initiate any amendments to the approved Applications.

No Further Legislative Action. The City agrees that no further legislative action by the City shall be required for the Owner and/or its successors and assigns to develop the Project in accordance with the Lodging rezone application. This Development Agreement is conditioned upon the successful rezoning of the Property to Lodging.

7.2 Plan Review for Project. The City shall review plans for private development within the Property, including new and renovated buildings, in accordance with the established time frames for review of building permits. Approval of such plans shall be granted or withheld on the basis of the most current standards and requirements.

7.3 No Other Dedications or Exactions. Except as expressly set forth herein or in Sedona City Code or Land Development Code (including Development Impact Fees, Wastewater Capacity Fee, Building Permit and Inspection Fees) (or on final Application documents), the City shall not require any other dedications or exactions in connection with the development of the Project in accordance with the Application approvals. Without limiting the generality of the foregoing, the Project shall not be included in any special improvement district or community facilities district, or similar special taxing district without the Owner's consent.

8. Development Regulation.

8.1 Applicable Laws. During the term of this Agreement, the City agrees that, in order to allow Owner and its successors and assigns to rely upon the continued validity of the provisions of the City's Land Development Code in effect upon the date of this Agreement regulating the development of the Property, Owner has the right to develop the Property in accordance with the approved application.

9. Indemnity; Risk of Loss.

9.1 Indemnity by the Owner. To the fullest extent permitted by law, Owner shall indemnify, defend, and hold harmless the City, and each council member, officers, boards, commissions, officials, employee or agent thereof (collectively the "City"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which the City may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) relate to, arise out of, or are caused by, or in connection with the negligent acts or omissions, recklessness or intentional misconduct of Owner, its officers, employees, agents or any tier of subcontractor in connection with Owner's performance of its obligations under this Agreement. In consideration of the award of this Agreement, Owner agrees to waive all rights of subrogation against the City for losses arising from Owner's performance of its obligations under this Agreement. The amount and type of insurance coverage requirements set forth in the Agreement will in no way be construed as limiting the scope of the indemnity in this Section. This indemnification survives the expiration or termination of this Agreement.

9.2 Indemnity by the City. The City shall indemnify, defend, and hold harmless the Owner and its officers, members and employees for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which the Owner may become subject, under any theory of liability whatsoever to the extent that such Claims (or actions in respect thereof) relate to, arise out of, or are caused by, or in connection with the negligent acts or omissions, recklessness or intentional misconduct of which the City is solely responsible, its council members, officers, boards, commissions, officials, employees, or agents thereof in

connection with the City's performance of its obligations under this Agreement. This indemnification survives the expiration or termination of this Agreement.

10. **City Representations.** The City represents and warrants to the Owner that:

10.1 The City's execution and delivery of this Agreement have been duly authorized and agreed to in compliance with the requirements of the Sedona City Code.

10.2 All consents and approvals necessary to the execution and delivery of this Agreement by the City have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

10.3 The City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to evidence and implement this Agreement.

10.4 The execution and delivery of this Agreement by the City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which the City is a party or is otherwise subject.

10.5 The City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

11. **Owner Representations.** The Owner represents and warrants to the City that:

11.1 The Owner has the full right, power and authorization to enter into this Agreement and to perform its obligations and undertakings under this Agreement, and the execution, delivery and performance of this Agreement by the Owner has been duly authorized and agreed to in compliance with the organizational documents of Owner.

11.2 All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

11.3 The Owner will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

11.4 As of the Effective Date, the Owner knows of no litigation, proceeding or investigation pending or threatened against or affecting the Owner, which could have a material adverse effect on the Owner's performance under this Agreement that has not been disclosed in writing to the City.

11.5 This Agreement (and each undertaking of the Owner contained herein) constitutes a valid, binding and enforceable obligation of the Owner, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Owner will, at its sole cost and expense, defend the validity and enforceability of this Agreement and each of its terms in the event of any proceeding or litigation which challenges the validity or

enforceability of any provision of this Agreement or the authority of the Owner or the City to enter into or perform any provision under this Agreement and shall indemnify the City against any cost, expense, liability or judgment (including attorney's fees, court costs and expert witnesses) incurred by the City in connection with any such litigation or proceeding. The severability and reformation provisions of Section 14.2 shall apply in the event of any successful challenge to this Agreement.

11.6 The execution, delivery and performance of this Agreement by the Owner is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which the Owner is a party or to which the Owner is otherwise subject.

11.7 The Owner has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers and attorneys.

11.8 The Owner has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

12. **Default and Remedies.**

12.1 Events of Default by the Owner. Default or an Event of Default by the Owner under this Agreement shall mean one or more of the following:

- a. Any representation or warranty made in this Agreement by the Owner was materially inaccurate when made or shall prove to be materially inaccurate during the Term;
- b. The Owner fails to observe or perform any other material covenant, obligation or agreement required of it under this Agreement.

12.2 Events of Default by the City. Default or an Event of Default by the City under this Agreement shall mean one or more of the following:

- a. Any representation or warranty made in this Agreement by the City was materially inaccurate when made or shall prove to be materially inaccurate during the Term;
- b. The City fails to observe or perform any other material covenant, obligation or agreement required of it under this Agreement.

12.3 Grace Periods; Notice and Cure. Upon the occurrence of an Event of Default by any Party, such Party shall, upon written notice from a non-defaulting Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days (or twenty (20) days in the event of a monetary default) after receipt of such notice, or, if such Default is of a nature that is not capable of being cured within thirty (30) days shall be commenced within such period and diligently pursued to completion.

12.4 Remedies on Default. Whenever any Event of Default occurs and is not cured (or cure undertaken) in accordance with Section 12.3 of this Agreement, the non-defaulting Party has all remedies available at law or equity.

12.5 Delays; Waivers. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any Default by the other Party shall not be considered as a waiver of rights with respect to any other Default by the non-defaulting Party or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.

12.6 Force Majure. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, fire, communication line failures, power failures, or earthquakes.

12.7 Rights and Remedies Cumulative. The rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy for any other Default by the other Party.

13. Cooperation and Alternative Dispute Resolution.

13.1 Representatives. To further the cooperation of the Parties in implementing this Agreement, the City and the Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City shall be its Director of Community Development as designated by the City Manager from time to time (the "**City Representative**") and the initial representative for the Owner shall be its Project Manager, as identified by the Owner from time to time (the "**Owner Representative**"). The City and the Owner Representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.

13.2 Impasse. If at any time the Owner believes an impasse has been reached with the City staff on any issue affecting the Property which is not an Event of Default, the Owner shall have the right to immediately appeal to the City Representative for an expedited decision pursuant to this Section 13.2. If the issue on which an impasse is reached is an issue where a final decision can be reached by the City staff, the City Representative shall give the Owner a final administrative decision within seven (7) days after the Owner's request for an expedited decision. Both the City and the Owner agree to continue to use reasonable good faith efforts to resolve any impasse pending such expedited decision.

14. Miscellaneous Provisions.

14.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Yavapai (or, as may be appropriate, in the Justice Courts of Yavapai County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 14.1.

14.2 WAIVER OF JURY TRIAL. THE CITY AND OWNER HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING, COUNTERCLAIM OR DEFENSE BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN ANY WAY CONNECTED TO THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO RELATING TO THIS AGREEMENT.

14.3 Limited Severability. In the event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any Applicable Laws, constitutional provision, law, regulation or City code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect.

14.4 Construction. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and each Party hereby waives the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

14.5 Notices.

- a. Addresses. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given by personal delivery, or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this Section 14.4(a), or by telecopy facsimile machine,

or by any nationally recognized express or overnight delivery service (e.g. FedEx or UPS), delivery charges prepaid:

To the City: City Manager
 City of Sedona
 102 Roadrunner Drive
 Sedona, AZ 86336

To the Owner: Curt Baney
 Baney Corporation
 475 NE Bellevue Dr S210
 Bend, OR 97701

With Copies To: City Attorney
 City of Sedona
 102 Roadrunner Drive
 Sedona, AZ 86336

 Withey Morris Baugh, PLC
 2525 E. Arizona Biltmore Cir. Ste. A-212
 Phoenix, AZ 85016
 Attn: Benjamin Tate

- b. Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt or refusal to accept receipt by the addressee. Any notice sent by telecopy facsimile machine shall be deemed effective upon confirmation of the successful transmission by the sender's telecopy facsimile machine. Any Party may designate a different person or entity or change the place to which any notice shall be given as provided in this Section 14.4.

14.6 Development Rights. Except as otherwise permitted pursuant to Arizona Revised Statutes Section 9-462.01(E), the City agrees that, without limiting any other deemed or vested development rights, for a period of two (2) years from the effective date of this Agreement, the Owner and its successors and assigns shall be deemed to have the right to develop the Property in accordance with the approved application (the "Development Period"). If the Owner obtains a

time extension for the approved application from the City pursuant to Section 8.3(H) of the LDC, the Development Period shall be automatically extended consistent with the terms of the time extension.

14.7 Time of Essence. Time is of the essence of this Agreement and each of its provisions.

14.8 Section Headings. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.

14.9 Attorneys' Fees and Costs. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute may be entitled to reimbursement of its reasonable attorney's fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute, upon Order by a court of competent jurisdiction.

14.10 Waiver. Without limiting the provisions of Section 14.5, the Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

14.11 Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement, except for permitted transferees, assignees, or Lenders under Section 14.21 to the extent that they assume or succeed to the rights and/or obligations of the Owner under this Agreement, and except that the indemnified persons referred to in the indemnification provisions of this Agreement shall be third party beneficiaries of such indemnification provisions.

14.12 Exhibits. Without limiting the provisions of Section 14.12, the Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.

14.13 Integration. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.

14.14 Further Assurances. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications,

acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of: (a) this Agreement as in full force and effect; and (b) the performance of the obligations under this Agreement at any time during its Term.

14.15 Business Days. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

14.16 Consents and Approvals. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.

14.17 Covenants Running With Land; Inurement; Assignment. The covenants, conditions, terms and provisions of this Agreement relating to use of the Property shall run with the Property and shall be binding upon, and shall inure to the benefit of the Parties and their respective permitted successors and assigns with respect to the Property. Wherever the term "Party" or the name of any particular Party is used in this Agreement such term shall include any such Party's permitted successors and assigns. Owner may assign all of its rights, obligations and benefits under this Agreement to another party pursuant to written agreement with assignee; provided that Owner shall provide the City written notice of such assignment.

14.18 Recordation. Within ten (10) days after this Agreement has been approved by the City and executed by the Parties, the City shall cause this Agreement or a Memorandum of this Agreement to be recorded in the Official Records of Yavapai County, Arizona.

14.19 Amendment. No change or addition is to be made to this Agreement except by written amendment executed by the City and the Owner. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Yavapai County, Arizona.

14.20 Good Faith of Parties. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.

14.21 Survival. In addition to the Sections identified in Section 6.10, as surviving the termination of this Agreement, the indemnifications provisions of this Agreement shall survive the execution and delivery of this Agreement, the closing of any transaction contemplated herein, and the rescission, cancellation, expiration or termination of this Agreement upon the terms and for the period set forth in each respective Section.

14.22 Nonliability of City Officials. No City Council member, official, representative, agent, attorney or employee of the City shall be personally liable to the Owner, or to any successor in interest to the Owner, in the event of any Default or breach by the City or for any amount which may become due to the Owner or its successors, or with respect to any obligation of the City under the terms of this Agreement.

14.23 Conflict of Interest Statute. This Agreement is subject to, and may be terminated by the City in accordance with, the provisions of A.R.S. §38-511.

14.24 Expiration of this Agreement. This Agreement shall expire at the end of the Term or as otherwise provided in this Agreement.

14.25 Compliance with Law. Should a court of competent jurisdiction or any administrative agency with oversight authority determine that any part of this Agreement is contrary to established Federal, State and City laws applicable to the respective responsibilities of the Parties as described herein, this Agreement, and any part thereto that is in conflict with said laws, shall be modified upon mutual agreement of the Parties in order to bring the Agreement into full legal compliance.

14.26 No Agency Created. Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and Owner. No term or provision of this Agreement is intended to be for the benefit of any person, firm, organization or corporation not a party hereto, and no other person, firm, organization or corporation may have any right or cause of action hereunder.

[Signatures on Following Pages]

CITY OF SEDONA, an Arizona municipal corporation

By: _____
_____, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit A

PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing Legal Description (Page 1 of 2)

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012,
408-26-013, 408-26-014, 408-26-086A, 408-26-088

LEGAL DESCRIPTION

PARCEL 1:

A PARCEL OF GROUND LYING IN SECTION 12 AND 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT THE E-W-W 1/256 CORNER OF SECTION 12 AS MARKED BY A FOUND 1949 G.L.O. BRASS CAP MONUMENT FROM WHICH, A FOUND 1949 G.L.O. BRASS CAP MONUMENT AT THE SOUTHEAST CORNER OF SECTION 12 LIES SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST (BASIS OF BEARINGS PER DOCUMENT RECORDED IN BOOK 1154 OF OFFICIAL RECORDS, PAGE 430 HEREAFTER REFERRED TO AS R1), A DISTANCE OF 4187.63 FEET;
THENCE SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST, 1610.87 FEET TO A POINT FOR THE CALCULATED POSITION OF THE SOUTH QUARTER CORNER OF SECTION 12 AS PERPETUATED FROM PREVIOUS SURVEYS;
THENCE CONTINUING SOUTH 89 DEGREES, 44 MINUTES, 58 SECONDS EAST, 708.93 FEET (RECORD 709.75 FEET PER R1 ALSO, 710.50 FEET RECORD PER DOCUMENT RECORDED IN BOOK 587 OF OFFICIAL RECORDS, PAGE 52 HEREAFTER REFERRED TO AS R2) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "LS 5541" AT THE TRUE POINT OF BEGINNING;
THENCE NORTH 00 DEGREES, 05 MINUTES, 44 SECONDS WEST, 40.34 FEET (RECORD NORTH 00 DEGREES, 14 MINUTES, 01 SECONDS EAST 40.46 FEET PER R1) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "MINUS RLS 5541" AT A POINT OF CURVATURE;
THENCE THROUGH A CENTRAL ANGLE OF 16 DEGREES, 57 MINUTES, 36 SECONDS ALONG AN ARC LENGTH OF 92.30 FEET ON A CURVE TO THE RIGHT WITH A RADIUS OF 311.81 FEET, THE CHORD OF SAID CURVE BEARS NORTH 09 DEGREES, 03 MINUTES, 40 SECONDS EAST, 91.96 FEET, (RECORD LENGTH 91.91 FEET, RADIUS OF 311.81 FEET, CENTRAL ANGLE 16 DEGREES, 53 MINUTES, 17 SECONDS PER R1) TO A FOUND 1/2 INCH REBAR AT A POINT OF REVERSE CURVATURE;
THENCE THROUGH A CENTRAL ANGLE OF 13 DEGREES, 30 MINUTES, 14 SECONDS ALONG AN ARC LENGTH OF 105.05 FEET ON A CURVE TO THE LEFT WITH A RADIUS OF 445.72 FEET, THE CHORD OF SAID CURVE BEARS NORTH 09 DEGREES, 58 MINUTES, 20 SECONDS EAST, 104.81 FEET (RECORD LENGTH 105.45 FEET, RADIUS OF 445.72 FEET, CENTRAL ANGLE 13 DEGREES, 30 MINUTES, 14 SECONDS PER R1) TO A FOUND 1/2 INCH REBAR WITH PLASTIC CAP STAMPED "MINUS RLS 5541" FROM WHICH, A FOUND 1/2 INCH REBAR, NO TAG OR CAP, LIES NORTH 77 DEGREES, 44 MINUTES, 08 SECONDS EAST 0.72 FEET;
THENCE NORTH 03 DEGREES, 33 MINUTES, 56 SECONDS EAST, 129.02 FEET (RECORD NORTH 03 DEGREES, 34 MINUTES, 01 SECONDS EAST, 129.12 FEET PER R1) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015" ON THE SOUTHERLY RIGHT OF WAY LINE OF HIGHWAY 89A FROM WHICH, A FOUND 1/2 INCH REBAR WITH CAP STAMPED "LANDMARK LS 14184" LIES NORTH 81 DEGREES, 18 MINUTES, 28 SECONDS WEST (RECORD NORTH 81 DEGREES, 18 MINUTES, 49 SECONDS WEST PER R1) A DISTANCE OF 364.79 FEET;
THENCE SOUTH 81 DEGREES, 18 MINUTES, 28 SECONDS EAST, 200.84 FEET (RECORD SOUTH 81 DEGREES, 18 MINUTES, 49 SECONDS EAST, 200.84 FEET PER R1) TO A FOUND A.D.O.T. ALUMINUM CAP IN CONCRETE AT STATION 1053+00;
*THENCE SOUTH 81 DEGREES, 19 MINUTES, 46 SECONDS EAST, 3.29 FEET (RECORD SOUTH 81 DEGREES, 48 MINUTES, 00 SECONDS EAST PER R2 3.35 FEET PER RESULTS OF SURVEY PLAT PREPARED BY JOE JONES, RLS, JOB NO. 88-53) TO A FOUND 1 INCH IRON PIPE;
THENCE SOUTH 03 DEGREES, 32 MINUTES, 22 SECONDS WEST, 150.61 FEET (RECORD SOUTH 03 DEGREES, 34 MINUTES, 01 SECONDS WEST 150.50 FEET PER R1) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015";
THENCE SOUTH 81 DEGREES, 18 MINUTES, 28 SECONDS EAST, 131.05 FEET (RECORD SOUTH 81 DEGREES, 48 MINUTES, 00 SECONDS EAST, PER R2 AND 129.90 FEET PER DOCUMENT RECORDED IN BOOK 1239 OF OFFICIAL RECORDS, PAGE 545 HEREAFTER REFERRED TO AS R3) TO A SET 5/8 INCH REBAR WITH PLASTIC CAP STAMPED "SEC RLS 13015" FROM WHICH A FOUND 3/4 INCH IRON PIPE LIES NORTH 00 DEGREES, 13 MINUTES, 22 SECONDS EAST, 151.70 FEET (RECORD 151.50 FEET PER R3);
*THENCE SOUTH 00 DEGREES, 13 MINUTES, 22 SECONDS WEST, 20.62 FEET (RECORD SOUTH 20.90 FEET PER A RESULTS OF SURVEY PREPARED BY LEROY GABERL, P.E. SEALED ON JULY 19, 1971);
THENCE SOUTH 00 DEGREES, 23 MINUTES, 18 SECONDS WEST 94.34 FEET (RECORD SOUTH 94.91 FEET PER R2) TO A FOUND 1/2 INCH REBAR;
THENCE SOUTH 00 DEGREES, 19 MINUTES, 53 SECONDS WEST, 169.80 FEET (RECORD SOUTH 168.70 FEET PER R2) TO A FOUND 1/2 INCH REBAR FROM WHICH, A FOUND 1/2 INCH REBAR WITH CAP STAMPED "LS 2626" LIES NORTH 01 DEGREES, 56 MINUTES, 28 SECONDS EAST 3.50 FEET;
THENCE NORTH 89 DEGREES, 18 MINUTES, 17 SECONDS WEST, 139.66 FEET (RECORD NORTH 9 DEGREES, 58 MINUTES, 00 SECONDS WEST 140.00 FEET PER R2) TO A FOUND 1/2 INCH REBAR;
THENCE NORTH 89 DEGREES, 33 MINUTES, 49 SECONDS WEST, 217.93 FEET (RECORD NORTH 89 DEGREES, 43 MINUTES, 59 SECONDS WEST 218.34 FEET PER R1) TO A FOUND 1/2 INCH REBAR;
THENCE NORTH 00 DEGREES, 05 MINUTES, 44 SECONDS WEST, 98.10 FEET (RECORD NORTH 00 DEGREES, 14 MINUTES, 01 SECONDS EAST 98.10 FEET PER R1) TO THE TRUE POINT OF BEGINNING.
(AFFECTS PARCELS 408-26-014, 408-26-013, 408-26-086A AND 408-26-010)
THE SURVEYOR BELIEVES THE CALLS MARKED WITH AN "" ARE REFERENCE CALLS AND NOT LINES ALONG THE PROPERTY BOUNDARY.

PARCEL 2:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT ON THE SOUTHERLY 60 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A, THAT LIES NORTH 60°03' EAST, 754.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;
THENCE SOUTH 81°48' EAST, 290.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;
THENCE SOUTH 81°48' EAST, 100.0 FEET ALONG SAID RIGHT-OF-WAY LINE;
THENCE SOUTH, 151.5 FEET;
THENCE NORTH 81°48' WEST, 108.0 FEET;
THENCE NORTH 3°20' EAST, 150.5 FEET TO THE POINT OF BEGINNING.
(AFFECTS 408-26-012-6)

PARCEL 3:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT ON THE SOUTHERLY 66 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A, THAT LIES NORTH 60°03' EAST, 754.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;
THENCE SOUTH 81°48' EAST, 290.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;
THENCE SOUTH 81°48' EAST, 21.9 FEET ALONG SAID RIGHT-OF-WAY LINE;
THENCE SOUTH, 151.5 FEET;
THENCE NORTH 81°48' WEST, 21.9 FEET;
THENCE NORTH, 151.5 FEET TO THE POINT OF BEGINNING.
(AFFECTS 408-26-011-3)

Exhibit A

PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing Legal Description (Page 2 of 2)

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012,
408-26-013, 408-26-014, 408-26-086A, 408-26-088

LEGAL DESCRIPTION (CONT'D)

PARCEL 4:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 13:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A
DISTANCE OF 1,239.19 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A
CAP MARKED LS #19853 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 100.00 FEET TO A 1/2 INCH
REBAR;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST A DISTANCE OF 270.28 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF
BEGINNING.
EXCEPT THE FOLLOWING DESCRIBED PARCEL:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER,
1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP
MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN
PLASTIC DISC MARKED LS# 19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF- WAY
OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY
RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT
OF BEGINNING.
ALSO EXCEPT ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-009C AND 408-26-009A)

PARCEL 5:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 12:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A
DISTANCE OF 1,239.19 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A
CAP MARKED LS#19853 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 100.00 FEET TO A 1/2 INCH
REBAR;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST A DISTANCE OF 270.28 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF
BEGINNING.
EXCEPT THE FOLLOWING DESCRIBED PARCEL:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER,
1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP
MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN
PLASTIC DISC MARKED LS# 19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF- WAY
OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY
RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT
OF BEGINNING.
ALSO EXCEPT ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-088 AND 408-26-004B)

PARCEL 6:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER,
1,239.19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP
MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN
PLASTIC DISC MARKED LS#19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF-WAY
OF HIGHWAY 89A MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY
RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT
OF BEGINNING.
EXCEPT THEREFROM ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-004C-0)

Exhibit B

**PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing
Site Plan**

****Site Plan to be added after approval by City Council****

Exhibit C – Housing Plan (Page 1 of 5)
The Village at Saddlerock Crossing Apartments

This Affordability Plan is referenced in the Development Agreement between The Baney Corporation (the “Owner”) and the City of Sedona (the “City”), approved by Council through Resolution XXXXX. The residential component of the Village at Saddlerock Crossing consists of 46 multi-family units, 100% of which are designated as Workforce Units. This document serves to detail the requirements set forth in Section 6.3 of the Development Agreement and is referred to as “Exhibit C”. This document may be modified upon the express written agreement of the City’s Community Development Director.

1. Program Details

- a. 46 of the 46 units will be designated as Workforce Units.
- b. The Workforce Unit mix is as follows:

	Studio	1 Bedroom	2 Bedroom
80% AMI Rent	12 Units	8 Units	N/A
100% AMI Rent	12 Units	8 Units	3 Units
120% AMI Rent	N/A	N/A	3 Units

- c. For twenty (20) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 80% of the Area Median Income (AMI), refer to Attachment A.
- d. For twenty-three (23) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 100% of the Area Median Income (AMI), refer to Attachment A.
- e. For three (3) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 120% of the Area Median Income (AMI), refer to Attachment A.
- f. The maximum monthly rental price will be implemented according to the rent limits in Attachment B. The rent limits are provided by City staff annually and account for different unit sizes and varying income levels (80%, 100%, 120% AMI). In the event that market rate rents are lower than the rent limits provided, the tenant shall be charged market rate rent. If this occurs, the number of required Workforce Units must be maintained by serving lower AMI households whose rental rates are at least 20% below market.
- g. Workforce Units will be managed by the property management company and overseen by the Owner. Annual reports must be submitted to Community Development staff, refer to Reporting Requirements below, beginning one (1) year after the issuance of the first Certificate of Occupancy and continuing every year thereafter.
- h. Minimum lease term shall be ninety (90) days.
- i. Employed Residents shall be given priority of occupancy in the Project with respect to every second (2nd) dwelling unit that is or becomes vacant and is available for lease.
- j. A Wait List for available dwelling units must be maintained by the property management company.

2. Qualifications

All applicants interested in a Workforce Unit will be required to fill out the standard application, regardless as to whether their qualifications meet the income guidelines or not. The following information will be used to determine eligibility to lease a Workforce Unit:

- a. **Household Size.** A key component of the income qualifying process as shown on the income limits chart (attached), household size will be used to determine how many individuals will be residing in the unit, and how large of a unit the household requires.

Exhibit C – Housing Plan (Page 2 of 5)
The Village at Saddlerock Crossing Apartments

- b. **Student Status.** A household solely comprised of full-time students in most instances, will not qualify for the Program. Exceptions to this policy include:
- i. The household consists of minor, dependent children in the legal custody of a student. Proof of custodial award may be required.
 - ii. Household member participates in the Job Training Partnership Act (JTPA) program and can provide documentation and on-going participation.
 - iii. Part-time students qualify as long as they are employed more than 25 hours a week and provide verification of part-time student status (9 hours or less per semester).
 - iv. A household whose occupants are all considered full time students (more than 10 hours per semester) may qualify if the following criteria are met and verified:
 1. To be eligible for the Program, full time students living outside of their parents' or legal guardians' homes, must have established a separate household for at least one year prior to applying for the Program. Supporting evidence must be provided.
 2. All occupants are employed a minimum of 25 hours per week.
 3. All occupants have not been claimed as a dependent on their parents', guardians', or other's tax payer's income tax return for the duration of the last two years. Supporting tax returns of the applicants must be provided.
- c. **Income.** All employed applicants over the age of 18 that live in the Workforce Unit must provide income verification. Applicants who qualify shall earn an income no greater than 120% of the AMI. The Department of Housing and Urban Development (HUD) has several standardized income verification formulas; one method must be used consistently. Information and documentation needed:
- i. Front page of previous year's tax return
 - ii. Last 6 weeks of pay stubs
 - iii. Copies of awards, grants, or scholarships
 - iv. Proof of child support
 - v. Social Security award letter
 - vi. Copies of bank statements
 - vii. Self-employed will be asked to provide last 2 year's tax returns and 1099s. etc.
 - viii. Third party verifications (faxed, emailed, or mailed)
 - ix. Other required income information as deemed necessary from the management based on information provided in the application
- d. **Assets.** Applicants will be asked to disclose total assets over \$5,000 or more. If the applicant sold a home or real property within the last 24 months, a copy of the closing statement must be provided. If the applicant has disposed of an asset through foreclosure or short sale within the last 24 months, documentation of said transaction must be provided.
- e. **Criminal Disclosure.** All applicants will be required to disseminate any past arrests and/or convictions. Approval or denial will be based upon the management company's established guidelines set forth with the criminal background search firm (TBD).
- f. **Rental History.** All applicants will be asked to provide information regarding prior rental history. Open eviction or current, unpaid collection activity on former rental accounts will be cause for decline of the application.

Exhibit C – **Housing Plan (Page 3 of 5)**
The Village at Saddlerock Crossing Apartments

- g. **Credit History.** All applicants will be asked to provide permission to access their consumer credit report.

3. Workforce Unit Reporting

A property management company representing the Developer will monitor and administer the Workforce Unit leases. The property management company will provide to the City of Sedona’s Community Development Department on an annual basis the following information:

- a. List of vacancies
- b. List of potential lease ups
- c. Name(s), age(s) and household size of each unit
- d. Gross household income of each unit
- e. Proof of employment verification
- f. Notes about the status of renewals or any other issues being reviewed by property management
- g. Current waiting list and unit size requested
- h. Annual inspection of tenant files to ensure appropriate income verification

4. Advertising

If any vacancies are reported to City staff, the management shall also provide proof of the property’s effort to advertise the availability of Workforce Units to qualified households.

5. Definitions

- a. **Area Median Income (AMI):** The median income of household Income limits are determined by HUD and updated annually. The City of Sedona Housing Department will supply the property management company with HUD’s updated income limits annually.
- b. **Employed Resident:** A person employed by a business within Sedona City limits or otherwise having a written offer of employment by an employer located within Sedona City limits.
- c. **Household:** All the persons living in the unit more than half of the year. Household size is a key qualifying component for the Program. Building codes and Fair Housing standards shall be followed when placing a household of any size into a rent restricted unit.
- d. **Household Income:** Total income received by all members of the household over the age of 18. The development agreement stipulates that the maximum income served at this property be set at 120% AMI.
- e. **US Department of Housing & Urban Development (HUD):** Income limits for various federal housing programs are determined by HUD. 30%, 50%, 80% and 100% area median income categories are provided annually by HUD. The 60% income category is provided by Arizona Department of Housing (ADOH). The Affordable Housing Program referred to in this document is not federally run. See income limit chart below for allowable incomes for the Program.
- f. **Workforce Unit:** Any of the designated Workforce Units that house qualified applicants. The maximum monthly rental price for a Workforce Unit shall be consistent with the income limits and rent limits in Attachments A and B below.

Exhibit C – **Housing Plan (Page 4 of 5)**
The Village at Saddlerock Crossing Apartments

Attachment A: Area Median Income Limits

****To be added prior to recording of Development Agreement****

Exhibit C – **Housing Plan (Page 5 of 5)**
The Village at Saddlerock Crossing Apartments

Attachment B: Rent Limits

****To be added by prior to recording of Development Agreement****

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

The Village at Saddlerock Crossing

GOOD NEIGHBOR POLICY

September 24, 2024

The Village at Saddlerock Crossing is a proposed 100-room hotel and 46-unit workforce multi-family community planned for 6.36 acres south of the intersection of State Route 89A and Soldiers Pass Road in Sedona. The purpose of this Good Neighbor Policy is to implement best practices related to noise mitigation, landscape and maintenance, parking, and pet management for the Village at Saddlerock Crossing.

Contact Info

The Baney Corporation (the "Owner") recognizes the importance of an available contact to address any issues impacting the Saddlerock community. Upon issuance of a Certificate of Occupancy for the development, this Policy will be updated with the name, phone number, and email address of a designated on-site contact person (or persons) for the Saddlerock neighborhood. The Developer shall designate an on-site contact person for both daytime issues during business hours and also for issues after hours. The designated contact(s) will be available to address and respond to neighborhood issues and concerns in a timely manner. A final and updated copy of this Policy with contact information shall be distributed to the Saddlerock neighborhood via U.S. Mail. Saddlerock residents will also be provided an opportunity to opt in to receive the Policy and future updates via email.

Noise Mitigation

Hotel Rooftop Lounge: Owner shall cease all activity in the rooftop lounge and rooftop pool area no later than 9:00 pm, seven days a week. During operational hours, the following restrictions shall be observed:

- No live music or DJ at any time.
- Pre-recorded music may only be played via the hotel's permanent speaker system (i.e. no portable amplified systems or PA systems) at volume levels compliant with Sedona City Code Chapter 8.25.

Multi-Family Residences: Owner shall incorporate the lease terms outlined in Section 6.4 of the Development Agreement into every apartment lease.

Bus Idling: Any passenger bus parked on the Property shall not idle longer than 30 minutes in any 60-minute period of time. If the temperature is greater than 75 degrees, no bus shall idle longer than 60 minutes in a 90-minute period of time.

Landscape & Maintenance

Landscaping shall be maintained by the Owner consistent with the Class A hotel and multi-family residential community which includes regular and consistent maintenance, trimming, replanting, height, and seasonal cleanup. The property shall be maintained by the Owner in such a fashion as to be compatible in appearance with the other residential properties in the area in quality of materials used in landscaping and in maintenance of such open areas, landscaping and parking areas.

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

Cut-Through Traffic

In addition to the signage outlined in Section 6.6 of the Development Agreement, the Owner will notify and advise all commercial drivers (deliveries, shuttle service, contractors, etc.) to avoid using local streets south of the Property to either access or depart from the Property.

Parking

The Developer has incorporated extensive provisions in Development Agreement Section 5 to ensure that there is adequate parking on-site for the Village at Saddlerock Parking and that overflow parking does not impact surrounding property owners. In addition to the commitments identified in Section 5, the Owner will work with the Saddlerock residents and City of Sedona to establish residential permit parking for the Saddlerock neighborhood per Section 10.20.100(B) of the Sedona Land Development Code if overflow parking from the development becomes a consistent problem.

The Owner will provide printed information to hotel guests at check-in expressly forbidding on-street parking in the Saddlerock Homes neighborhood for both registered guests and their visitors. The Owner will also incorporate language into the Hotel employee handbook advising employees not to park in the Saddlerock neighborhood.

Pet Management

The hotel shall incorporate and designate an area on site for pets traveling with hotel guests to relieve themselves. This pet relief area shall include a dog waste station with cleanup bags and a trash receptacle. Upon check-in at the hotel, guests traveling with pets will be provided with a pamphlet that includes the following information:

- Sedona codes and ordinances regarding animal waste cleanup and leashing/restraints.
- Locations of public parks and dog parks.
- Notification that the Saddlerock neighborhood shall not be used by hotel guests for dog walking.
- Cannot leave dogs unattended in hotel rooms.

The Oxford Suites Pet Behavior Guidelines (attached) shall be enforced at the hotel.

Complaint Response Policy and Procedure:

Complaints regarding noise, landscape maintenance, parking, and pet management will be handled by the designated on-site contact person. In the event of a complaint, the following procedures will be implemented:

- Gather contact information of complainant
- Investigate complaint
- Document resolution
- Communicate with interested parties

With respect to noise complaints, the designated contact person will provide an initial response to the complainant within one hour and provide a follow-up report within two hours of the initial complaint.

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

Amendment

The “Contact Info” section of this Policy may be amended by the Owner as necessary to ensure that Saddlerock residents have current and accurate contact information for the designated contact(s). The remaining sections of this Policy may be amended through the following procedures:

1. All requested amendments shall be submitted to the Community Development Director for review and approval.
2. The Owner shall mail notice of the proposed amendment to all residents of the Saddlerock Homes neighborhood a minimum of fifteen (15) days prior to any action by the Community Development Director to approve the request (the “Notice Period”).
3. If the Community Development Department receives no protests or opposition to the proposed amendment during the Notice Period, the Community Development Director may administratively approve requested amendment.
4. If the Community Development Department receives any protests or opposition to the proposed amendment, the Owner may attempt to resolve the protest or opposition directly with the resident(s). If the opposition has been resolved to the satisfaction of the Community Development Director, the Director may administratively approve the requested amendment.
5. If the Owner is unable to resolve the protest directly with the resident, the Community Development Department shall schedule the request for review and action by the Sedona Planning and Zoning Commission in accordance with the public hearing procedures in Section 8.3(F) of the Land Development Code.
6. An updated copy of this Policy shall be mailed to all residents of the Saddlerock neighborhood within fifteen (15) days of approval of any amendment.



Pet Behavior Guidelines



Oxford Suites are delighted to welcome you and your four-legged friend(s)! Our designated pet-friendly rooms are located on the lower floors of our hotels. We allow small to medium sized cats and dogs only. There is a maximum of two pets allowed, per reservation. _____ (initials)

Fee Information:

Our non-refundable pet fee is \$____ per pet, per day. The fee is not included in your room rate and will be charged daily along with any applicable taxes. A refundable cleaning deposit of \$____ will be taken on arrival. _____ (initials)

Please carefully review our guidelines:

- 🐾 We accept domesticated dogs and cats only, with a limit of two pets per reservation. Aggressive breeds, and/or exotic pets are not permitted.
- 🐾 Emotional Support Animals, comfort animals, companion animals, and other domestic therapy animals are not service animals under Title II and Title III of the ADA and are subject to our pet fee.
- 🐾 For your pet’s safety, please keep it always leashed.
- 🐾 Please walk your pet regularly. We have disposable bags for your use and we ask that the used disposable bags are thrown in the trash cans outside of the hotel. _____ (initials)
- 🐾 Please let us know what time would be convenient for housekeeping to service your room. Designated pet rooms require daily service, and your pet should not be in the room during service. _____ AM/PM
- 🐾 Pets are not allowed to be left unattended in our guest rooms or suites. If you decide to take advantage of some of our local attractions, please contact a Hospitality Specialist and we will assist you with finding someone to take care of your pet while you are out.
- 🐾 Should your pet need medical attention, please contact a Hospitality Specialist and we will assist you with finding a local vet.
- 🐾 Due to health regulations, animals are not allowed in the dining area or the pool and spa area, with the exception of service dogs.

We do not anticipate your pet(s) to be a problem. However, should your pet cause damage to any portion of our property, you will be held financially responsible for any lost room revenue and damaged goods.

Thank you for choosing Oxford Suites. We hope your stay surpasses your expectations. Upon check-out, please allow a staff member to inspect your room. Thank you for your cooperation and adherence to our *Pet Behavior Guidelines*.

I have read the Oxford Suites *Pet Behavior Guidelines* and agree to all terms and conditions.

Guest Signature

Print Guest’s Name

Date(s) of Stay

Pet(s) Name

Cell phone number

Alternative phone number

August 29, 2024

Cari Meyer
Planning Manager
City of Sedona
102 Roadrunner Drive, Building 104
Sedona, AZ 86336

Re: The Village at Saddlerock Crossing – 7th Submittal Notes and Comments

Dear Cari:

Below is a summary of the changes to the site plan and other plan sheets that were submitted last month as part of case number PZ19-00005 (ZC, DEV). We made a number of changes in response to feedback and input from both the City Council and the community, and we also used this opportunity to clean up and address many of the staff comments from the prior submittal. As such, the summary of changes will be broken down into two separate sections: Changes in Response to Council/Community Input and Staff Comment Responses.

Changes in Response to Council/Community Input

Narrative

- **Good Neighbor Policy:** Good Neighbor Policy referenced in narrative and submitted in conjunction with narrative to outline commitments agreed upon with Saddlerock neighborhood community.
- **Hotel/Residential Unit Counts:** Updated throughout to reflect revised site plan.

Floor Plans

- **Hotel Floor Plan:** North Wing reduced from 34 guest rooms to 24 guest rooms. Standard guest rooms consolidated into larger premium suites. Reduces overall guest room count from 110 rooms to 100 rooms. Responsive to concerns about overall hotel density and also a desire to see guest accommodations that compete with STRs (i.e. larger suites with kitchenettes, etc.). Also removed hot tubs being shown on the balconies of certain suites.
- **Multi-Family South Floor Plan:** Demised several larger units into standard one-bedroom units. Overall multi-family unit count increased from 40 units to 46 units, with a mix of 24 studios, 16 one-bedrooms, and 6 two-bedrooms.
 - Also reduced the size of the second-level common area decks for both the east and west building clusters and pulled them significantly farther back from the south property line.
 - Extended screen wall on west cluster to fully screen the southern edge of the only east-facing balcony.

Site Plan

- **Bike Racks:** Removed bike rack for five (5) bikes closest to Saddlerock Circle driveway at specific request of many Saddlerock residents. Concerns regarding hotel guests/MF residents riding bikes in Saddlerock neighborhood, and proximity of bike rack closest to the neighborhood.
- **Saddlerock Circle Sidewalk Extension:** Removed sidewalk segment from southwest corner of subject site to Valley View Drive. Saddlerock residents unanimously expressed their desire to have the sidewalk end at the Baney property line. Concerns that sidewalk extension will encourage hotel guests/MF residents to use the Saddlerock neighborhood for walks, dog walking, etc.
- **Screening of Ground-Floor Outdoor Dining Area:** Added site plan note to provide screening of western edge of ground-floor outdoor dining area at request of residents concerned about noise/light.
- **Dog Park:** Added dog park between North Wing and East Wing of hotel to provide area for pets of registered guests to play, relive themselves, etc. Dog park will include a waste station with cleanup bags and trash receptacle. Added at the request of Saddlerock residents to discourage hotel guests from using the Saddlerock neighborhood for dog walking and dog relief.
- **Directional Signage:** Added “No Right Turn – Not a Through Street” sign at Elk Road Driveway and “No Left Turn – Local Traffic Only” at Saddlerock Circle driveway. Responsive to concerns expressed regarding cut-through traffic.

Parking Study

- Parking study updated to reflect changes in hotel guest room and multi-family residential unit totals. Overall parking requirement reduced from 193 spaces to 188 spaces.

Staff Comment Responses

2.16.B: Lot and Building Standards

- **Setbacks:** *The front setback is shown on the plans at 10 feet, not the required 15 feet. Assuming the buildings have not moved since the previous review, the location should still be okay. The correct setback would need to be shown and the location of the buildings confirmed as compliant.*

Response: Clear setback plan provided (Sheet A-07) with building outlines shown as simple blocks.

- **Heights:** *While the revised plans are closer to compliance than the previous submittal, there are still some areas that need to be addressed, with most of the outstanding items being clarifications where the plans are unclear.*

Response: Building height exhibits revised to provide additional clarity.

- **Impervious Coverage:** *It is still not clear where the parking structure is factored into these calculations.*

Response: Lot/impervious coverage plan (Sheet A-11) provided to show compliance.

2.24: Measurements and Exceptions

- **Building Height:** *Buildings have been redesigned to incorporate recession and projections to address unrelieved building plane requirements (reliance on change in building materials has been removed). Notes have been added to the plans where windows and doors are proposed to be recessed. While the plans do not indicate the amount of recession of the windows, a minimum of 12 inches would be required.*

Response: Building exhibits revised to show a window section showing the 12" recess, as required.

5.7.F: Building Design

- **Building Massing:** The Guest Room buildings have been slightly redesigned, which included a change in height for a portion of the building. This change in height resulted in less than a 3' vertical difference between sections of the buildings that previous had at least a 3' vertical distance, bringing the building out of compliance with massing requirements. The buildings would need to be redesigned again to incorporate a 3' vertical difference and heights would then need to be reevaluated to ensure any increased heights are still compliant.

Response: Building exhibits revised to show height compliance, as required.

5.8: Exterior Lighting

- **Parking Area Lighting:** *An updated lighting plan for the lower level of the parking structure was not included in the resubmittal.*

Response: Lighting plan/photometric diagrams updated to show lower level parking structure

- **Sign Illumination:** *Sign lighting has not been added to the lighting plan or the sign plan.*

Response: Lighting plans updated to show fixtures at signage locations.

6.7: Design Standards Applicable to All Signs

- **Design Standards Applicable to All Signs:** *Sign lighting has not been added to the lighting plan or the sign plan.*

Response: Lighting plans updated to show fixtures at signage locations.



As recommended for approval by Planning and Zoning Commission, February 6, 2024.

*Changes to the Recommended Conditions of Approval based on Applicant initiated changes since the P&Z Public Hearing are noted below in **red italics**.*

PZ19-00005 (ZC)

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 ~~110 lodging units~~ **100 lodging units and a minimum of 46 multifamily units**. No further splits or subdivision of the property is permitted.
3. **All of the multi family units shall be provided as affordable, long-term rental units, with a minimum of 20 units available to those making no more than 80% of the Area Median Income and a maximum of 3 units being available to those making no more than 120% of the Area Median Income. The balance of the units may be made available to those making no more than 100% of the Area Median Income.**
4. Prior to the issuance of grading and building permits, the applicant shall enter into a Development Agreement with the City of Sedona that covers, at a minimum, the following items:
 - a. Availability of all of the multifamily units for long term rental.
 - b. Availability of ~~a minimum of 28 all~~ **a minimum of 28 all** of the multifamily units to those working within the City limits of Sedona ~~and making no more than 80% of the Area Median Income, subject to the affordability restrictions stated in Condition 3.~~
 - c. Management of parking areas, including non-guest use of hotel amenities (restaurant, bar, meeting facility), and measures to be taken if parking becomes an issue for the project.
 - d. Development and ongoing management of the property in compliance with the commitments made in the Letter of Intent, specifically the Sustainability/Green Building Section of the LOI.
5. **Prior to the issuance of grading and building permits, the applicant shall provide plans with sufficient information on them to allow City Staff to review for consistency with the plans approved under PZ19-00005 (DEV) and these conditions of approval. Any changes from the proposed plans determined to be substantial by the Community Development Director shall require reconsideration by the Planning & Zoning Commission at a public hearing.**
6. The zoning for the subject property shall be considered vested when the Development Agreement is approved, executed, and recorded, all other conditions are met, and construction of the project as approved under PZ19-00005 (DEV) 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 8.6.A(3)g.2 and applicable State statutes.
7. 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.

PZ19-00005 (DEV)

1. If the City Council does not approve PZ19-00005 (ZC), this development review approval shall become null and void.
2. Development of the subject property shall be in substantial conformance with the applicant's representations of the project, including the letter of intent, site plan, building plans and elevations, landscape plan, and all other supporting documents, as reviewed, modified, and approved by the Planning & Zoning Commission. Proposed changes determined to be substantial by the Community Development Director shall require reconsideration by the Planning & Zoning Commission at a public meeting.
3. The project shall be constructed in a single phase.
 - a. Construction of all of the multifamily housing units shall be completed and certificates of occupancy issued before a certificate of occupancy is issued for any portion of the lodging use.
4. The exterior colors and materials shall be in compliance with the submitted color and materials board. Alternate colors proposed by the applicant may be approved by the Director if the colors are darker than the approved colors and meet all other Land Development Code requirements.
 - a. Based on the application of alternate standards and the colors presented at the public hearing, all buildings shall be limited to a maximum Light Reflectance Value (LRV) of 21%
5. The plans submitted for building permits shall comply with all applicable Land Development Code requirements and incorporate the following changes from the plans reviewed by the Planning and Zoning Commission:
 - a. Site plan shall be coordinated with the most up-to-date survey and all structures shall meet all required setbacks, measured from the ROW line or the roadway easement.
 - b. Plans shall include a detailed breakdown of building and lot coverage, showing a maximum of 60% building coverage and 80% lot coverage, and ensuring all site elements are accounted for.
 - c. Largest unrelieved building planes on Lobby Building, Treehouse Suites, West Wing, North Wing, and Multi-family North shall be limited to 400 square feet. The largest unrelieved building planes on East Wing shall be limited to 450 square feet.
 - i. Windows and doors shall count towards the unrelieved building plane area unless they are recessed or project by a minimum of 1 foot.
 - d. Areas applying the height exception for mechanical equipment shall be setback a minimum of 6' from all roof edges.
 - e. Loading areas shall be screened in compliance with LDC Section 5.6.D(3).
 - f. Plans shall comply with massing requirements, including the following:
 - i. All buildings shall have a minimum of 3 masses in both plan and elevation view. (LDC Section 5.7.F(2)) Building modifications to meet massing requirements shall not bring the building out of compliance with height requirements.

- ii. The ground-floor level of each façade facing a public street or other public area such as a plaza, park, or sidewalk shall contain a minimum of 30 percent windows or doorways. Upper floors of each façade facing a public street shall contain a minimum of 15 percent windows. (LDC Section 5.7.F(2)c.5). Areas of windows and doors behind a solid wall that is incorporated into the building design, making that portion of the window or door not visible from the public street/public area shall not count towards this calculation.
- g. Plans shall comply with lighting requirements, including the following:
 - i. Lighting on the lower level of the parking structure shall be considered Class 2 lighting and limited to a maximum Correlated Color Temperature (CCT) of 2700K.
 - ii. Sign lighting shall be added to the lighting plan and comply with all applicable requirements. Overall site lighting shall not exceed maximum lumen levels when sign lighting is added.
- h. A complete master sign plan shall be submitted, including the following:
 - i. Detailed information for all proposed signs, to allow for review for compliance with sign types, sizes, locations, heights, etc. The master sign plan shall comply with all code requirements, except those that may be modified by the Director. If a standard may be modified by the Director, the master sign plan shall include details for that request for review and potential approval by the Director. Any modification to a standard that requires approval by the Planning and Zoning Commission shall be applied for as an amendment to the Development Review approval and heard by the Commission at a public hearing.
 - i. The total number of sewer connections shall be reduced to a number acceptable to the Public Works Department.
- 6. 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.
- 7. All landscaping shall be maintained to ensure visibility triangle requirements are met at the driveway entrances and intersection.
- 8. All exterior mechanical equipment shall be screened and/or painted to the satisfaction of the Community Development Director.
- 9. The applicant shall obtain Right-of-Way Permits from the City of Sedona and/or the Arizona Department of Transportation for any work in the Right-of-Way.
- 10. 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.
- 11. Prior to the issuance of grading and building permits, staff shall verify that all plans submitted for buildings permits are in substantial accordance with the plans as submitted, reviewed, and approved by the Planning and Zoning Commission and meet the following conditions, and the applicant shall provide written documentation of such compliance to staff:
 - a. All plans shall comply with all applicable sections of the Land Development Code and the Development Review application as reviewed and approved by the Planning and Zoning Commission, subject to the following modifications/additional information:
 - b. Provide Final Grading and Drainage Plans. The Site Plan shall meet the grading and drainage requirements of the Sedona Land Development Code and the Design Review, Engineering, and

Administrative Manual. A trench drain is recommended at the bottom of slopes and driveways to prevent flooding buildings and roads.

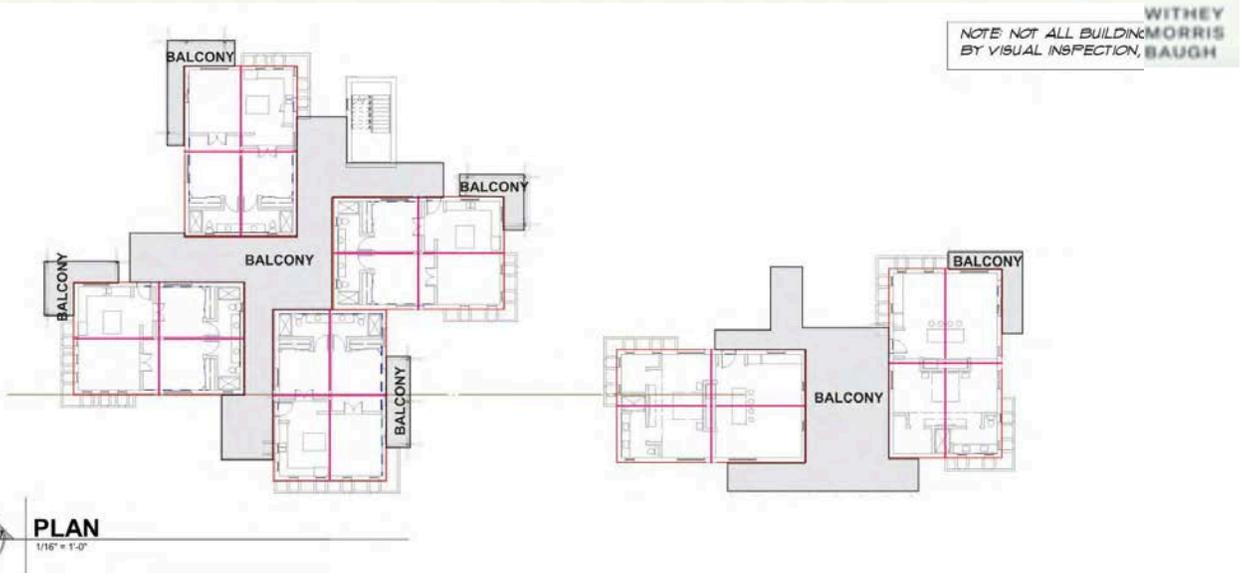
- c. Provide Final Drainage Report.
 - d. Per the geotechnical report, retaining wall or building foundations to be constructed in close proximity to retention basins (within 5.0 feet) should be embedded 1.0 feet deeper than the stated depths in the bearing capacity tables.
 - e. Accessible sidewalks and parking areas will need to meet the current US Dept. of Justice ADA requirements.
 - f. Accessible parking/signage shall meet the requirements of the City LDC and DREAM documents.
 - g. For projects involving grading of more than 5,000 cubic yards, a haul plan, a dust control plan, a topsoil reutilization plan, a stormwater pollution prevention plan, and a traffic control plan shall be required. Each must be acceptable to and approved by the City Engineer. (Manual 3.1.H.6.i).
 - h. For Projects involving grading of more than 5,000 cubic yards, an assurance bond is required per Manual Section 3.1.G.1.
 - i. Applicant shall provide a Storm Water Pollution Prevention Plan. SWPPP measures shall be in place prior to the start of construction (DREAM 3.1). Storm water quality measures shall also comply with City of Sedona Code requirements (City Code Chapter 13.5)
 - j. The plans shall delineate oil separators for all paved surfaces prior to its release into the City's storm sewer system. Manufacturer or engineer's specifications and a maintenance schedule shall be provided.
 - k. Construction details shall be provided for sewer construction/connection. Existing sewer laterals that are not utilized by the development shall be abandoned.
 - l. Provide utility construction details on plans.
 - m. A copy of the ADEQ Approval to Construct Water Facilities and Wastewater Facilities shall be provided prior to construction.
 - n. The applicant shall submit landscaping plans that comply with all applicable City codes and the approved landscaping plans.
 - o. The applicant shall submit outdoor lighting plans that comply with all applicable City codes and the approved lighting plan.
 - p. All requirements of the Sedona Fire District shall be satisfied.
 - q. All concrete within the City ROW shall be colored "Sedona Red" (Davis 160 color).
12. 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. The property owner shall record a cross access easement and maintenance agreement with Yavapai County for the new connector road and the connection through the parking structure to Elk Road. The easement shall also include any areas where the proposed sidewalks along Saddlerock Circle, W State Route 89A, and Elk Road encroach onto private property. The easement shall be provided for vehicular, pedestrian, and bicycle access and the easement language shall be reviewed and approved by City Staff prior to recordation.

- b. The property owner shall grant and record an easement for an underground odor control bio filter along Saddlerock Circle. The easement shall be reviewed and approved by City Staff prior to recordation.
 - c. All on-site improvements shall substantially conform to the plans on which grading and building permits were issued.
 - d. Wayfinding signs shall be installed in the locations described in the Letter of Intent. Information on the wayfinding signs shall be coordinated with and approved City Staff prior to installation.
 - e. Installation of all proposed landscaping shall be complete and in accordance with the approved landscape plan.
 - f. 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.
 - g. The project shall meet the requirements of Sedona Land Development Code Section 5.9 (Public Art). If the applicant intends to do an on-site installation, a public artwork plan shall be submitted for review and approval by the Community Development Director prior to fabrication and installation of the proposed artwork.
 - h. All new utility lines shall be provided through underground installation.
 - i. All mechanical equipment and trash receptacles shall be completely screened from surrounding areas by use of a wall, fence, landscaping or shall be enclosed within a building. All electrical panels shall be located so as not to be visible from public rights-of-way.
 - j. All requirements of the Sedona Fire District shall be satisfied.
 - k. The applicant shall provide copies of all required testing to the Engineering Department.
 - l. As-built plans shall be provided to the City in digital and hard copy formats acceptable to the City Engineer.
 - m. An elevation Certificate from an Arizona Registered Land Surveyor is required for each building.
 - n. All areas of cut and fill shall be landscaped or dressed in such a manner as to reduce the potential for erosion.
 - o. 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.
 - p. 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.
13. 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.

Resident Concerns

22

- Balconies facing neighborhood
 - There are no balconies on the south side of the project facing the neighborhood.
 - Hotel balconies all face east/west.
 - Balconies for multi-family units in southeast corner face north/east/west.
 - Misabeled in massing diagram.
 - "Deck" on upper level is a common area/landing to allow residents to access their units.



Top is the slide that Baney's showed at the hearing. It is an edited version from the bottom picture which is what is on the public info site about the south buildings. This is why I have a hard time with this project, they say things but nothing is in a concrete plan. Ben was forwarded an internal email from our group where I said I was going to be talking about these balconies by someone they had convinced to support the project. So he presented the altered picture. That is just wrong!

Fw: MEETING RE ZONE CHANGE

Joan Shannon <faithfuljoan@earthlink.net>

Wed 3/27/2024 5:05 PM

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

Cc: donna@donnajoy.com <donna@donnajoy.com>; bcrescue@cox.net <bcrescue@cox.net>

-----Forwarded Message-----

From: Joan Shannon <faithfuljoan@earthlink.net>

Sent: Mar 27, 2024 5:03 PM

To: <sjablow@sedonaaz.gov>, <hploog@sedonaaz.gov>, <pfurman@sedonaaz.gov>, <bfultz@sedonaaz.gov>, <jwilliamson@sedonaaz.gov>, <kkinsella@sedonaaz.gov>, <mdunn@sedonaaz.gov>

Subject: MEETING RE ZONE CHANGE

Hello Mayor and Council Members:

I watched the meeting last night and was shocked at the decision to defer instead of a straight yes or no with the later being preferred.

Having watched hundreds of meetings I can't help saying this was the worst I had ever seen. No one seemed to know just what they were doing and we subjected to gibberish and and time consuming repeats of questions and comments.

Council Woman Dunn, you showed disdain for Cari Meyer when the discussion was about deferring the vote to a date later on. When it was mention it being a lot of work for staff your comment stated in an attitude of disdain and a little anger: "WELL THAT IS WHAT SHE GETS PAID FOR".

Not the way I imagine an employee likes to be spoken about nor residents watching want to hear.

Cari Meyer has worked extremely hard on this zone change request without extreme lack of cooperation from the applicant. The Council showed no appreciation for the work and dedication that was wasted last night. Staff was totally ignored, they do not make their decision to deny a change on nothing yet all consideration was given to the Developer giving them yet ANOTHER extension to get it together.

Thank you Council Woman Kinsella for stating you did not want to approve anything that was in writing before you and in the Development Agreement.

No one thanked the Staff for all their work they did with dedication to their job let alone shown even a little amount of appreciation. Right? Council Woman Dunn who spoke with lack of any of it.

The meeting in my evaluation watching it on my laptop was shameful. There was no mention of emails sent by residents in Saddle Rock nor Developer asked why the woman from the company represented herself as a surveyor from Yavapi County which one resident said. The obvious question would have been "may we see the record sheet you had with you showing which and how many home owners spoke with. I do not believe it was thirty. Extremely deceitful and they should have been admonished for it but, instead were given great

consideration for another six months to re do and return. Depending on changes it may have to go back to P&Z, at least that is what I have learned from other meetings in the past. It would have been much easier to deny the zone request and give everyone a year to work on it. They did not deserve such consideration.

Surely you were aware of the lack of cooperation with Staff of which they were guilty

The Council appeared like they did not have a clue what to do and the vote was evidence of that.

Never have I had the urge to write such a letter to any Council . I have spoken with a number of residents of whom some were present and others like me were watching from home and they also were shocked. Observation was that Staff was totally ignored as to why they denied which the do not do lightly.

My words may be harsh but, they are deserving and should be spoken.

Joan Shannon
315 Smith Rd
Sedona

Baneys

ASirotkin <allan@grchocolates.com>

Thu 3/28/2024 8:07 AM

To: Cari Meyer <CMeyer@sedonaaz.gov>

Do you have a way to send this directly to the Baneys. I don't have any contact info for them:

As good step to move the Village at Saddlerock project forward would be to replace Ben Tate and the PR firm with new faces and voices. Ones that don't have the baggage of the misleading statements that have been made about this project. It would also signal understanding that things will be different in the upcoming round of hearing and meetings.

Allan Sirotkin

Saddlerock staffing

ASirotkin <allan@grchocolates.com>

Tue 4/16/2024 9:04 AM

To: Scott Jablow <SJablow@sedonaaz.gov>

Cc: Cari Meyer <CMeyer@sedonaaz.gov>; Holli Ploog <HPloog@SedonaAZ.gov>; Melissa Dunn <MDunn@sedonaaz.gov>; Brian Fultz <BFultz@sedonaaz.gov>; Kathy Kinsella <KKinsella@sedonaaz.gov>; Jessica Williamson <JWilliamson@sedonaaz.gov>; Peter Furman <PFurman@sedonaaz.gov>

Below are the numbers from the Baneys and a quick estimate of what I think they are. My estimate is about 70 people, not counting large event staffing needs. That would mean with 40 housing units to cover their staff, they are Net minus 30. Even with a large donation to the affordable housing fund, it would probably not even cover their employees' housing needs.

I owned and ran a restaurant for 15 years and the numbers I put here are very generous to the Baneys. My restaurant was 1800 sq ft, the Baneys' 3800 sq ft restaurant would use more people. My numbers do not count banquet/event staffing. Building a 3000 sq ft meeting facility and stating it only will be used in the "off season" is an odd use of prime real estate. The Oxford model states it is designed for business travelers and they cater to meetings and events. So the amount of staffing needed for this is very low. Also Sedona doesn't have much of an "off season".

Baneys' numbers for Kitchen are 21 shifts; that means there is only 1 person in the restaurant at all times, cooking, serving, hosting, waiting tables, bussing and dishwashing. They have no number for wait staff and hosts. This is either a ridiculous mistake or a blatant lie to make the number look small. The same mistake is made a couple of times in their other staffing numbers. Even with these mistakes, it still came out above Ben's original quote to DRB of 20 or 30.

Baneys' Numbers:

Front desk – 5 based on three shifts per day. Any business peaks will be covered by GM and/or AGM. 7 days per week X 3 shifts per day = 21 shifts per week/ 5 shifts per team member = 5 team members (4.2 rounded up)

Valet – 3 based on two shifts per day. As the parking will take place at the hotel there will be no third overnight shift. 7 days per week X 2 shifts per day = 14 shifts per week/ 5 shifts per team member = 3

Engineering – 4 based on two shifts per day. Special projects covered by dept manager. 7 days per week X 2 shifts per day = 14 shifts per week/ 5 shifts per team member = 3 +1 dept manager (2.8 +1 rounded)

Kitchen – 5 based on three shifts per day. 7 days per week X 3 shifts per day = 21 shifts per week/ 5 shifts per team member = 5 team members (4.2 rounded up)

Bar – 1.5 based on one shift per day. . 7 days per week X 1 shifts per day = 7 shifts per week/ 5 shifts per team member = 1.5 team members (1.4 rounded up)

Banquets – These will be operated in the off-season so no additional staff will be required beyond what is present in the kitchen dept.

Housekeeping – 10 Based on 72% occupancy and daily housekeeping. $110 \times 72\% = 79.2$ rooms occupied/16 rooms cleaned per room attendant = 5 room attendants per day

Laundry – 2 laundry attendants

HK supervision – 2 – dept manager and supervisor

A&G – 2 – GM and AGM/Front Desk manager

Sales - 2

Total: 32.5 average over a year, rounded up. Peak business periods: 35 team members with additional front desk personnel.

My calculations:

People

- 5 Front Desk 21 shifts means never 2 people at desk????
- 4 Valet 14 shifts + 4 shifts of 2
- 4 Engineering
- 13 Kitchen Restaurant Dishwasher cook bussers 3 b 4 L 4d 67 shifts
- 13 Front of house Host, waiters 2 b 4 L 5 d 67 shifts
- 4 Bar 1 regular bar 2 people pool 7 days 1 shift bar 21 shifts
- 4 Shuttle 2 shifts 1.5 people 21 shifts
- 10 Housekeeping --- Baney number No one after cleaning ???
- 2 GM and AGM
- 2 Sales
- 1 Landscaping
- 4 Banquet and events ????

- 3 Housekeeping 2 shifts x 7 14 shifts to have someone on staff at all times
There is no one to clean the kitchen, bars and pool after they close
There is no job for security. Maybe they don't have any????
There is no one cleaning Meeting rooms and Conference rooms

69 Total Staff

The conference space at 3000 sq ft could have events with 150 people or more. There would be a staffing need greater than above for events of that size as well as extra bartenders and cleaners.

Re: Comment on Development Proposal

Joan Shannon <faithfuljoan@earthlink.net>

Mon 4/29/2024 1:04 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>

Hi Cari; i watched the hearing on the resort on Schnebly Hill Road and do not understand why the City is standing firm on having a sidewalk of eight feet wide just to share with bikers. This width interferes with the rural feeling of the neighborhood and the residents opposed it but, you stood firm. I do ask where would the bikers be coming from to need to have a portion of Schnebly devoted to them and where would they be biking too? Same goes for the shared pathway in Uptown. It is not real safe allowing bikers to share a sidewalk used heavily by tourists walking to and from Tlaquepaque with many being families with young children and little ones in strollers. Why is the City doing everything to encourage bikers to come into the thick of the traffic in Uptown and to where would they be heading?

It is truly not fair that bikers are always being given such privileged treatment over the safety and desires of the residents. There are plenty of places in West Sedona and VOC to go biking and certainly not desperate for more sidewalks to take over. The residents on Schnebly will already have to put up with the noise from weddings from the resort and the extra traffic which will undoubtedly impede a decent flow at the roundabout.

Also the Developer did not comply with the CFA recommendations and this was totally forgiven so why should we both to have CFAs or for that matter bother to have zoning when Developers can just apply for a waiver and most of the time it is granted. I was shocked at P&Z approving the Saddle Rock Crossing development allowing "live music on the roof with a pool and spa until 10pm" without even a mention of the letters from residents let alone give them any consideration. That was because they don't live in Saddle Rock Subdivision and have their peaceful lives so intruded upon and have their homes extremely devalued and that is not a debatable concern. It will happen. My late husband and I had a highly successful real estate company until he passed away some years ago and I took a very early retirement so I am educated on what can devalue properties. It was shocking how P&Z gave not a nod of consideration for residents when we truly do not need a noisy resort at a busy intersection on 89 and which affects ALL Sedonans not just Saddle Rock residents contrary to what our current Mayor says. There were comments galore on Next Door com in response to my post about it. Broke records and all were against that development getting a zone change. I sure would like an explanation as to why our City even bothers to have zoning and Land Codes. May as well just give and Developer what they want with the officials on P&Z and Council. P&Z members don't even bother to reply to emails which exhibits their arrogance because they are not accountable to the residents so couldn't care less. The vision statement the City has states: "Our City does all it can to maintain the small town character of Sedona". That has become useless with these two recent P&Z decisions and looking like Council will follow. Why bother to vote for Council when Council Members recently said re the "homeless camp" that they should not allow residents to tell them what to do"!!!

So as far as they are concerned we should not even exist.

The fact the Developer on Schnebly showed no thought about the CFA just shows the lack of respect they have for Sedona, City Staff and residents. Why should they when we have a P&Z that gave them all they wanted also showing this lack of respect for anyone other than the Developer.

Thank you for your time, PLEASE PASS ALONG TO ALL P&Z COMMISSIONERS AND COUNCIL MEMBERS. THANK YOU

Joan Shannon
315 Smith Rd
Sedona

Saddlerock Crossing Development by Baney

CHARLES KETCHAM <ketcham3@gmail.com>

Sat 6/15/2024 10:02 AM

To: Cari Meyer <CMeyer@sedonaaz.gov>

Cc: ketcham3@gmail.com <ketcham3@gmail.com>

Dear Ms. Meyer, Ms. Lovely, Ms. Yates and Mr. Mertes,

We live part time at 350 Saddlerock Circle. We have attended one of the forums with Ben Tate and the Baney family.

It is our understanding that this project cannot move forward until the zoning is changed by the City Council, which it is set to do in September. We have written before to voice our objection to this development. When we bought our home in Saddlerock, Biddles nursery, pool and spa services was an active business where the Baney's want to develop. This business added to the community and did not disrupt the neighborhood in which we reside. It is also our understanding that to change the zoning from commercial/housing to lodging, the proposed development must benefit the community. We fail to see how, yet another hotel/resort will add to the Sedona community; especially when there is already an approved hotel development at Schnebly Hill near the round about at Tlaquepaque Village and the Marriot Hotel/Residences have been approved for 146 additional units. Another hotel will only add to the massive amount of traffic in Sedona and will continue to have an impact on the much travelled 89a. Increased traffic in Sedona increases the likelihood of accidents. On the Sedona Nextdoor app there is already chatter about how much traffic there is in Sedona and that the traffic creates a less than desirable visit. Also, we have noticed on our Instagram thread the same comments about not going to Sedona because of all the traffic and how difficult it is to enjoy not just the natural wonders, but also the tourist experience.

We implore the Planning and Zoning commission to not change the zoning for this project. Please respect those who live in Sedona. Assuming whether you all live in Sedona or not, how would you like to have a hotel/resort built in front of your home? Complete with strangers and dogs walking and scoping out the neighborhood and adding to the noise of a tranquil area?

Sincerely yours,

Dr. Charles and Deborah Ketcham

We tried to send to Ms. Cynthia Lovely, Ms. Megan Yates and Mr. Steve Mertes, but apparently the email addresses we have for them are wrong. Please share with your colleagues

Project: Village at Saddlerock Crossing (Hrg: 9/24.24)

Howard Kipnis <hkipnis@as7law.com>

Mon 9/9/2024 1:51 PM

To: Cari Meyer <CMeyer@sedonaaz.gov>

Cc: Scott Jablow <SJablow@sedonaaz.gov>; Johnell Gallivan <aungirl66@yahoo.com>

Dear Ms. Meyer:

My wife Johnell and I live at 265 Rockridge Drive, in the Saddlerock Estates area of West Sedona. We have owned our home for almost 2 years. First, we want it to be known: WE CONSIDER OUR SEDONA RESIDENCE OUR FAMILY'S HOME; WE DO NOT OFFER OUR SEDONA HOME FOR SHORT TERM RENTAL; WE HAVE NEVER DONE SO; AND WE DO NOT INTEND TO DO SO AT ANY TIME IN THE FUTURE.

Per the written notice that we received, I just wanted you to know that my wife and I do plan to attend the 9/24/24 council meeting, at which time we plan to speak strongly in favor of the council granting the requested project so that it may proceed with the development of The Village at Saddlerock Crossing. My wife and I, as neighbors who would be directly affected by this development and who consider ourselves concerned and engaged citizens of West Sedona with a strong interest in ensuring that Sedona remains the beautiful, peaceful and welcoming community that attracted us to live there in the first place, welcome this sort of upscale mixed use, class A hotel/residential apartment development - - rather than just another strip mall or perhaps another higher density residential development. We have carefully studied the written plan submitted on behalf of the owner, and attended at least 2 meetings with the owner's representatives. We have been very impressed with the scope, class and beauty of the planned development, but also with what we see as a sincere commitment on the part of the owner to not only develop a Class A resort-type facility of 100 rooms, but to do so along with the development of lower density, less expensive residential units (46 units). We understand that this project was modified by the owner to lower the number of hotel rooms and increase the number of residential units in response to comments from the council/community, in order to address the goal of the city in providing badly needed housing for those who work in Sedona but are forced to live/commute from elsewhere - - while still offering an alternative to short term rentals of residences such as ours (in fact, almost all of the homes around us, unlike us, engage in short term rentals!). But perhaps even more important to us, we have become convinced, based upon the actions of the owners and their representatives, that they have a sincere desire to listen to the concerns of us, their neighbors, and that they seem to truly want to be good neighbors even while accomplishing their overall objective of turning a profit on their investment. What more could a neighbor want from a contiguous owner of land? In my experience,

this attitude is certainly not a “given”, nor would I expect it from an owner/operator of a strip mall!

So those are some of the reasons we support the project, and plan to speak out in favor of it. Feel free to contact me if you should want further input or explanation.

By the way, I have taken the liberty of cc'ing the Honorable Mayor Scott Jablow, only because I did meet and speak with him at some length when I was seated next to him at the 20th Anniversary Gala of the Jewish Community Center/Temple of Sedona/Verde Valley this past Spring.



Howard Kipnis

ARTIANO SHINOFF

3636 4th Avenue, Suite 200

San Diego, CA 92103

Business: (619) 232-3122, ext. 319

Direct: (619) 881-1255

Facsimile: (619) 232-3264



hkipnis@as7law.com

<http://www.as7law.com/>

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**CITY COUNCIL
AGENDA BILL**

**AB 3087
September 24, 2024
Regular Business**

Agenda Item: 8b

Proposed Action & Subject: Discussion/possible action regarding the award of a Construction Contract for the Dry Creek Road Shared-Use Pathway Improvements Project, Two Fences Trailhead to Gringo Road, to the contractor Mulcaire & Son Contracting, LLC, in an amount not-to-exceed \$376,019.90.

Department	Public Works/Sandy Phillips
Time to Present	5 min
Total Time for Item	10 min
Other Council Meetings	NA
Exhibits	A. Construction Contract B. Project Map

Finance Approval	Reviewed 09/10/24 JDM	Expenditure Required	
City Attorney Approval	Reviewed 09//09/24 KWC	\$	376,019.90
City Manager's Recommendation	Recommend approval. ABS 9/10/24	Amount Budgeted	
		\$	\$400,000
		Account No. (Description)	22-5320-89-68C3 (Construction) SIM-11m Dry Creek Road Shared Use Path \$486,981 available in FY25 for Dry Creek Rd Improvements which includes SUP Construction from this point to White Bear Road

SUMMARY STATEMENT

Staff is requesting City Council approval of a construction contract with Mulcaire & Son Contracting, LLC (the contractor) in the amount of \$376,019.90 for the Dry Creek Road Shared-Use Pathway Improvements Project, from the Two-Fences Trailhead to just north of Gringo

Road. The scope of work for this project includes a compacted decomposed granite shared use path with paver driveway crossings and street crosswalks and other miscellaneous improvements as shown on the construction plans and described in the specifications. The project is located on the west side of Dry Creek Road and runs approximately 4,040 feet.

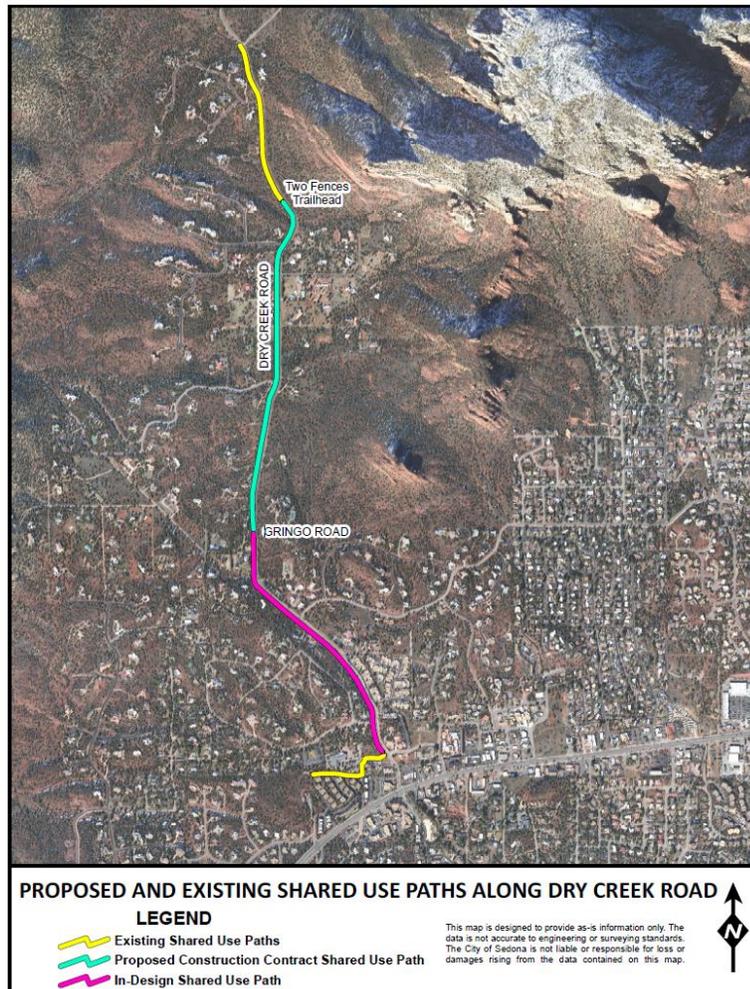


Figure 1: Extents of Project on Dry Creek Road

Background: The 2018 Transportation Master Plan, Strategy 11, Walking and Bicycling Facilities, indicates these improvements collectively encourage use of alternative modes of travel in Sedona, and support a park-once culture where visitors and residents are encouraged to leave their vehicles at their place of lodging/residence. To have a measurable impact on traffic congestion, shared use path connections will be required.

Over the past 25 years, many plans have supported the increased availability of bicycle and pedestrian routes. Some of these plans specifically supported improving the route along Soldiers Pass Road. These plans include the following:

- 1994 Red Rock Pathways Plan
- 1996 Trails and Urban Pathways Plan 007 Sedona Bicycle Plan
- 2017 Community Survey
- 2018 Transportation Master Plan (Strategy 11)

- FY2020/2021 Budget Survey
- 2020 GO Sedona, Trails and Pathways Master Plan Update

By investing in bicycle and pedestrian infrastructure, the City of Sedona is showing a commitment of providing safe and convenient alternatives (or “active”) transportation options. In addition, accessibility to active transportation infrastructure encourages healthier lifestyles.

This project addresses resident’s concerns for the safety of visitors walking down the roadway, where vehicles parked along the roadway at times impede the travel lane. The concern is also highlighted by the high level of distracted driving and excessive speeds within the area.

This shared use pathway project was started by the City’s maintenance team, however other priorities pulled them off this project. The work completed by the maintenance team included clearing the work area and building the base for the pathway. In addition, one segment of the alignment was paved with asphalt. The contractor chosen to complete the shared use pathway work, from Two Fences to Gringo Road, will fine tune the depth and width with a final layer of material, prior to placement of the stabilized decomposed granite pathway. So, the contractor will be completing the work, no major rework is expected.



Figure 2: Standing on north portion of project, looking south.

Project Area Outreach Efforts:

- As work has been underway, residents often stop to discuss the project with staff, and staff have scheduled meetings with residents onsite as well.
- Meetings have also been scheduled with property owners at their residence to discuss the project.
- BetaPr continues to assist the City with resident outreach via email distribution and update the website for the project.

Schedule and Access:

- The construction timeframe is set at 96 days and is anticipated to begin in October 2024 and be complete by early February 2025.

- No permanent easements or additional rights-of-way are necessary to construct this project.
- Throughout the construction period, the contractor is required to coordinate directly with owners/residents regarding impacts to property access. This is expected to be minimal.
- During the project, access will be maintained with periodic one lane of traffic operations.

Procurement Method:

This project contract was processed through our Procurement Team utilizing Bonfire Software.

Sealed Bid:

This construction contract was advertised for bids beginning August 14, 2024. A non-mandatory pre-bid meeting was held on August 15th, 2024 to make sure the contractors were aware of the traffic on Dry Creek Road. Bids were opened on August 26, 2024. Five bids were received. Three bids were received. They are listed as follows:

Bidder, (Office Location)	Bid
MULCAIRE & SON CONTRACTING, LLC (Camp Verde, AZ)	\$376,019.90
PROPERTY RESTORATION AND MAINTENANCE LLC (Cottonwood, AZ)	\$395,776.00
SPECIALTY PAVING AND GRADING (Prescott, AZ)	\$317,956.20
STANDARD CONSTRUCTION COMPANY, INC (Avondale, AZ)	\$805,230.00
SUMMIT CONSTRUCTION COMPANY (Flagstaff, AZ)	\$511,887.00

The bid documents state: “The successful bidder will be determined based on the lowest responsive and responsible Proposal. The City of Sedona, Arizona reserves the right (A.R.S. § 34-221) to reject any or all Proposals, to waive or not to waive any informalities, or irregularities in the Proposals received, and to accept a Proposal which in its judgment best serves the interests of the City.”

The bid by Specialty Paving and Grading is being recommended for rejection based on not being complete. The submittal package from Specialty Paving and Grading did not include all the required documents. Staff’s determination, that the Specialty Paving and Grading bid should be considered non-responsive, is based on an incomplete bid package. Staff has discussed this with Specialty Paving and Grading representatives, per their response, they understand staff’s position and have indicated they will work with City Staff to ensure a complete package is provided on future projects.

Staff is recommending award of the contract to Mulcaire & Son Contracting, LLC in the amount of \$376,019.90. The submitted bid met all requirements, and staff has researched their references and licenses and have found no reason to not award the contract. While the Mulcaire & Son Contracting, LLC. bid amount is higher than the Specialty Paving and Grading bid, staff feels awarding this bid is in the best interest of the City.

Budget

- Staff estimated the construction cost of this portion of the shared-use pathway at \$400K.
- So far expenses encumbered on this project in FY25 total just over \$409K.
- The amount budgeted for Dry Creek Road SUP projects in FY25 is \$1,370,000 and will be funded from the Transportation Sales Tax.
- An Engineering design contract has been approved to complete plans for the shared-use pathway from Gringo Road to White Bear Road. This cost is estimated at \$98K.
- The remainder available is \$487K.

Staff believe the bid is good, it is reflective of the current bid environment, and no errors were found in the bid.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

In the Climate Action Plan, transportation related desired actions includes bike/pedestrian infrastructure, and reduced congestion. Identified strategies include developing and maintaining a safe, convenient, and effective system for walking, biking and other active forms of transportation. This project addresses those desired actions and strategies.

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Council could elect to not approve the contract. Not approving this contract would result in:

- Not moving forward with a project that creates a more walkable and bike-able community as supported in many plans and citizen surveys.
- Continued distracted drivers and excessive speeding along Dry Creek Road.
- Pedestrians and cyclists not having a safe place to walk through this corridor.

MOTION

I move to: approve award of the construction contract with Mulcaire & Son Contracting, LLC for the Dry Creek Road Shared-Use Pathway Improvements Project, Two-Fences Trailhead to Gringo Road, in an amount not-to-exceed \$376,019.90, subject to approval of the written contract by the City Attorney's Office.

II. CONSTRUCTION CONTRACT

THIS CONTRACT, made and entered into this ____ day of _____, 20__ by and between the City of Sedona, Arizona, hereinafter called the "City" or "Owner", and **Mulcaire & Son Contracting, LLC**, hereinafter called the "Contractor."

WITNESSETH:

WHEREAS, the City has caused Contract Documents to be prepared for the construction of the **SIM-11m Dry Creek Road, Two Fences to Gringo Shared Use Path 25-03IFB**, City of Sedona, Arizona, as described therein; and

WHEREAS, the Contractor has offered to perform the proposed work in accordance with the terms of the Contract; and

WHEREAS, the Contractor, as will appear by reference to the minutes of the proceedings of the City Council was duly awarded the work.

NOW, THEREFORE, the parties hereto hereby stipulate, covenant and agree as follows:

1. The Contractor promises and agrees to and with the City that it shall perform everything required to be performed and shall provide and furnish all the labor, materials, necessary tools, expendable equipment, and all utility and transportation services required to perform and complete in a workmanlike manner all of the work required in connection with construction of the Project all in strict accordance with the Specifications and Drawings, including any and all Addenda, and in strict compliance with the Contractor's Proposal and all other Contract Documents, which are a part of the Contract; and the Contractor shall do everything required by this Contract and the other documents constituting a part thereof.
2. The Contractor agrees to perform all of the work described above in accordance with the Contract Documents and comply with the terms therein for the initial estimated Contract price of \$ 376,019.90, subject to increase or decrease in accordance with the Contract Documents, and the Bid Schedule set forth therein; and the City agrees to pay the Contract Prices in accordance with the Bid Schedule for the performance of the work described herein in accordance with the Contract Documents.
3. The Contractor and the City agree that the terms, conditions, and covenants of the Contract are set forth in the Contract Documents and the Plans and Technical Specifications, and the Drawings numbered **C4** through **C7**, all defined as the Contract Documents, and by this reference made a part hereof as if fully set forth herein.
4. The Contractor and the City agree that each will be bound by all terms and conditions of all of the Plans and Technical Specifications, and Contract Documents, as if the same were fully set forth herein, and hereby incorporate all of the foregoing into this Agreement.
5. The Contractor shall abide by all the laws of the United States of America, State of Arizona, Coconino/Yavapai Counties, and the City of Sedona, including a requirement that Contractor obtain an annual Sedona Business License for every year that they do business with Sedona or within the City limits.

6. The Contractor shall carry Workers' Compensation Insurance and require all Subcontractors to carry Workers' Compensation Insurance as required by the Law of the State of Arizona, and all other insurance as set forth in the General Conditions.
7. Contractor, its agents, employees, and subcontractors, shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or veteran status. (Ordinance 2015-10 (2015)).
8. Work under this Contract shall commence on the date specified in the written Notice to Proceed from the City to the Contractor. Upon receipt of said Notice, the Contractor shall diligently and continuously prosecute and complete all work under this Contract within the time specified on page A-2.
9. The Contract Document consist of the following component parts, all of which are a part of this Contract whether herein set out verbatim, or attached hereto:

- Advertisement for Bids
- Information for and Instructions to Bidders
- Bid Proposal and Bid Guaranty Bond
- Contract (this document)
- Change Orders
- Addenda, if issued
- Performance Bond, Labor and Material Payment Bond
- Special Conditions
- General Conditions
- Technical Specifications
- Notice of Award
- Notice to Proceed
- Plans and Drawings
- Standard Specifications
- Insurance Certificates

The above-named documents are essential parts of the Contract, and a requirement occurring in one is as binding as though occurring in all. They are intended to be complementary and to describe and provide for a complete work. In case of discrepancy, the order of precedence is as follows:

1. Change Orders
2. Contract (this document), including addenda
3. Payment and Performance Bonds
4. Addenda, if issued
5. Advertisement for Bids
5. Information for and Instructions to Bidders
6. Notice of Award
7. Notice to Proceed

8. Special Conditions
9. Bid Proposal
10. Technical Specifications
11. Plans and Drawings
12. General Conditions
13. Bid Guaranty Bond
14. Standard Specifications

In the event there is a conflict between any of the above listed documents, the provision of the document with the lower numerical value shall govern those documents with a higher numerical value. Within a category, the last in time is first in precedence.

The Contractor shall not take advantage of any apparent error or omission in the Plans or Specifications. In the event the Contractor discovers such an error or omission, he shall immediately notify the Owner. The City will then make such corrections and interpretations as may be deemed necessary for fulfilling the intent of the Plans and Specifications.

10. As part of the inducement for City to enter into this Agreement, Contractor makes the following representations:

- A. Contractor has familiarized himself with the nature and extent of the Contract Documents, work, locality, and with all local conditions and federal, state and local laws, ordinances, rules and regulations that in any manner may affect cost, progress, or performance of the work.
- B. Contractor has studied carefully all reports of investigations and tests of subsurface and latent physical conditions at the site or those reports that otherwise may affect cost, progress or performance of the work, which were utilized by Design Engineer in the preparation of the Drawings and Specifications and which have been identified in the Contract Documents.
- C. Contractor has made or caused to be made examinations, investigations and tests, and studies of such reports and related data as he deems necessary for the performance of the work at the Contract Price, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents; and no additional examinations, investigations, tests, reports or similar data are or will be required by Contractor for such purposes.
- D. Contractor has correlated the results of all such observations, examinations, investigations, tests, reports and data with the terms and conditions of the Contract Documents.
- E. **Contractor has given the City Engineer written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents** and the written resolution thereof by City Engineer is acceptable to Contractor.
- F. Contractor has attended any mandatory pre-bid meetings and walk-throughs.

11. A. No assignment by a party hereto of any rights under or interest in the Contract

Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation, monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

- B. City and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, and its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.
12. Pursuant to Arizona Revised Statutes Section 38-511, the provisions of which are incorporated by reference as if fully set forth herein, all parties are hereby given notice that this Agreement is subject to cancellation by the City if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract or Contract Documents on behalf of the City is, at any time while the Contract or Contract Document or any extension thereof is in effect, an employee or agent of any other party to the Contract or Contract Documents in any capacity or a consultant to any other party to the Contract or Contract Documents with respect to the subject matter of the Contract or Contract Documents.
 13. In accordance with A.R.S. §41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with A.R.S. §23- 214(A).
 14. Remedies and Applicable Law. This Contract shall be governed by the law of the State of Arizona. Any lawsuits pertaining to this Contract may only be brought in the County of Yavapai, State of 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 Contract.
 15. No Boycott of Israel or Use of Forced Labor of Ethnic Uyghurs in the Peoples Republic of China. As applicable, Contractor certifies it is not currently engaged in and for the duration of the Contract will not engage in a boycott of Israel, as that term is defined in A.R.S. §35-393 and will not use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the People's Republic of China (PRC) or any contractors, subcontractors or suppliers that use forced labor or goods or services produced by forced labor of ethnic Uyghurs in the PRC as provided by A.R.S. §35-394.
 16. During the performance of this Agreement, Contractor may also be under contract with the City for performance of work on other projects. A breach in the performance of any of Contractor's obligations under this Agreement shall constitute a breach of Contractor's obligations under any other agreement with the City and the breach by Contractor under other agreement with the City shall also constitute a breach of Contractor's obligations under this Agreement. The City may offset any amounts owed by Contractor under any such other agreement from any amounts owed to Contractor under this Agreement.
 17. The Contract Documents constitute the entire Agreement between the parties.

IN WITNESS WHEREOF, the parties hereto have executed, or caused to be executed by their duly authorized officials, this Agreement which shall be deemed an original on the date first above written.

CITY OF SEDONA, ARIZONA

MULCAIRE & SON CONTRACTING, LLC

Anette Spickard, City Manager

By:_____

Title:_____

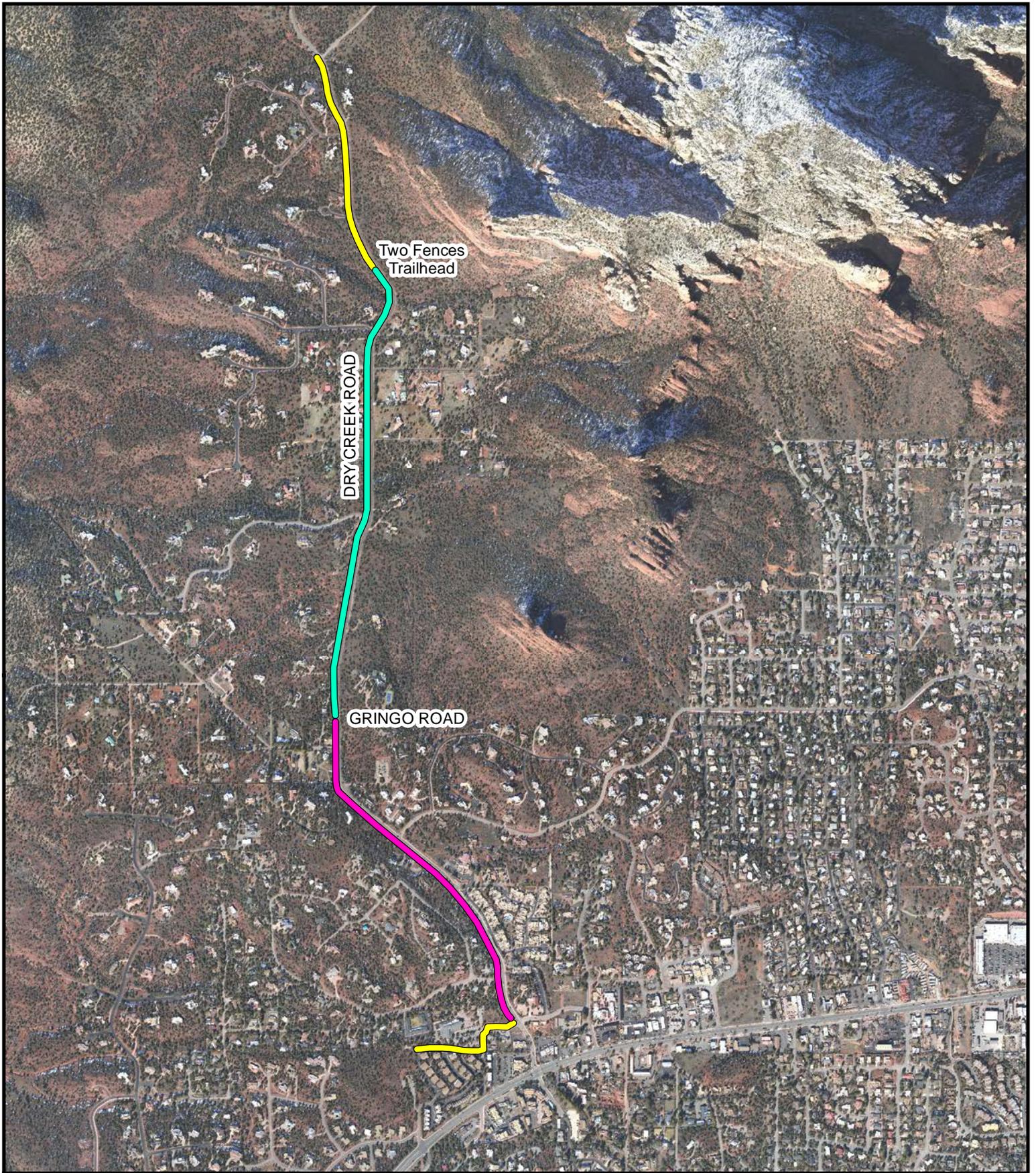
ATTEST:

I hereby affirm that I am authorized to enter into
and sign this Agreement on behalf of
CONTRACTOR

JoAnne Cook, City Clerk

APPROVED AS TO LEGAL
FORM:

Kurt W. Christianson, City
Attorney



PROPOSED AND EXISTING SHARED USE PATHS ALONG DRY CREEK ROAD

LEGEND

-  Existing Shared Use Paths
-  Proposed Construction Contract Shared Use Path
-  In-Design Shared Use Path

This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.





**CITY COUNCIL
AGENDA BILL**

**AB 3071
September 24, 2024
Regular Business**

Agenda Item: 8c
Proposed Action & Subject: Discussion/possible direction on Land Use Assumptions (LUA), Infrastructure Improvement Plan (IIP), and Development Fees.

Department	City Manager/Anette Spickard and Ben Griffin of Tischler Bise
Time to Present	30 minutes
Total Time for Item	60 minutes
Other Council Meetings	N/A
Exhibits	A. Draft Land Use Assumptions Document (LUA), Infrastructure Improvement Plan (IIP), Development Fees B. PowerPoint Presentation

Finance Approval	Reviewed 09/10/24 JDM	Expenditure Required	
City Attorney Approval	Reviewed 09/09/24 KWC		\$ 0
City Manager's Recommendation	Review and recommend to move forward with adoption schedule. ABS 9/10/24		Amount Budgeted
		\$ 0	
		Account No. N/A (Description)	

SUMMARY STATEMENT

Background: Development Impact Fees (DIFs) are one-time charges applied to new development in order that new growth will pay its fair share of infrastructure improvements needed to provide municipal services, and to ensure that existing residents are not unduly burdened to pay for improvements and services needed to accommodate new development. The City of Sedona first adopted DIFs on May 18, 1998. A.R.S. § 9-463.05 is the state statute that enables municipalities to assess, collect, and spend development fees.

The City's DIFs were last updated in 2019 and became effective on September 9, 2019. They are required by statute to be updated every five years. As required by law, the City retained the services of an outside consultant to complete the update.

State statute also requires the City to follow a series of prescribed steps to develop and implement new DIFs. These steps include a minimum of 225 days and include public hearings and public comment periods. The draft schedule for the implementation of Sedona's fees is set forth below.

Sedona Adoption Process Schedule- Revised

- June 1, 2024: Publish Draft Land Use Assumptions (LUA) and Infrastructure Improvement Plan (60 days)
 - The documents and public hearing information were published on our Community Development Fees website on May 30, 2024
- August 13, 2024: Public Hearing, LUA and IIP presentation (30 days)
 - Council held the hearing and asked staff to revise the adoption schedule to include another meeting prior to adoption so that the consultant could bring back comparison data of other communities.
- September 24, 2024: LUA and IIP presentation, community comparison data review
- October 8, 2024: Public Hearing, LUA and IIP Adoption
- October 9, 2024: Publish Draft Development Fee Report (+30 days)
- November 12, 2024: Public Hearing, Development Fee Report presentation (+30 days)
- January 14, 2025: Public Hearing, Development Fee Report Adoption (+75 days)
- March 31, 2025: Development Fees Effective

The publication of a notice of public hearing on Land Use Assumptions (LUA) and Infrastructure Improvement Plan (IIP), and the publication of those draft plans is required a minimum of 60 days prior to this first hearing. Those documents have now been published more than 60 days. The purpose of this meeting is to conduct a public hearing in advance of another 30-day comment period. No action is required by Council at this time. The Council will be asked to adopt the LUA document and the IIP in October when this item comes back for consideration.

- The LUA is required to document projections of changes in land uses, densities, intensities, and population for the City's service area over a period of at least ten years and pursuant to the City's Community Plan.
- The IIP is a written plan that identifies each necessary public service or facility expansion that is proposed to be the subject of a development fee. It examines the City's existing level of service and identifies a list of potential projects needed to serve future development.

The fees are based on a combination of the LUA and the IIP and the application of a fee-calculation methodology for each fee category. The consultant evaluated existing conditions and needs for each service area and identified and applied the most appropriate methodology to develop the fees. The three possible fee methodologies include:

- Incremental Expansion - The incremental expansion, or consumption method, documents the current level-of-service (LOS) for public facilities (ex. Parks acres per capita). The jurisdiction uses the impact fee revenue to expand or provide additional facilities as needed to accommodate new development. This method is best suited for public facilities that will be expanded in regular increments, with LOS standards based on current conditions in the community.
- Plan Based - The plan-based method allocates costs for a specified set of future improvements to a specified amount of development. The improvements are identified by a facility plan, CIP, or master plan. In this method, the total cost of relevant facilities is divided by total demand (e.g., vehicle trips for transportation, persons for parks, etc.) to calculate a cost per unit of demand. Must be able to refine how much of those projects can reasonably be attributable to growth (for Sedona, at near build-out, in most cases this is a very small percentage).
- Cost Recovery – The rationale for the cost recovery, or buy-in, approach is that new development is paying for its share of the useful life and remaining capacity of facilities

from which new growth will benefit. To calculate an impact fee using the cost recovery approach, costs are allocated to the ultimate number of demand units the facility will serve. This is most common when community has built oversized facilities in anticipation of growth. This is not being used for Sedona.

While it is not necessary to include the draft fees in the IIP at this stage in the adoption process, the consultant has completed the draft fees and they are included in the IIP for review. Based on the steps prescribed by statute, this hearing is intended to be held to solicit input on the LUA and IIP, not necessarily on the fees themselves; however, since the draft fees are included, this provides an opportunity for City Council to provide initial feedback on the fees as well. This will allow the consultant to make changes to the IIP and fees, if necessary, and bring those back for the next meeting which is the adoption of the LUA and IIP. The public hearing on the fees themselves will occur after the LUA and IIP are adopted (see above schedule). There will be two subsequent meetings specifically devoted to the fees.

The categories under consideration for assessment of DIF are Streets, Police, and Parks. The consultant will provide the calculation methodology and basis for each of these.

Climate Action Plan/Sustainability Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): The Council is required to review these fees per state law. After the LUA and IIP are adopted, the Council will have the opportunity at future meetings as described in the above schedule to decide by policy how much of the fee to impose.

MOTION

I move to: for discussion and direction only.

DRAFT
**Land Use Assumptions,
Infrastructure Improvements Plan,
and Development Fee Report**

**Prepared for:
Sedona, Arizona**

April 16, 2024



**4701 Sangamore Road
Suite S240
Bethesda, MD 20816
301.320.6900
www.TischlerBise.com**

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EXECUTIVE SUMMARY

The City of Sedona, Arizona, contracted with TischlerBise to document land use assumptions, prepare the Infrastructure Improvements Plan (hereinafter referred to as the “IIP”), and update development fees pursuant to Arizona Revised Statutes (“ARS”) § 9-436.05 (hereafter referred to as the “Enabling Legislation”). Municipalities in Arizona may assess development fees to offset infrastructure costs to a municipality for necessary public services. The development fees must be based on an Infrastructure Improvements Plan and Land Use Assumptions. The IIP for each type of infrastructure is in the middle section of this document. The proposed development fees are displayed in the Development Fee Report in the next section.

Development fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development’s proportionate share of infrastructure costs. Development fees may be used for infrastructure improvements or debt service for growth related infrastructure. In contrast to general taxes, development fees may not be used for operations, maintenance, replacement, or correcting existing deficiencies. This update of Sedona’s Infrastructure Improvements Plan and associated update to its development fees includes the following necessary public services:

1. Parks and Recreational Facilities
2. Police Facilities
3. Street Facilities

This plan includes all necessary elements required to be in full compliance with SB 1525.

ARIZONA DEVELOPMENT FEE ENABLING LEGISLATION

The Enabling Legislation governs how development fees are calculated for municipalities in Arizona.

Necessary Public Services

Under the requirements of the Enabling Legislation, development fees may only be used for construction, acquisition or expansion of public facilities that are necessary public services. “Necessary public service” means any of the following categories of facilities that have a life expectancy of three or more years and that are owned and operated on behalf of the municipality: water, wastewater, storm water, library, street, fire, police, and parks and recreational. Additionally, a necessary public service includes any facility that was financed before June 1, 2011, and that meets the following requirements:

1. Development fees were pledged to repay debt service obligations related to the construction of the facility.
2. After August 1, 2014, any development fees collected are used solely for the payment of principal and interest on the portion of the bonds, notes, or other debt service obligations issued before June 1, 2011, to finance construction of the facility.

Infrastructure Improvements Plan

Development fees must be calculated pursuant to an IIP. For each necessary public service that is the subject of a development fee, by law, the IIP shall include the following seven elements:

1. A description of the existing necessary public services in the service area and the costs to update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.
2. An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.
3. A description of all or the parts of the necessary public services or facility expansions and their costs necessitated by and attributable to development in the service area based on the approved Land Use Assumptions, including a forecast of the costs of infrastructure, improvements, real property, financing, engineering and architectural services, which shall be prepared by qualified professionals licensed in this state, as applicable.
4. A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial, and industrial.
5. The total number of projected service units necessitated by and attributable to new development in the service area based on the approved Land Use Assumptions and calculated pursuant to generally accepted engineering and planning criteria.
6. The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.
7. A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved Land Use Assumptions and a plan to include these contributions in determining the extent of the burden imposed by the development.

Qualified Professionals

The IIP must be developed by qualified professionals using generally accepted engineering and planning practices. A qualified professional is defined as “a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person’s license, education, or experience.” TischlerBise is a fiscal, economic, and planning consulting firm specializing in the cost of growth services. Our services include development fees, fiscal impact analysis, infrastructure financing analyses, user fee/cost of service studies, capital improvement plans, and fiscal software. TischlerBise has prepared over 800 development fee studies over the past 30 years for local governments across the United States.

Conceptual Development Fee Calculation

In contrast to project-level improvements, development fees fund growth-related infrastructure that will benefit multiple development projects, or the entire service area (usually referred to as system improvements). The first step is to determine an appropriate demand indicator for the particular type of infrastructure. The demand indicator measures the number of service units for each unit of development. For example, an appropriate indicator of the demand for parks is population growth and the increase in population can be estimated from the average number of persons per housing unit. The second step in the development fee formula is to determine infrastructure improvement units per service unit, typically called level-of-service (LOS) standards. In keeping with the park example, a common LOS standard is improved park acres per thousand people. The third step in the development fee formula is the cost of various infrastructure units. To complete the park example, this part of the formula would establish a cost per acre for land acquisition and/ or park amenities.

Evaluation of Credits/Offsets

Regardless of the methodology, a consideration of credits/offsets is integral to the development of a legally defensible development fee. There are two types of credits/offsets that should be addressed in development fee studies and ordinances. The first is a revenue credit/offset due to possible double payment situations, which could occur when other revenues may contribute to the capital costs of infrastructure covered by the development fee. This type of credit/offset is integrated into the fee calculation, thus reducing the fee amount. The second is a site-specific credit or developer reimbursement for dedication of land or construction of system improvements. This type of credit is addressed in the administration and implementation of the development fee program. For ease of administration, TischlerBise normally recommends developer reimbursements for system improvements.

INTRODUCTION TO DEVELOPMENT FEES

Development fees are one-time payments used to fund capital improvements necessitated by future development. Development fees have been utilized by local governments in various forms for at least fifty years. Development fees do have limitations and should not be regarded as the total solution for infrastructure financing needs. Rather, they should be considered one component of a comprehensive portfolio to ensure adequate provision of public facilities with the goal of maintaining current levels of service in a community. Any community considering facility fees should note the following limitations:

- 1) Fees can only be used to finance capital infrastructure and cannot be used to finance ongoing operations and / or maintenance and rehabilitation costs.
- 2) Fees cannot be deposited in the General Fund. The funds must be accounted for separately in individual accounts and earmarked for the capital expenses for which they were collected.
- 3) Fees cannot be used to correct existing infrastructure deficiencies unless there is a funding plan in place to correct the deficiency for all current residents and businesses in the community.

REQUIRED FINDINGS

There are three reasonable relationship requirements for development fees that are closely related to “rational nexus” or “reasonable relationship” requirements enunciated by a number of state courts. Although the term “dual rational nexus” is often used to characterize the standard by which courts evaluate the validity of development fees under the U. S. Constitution, we prefer a more rigorous formulation that recognizes three elements: “impact or need,” “benefit,” and “proportionality.” The dual rational nexus test explicitly addresses only the first two, although proportionality is reasonably implied, and was specifically mentioned by the U.S. Supreme Court in the *Dolan* case. The reasonable relationship language of the statute is considered less strict than the rational nexus standard used by many courts. Individual elements of the nexus standard are discussed further in the following paragraphs.

Demonstrating an Impact. All future development in a community creates additional demands on some, or all, public facilities provided by local government. If the supply of facilities is not increased to satisfy that additional demand, the quality or availability of public services for the entire community will deteriorate. Development fees may be used to recover the cost of development-related facilities, but only to the extent that the need for facilities is a consequence of development that is subject to the fees. The *Nollan* decision reinforced the principle that development exactions may be used only to mitigate conditions created by the developments upon which they are imposed. That principle clearly applies to development fees. In this study, the impact of development on improvement needs is analyzed in terms of quantifiable relationships between various types of development and the demand for specific facilities, based on applicable level-of-service standards.

Demonstrating a Benefit. A sufficient benefit relationship requires that development fee revenues be segregated from other funds and expended only on the facilities for which the fees were charged. Fees must be expended in a timely manner and the facilities funded by the fees must serve the development paying the fees. However, nothing in the U.S. Constitution or the State enabling Act authorizing development fees requires that facilities funded with fee revenues be available *exclusively* to development paying the fees. In other words, existing development may benefit from these improvements as well.

Procedures for the earmarking and expenditure of fee revenues are typically mandated by the State Enabling Legislation, as are procedures to ensure that the fees are expended expeditiously or refunded. All requirements are intended to ensure that developments benefit from the fees they are required to pay. Thus, an adequate showing of benefit must address procedural as well as substantive issues.

Demonstrating Proportionality. The requirement that exactions be proportional to the impacts of development was clearly stated by the U.S. Supreme Court in the *Dolan* case (although the relevance of that decision to development fees has been debated) and is logically necessary to establish a proper nexus. Proportionality is established through the procedures used to identify development-related facility costs, and in the methods used to calculate development fees for various types of facilities and categories of development. The demand for facilities is measured in terms of relevant and measurable attributes of development.

DEVELOPMENT FEE REPORT

Development fees for the necessary public services made necessary by new development must be based on the same level of service (LOS) provided to existing development in the service area. There are three basic methodologies used to calculate development fees. They examine the past, present, and future status of infrastructure. The objective of evaluating these different methodologies is to determine the best measure of the demand created by new development for additional infrastructure capacity. Each methodology has advantages and disadvantages in a particular situation and can be used simultaneously for different cost components.

Reduced to its simplest terms, the process of calculating development fees involves two main steps: (1) determining the cost of development-related capital improvements and (2) allocating those costs equitably to various types of development. In practice, though, the calculation of development fees can become quite complicated because of the many variables involved in defining the relationship between development and the need for facilities within the designated service area. The following paragraphs discuss basic methodologies for calculating development fees and how those methodologies can be applied.

- **Cost Recovery** (past improvements) - The rationale for recoupment, often called cost recovery, is that new development is paying for its share of the useful life and remaining capacity of facilities already built, or land already purchased, from which new growth will benefit. This methodology is often used for utility systems that must provide adequate capacity before new development can take place.
- **Incremental Expansion** (concurrent improvements) - The incremental expansion methodology documents current LOS standards for each type of public facility, using both quantitative and qualitative measures. This approach assumes there are no existing infrastructure deficiencies or surplus capacity in infrastructure. New development is only paying its proportionate share for growth-related infrastructure. Revenue will be used to expand or provide additional facilities, as needed, to accommodate new development. An incremental expansion cost method is best suited for public facilities that will be expanded in regular increments to keep pace with development.
- **Plan-Based** (future improvements) - The plan-based methodology allocates costs for a specified set of improvements to a specified amount of development. Improvements are typically identified in a long-range facility plan and development potential is identified by a land use plan. There are two basic options for determining the cost per demand unit: (1) total cost of a public facility can be divided by total demand units (average cost), or (2) the growth-share of the public facility cost can be divided by the net increase in demand units over the planning timeframe (marginal cost).

DEVELOPMENT FEE COMPONENTS

Shown below, Figure 1 summarizes service areas, methodologies, and infrastructure cost components for the proposed fees.

Figure 1: Proposed Development Fee Service Areas, Methodologies, and Cost Components

Necessary Public Service	Service Area	Cost Recovery	Incremental Expansion	Plan-Based	Cost Allocation
Parks and Recreational	Citywide	N/A	Park Amenities, Shared-Use Paths	Park Land, Development Fee Report	Park Population, Jobs
Police	Citywide	N/A	Police Facilities, Police Vehicles, Communication Equipment	Development Fee Report	Peak Population, Vehicle Trips
Street	Citywide	N/A	Street Improvements, Shared-Use Paths, Intersection Improvements	Development Fee Report	VMT

Calculations throughout this report are based on an analysis conducted using Excel software. Most results are discussed in the report using two, three, and four decimal places, which represent rounded figures. However, the analysis itself uses figures carried to their ultimate decimal places; therefore, the sums and products generated in the analysis may not equal the sum or product if the reader replicates the calculation with the factors shown in the report (due to the rounding of figures shown, not in the analysis).

CURRENT DEVELOPMENT FEES

Current development fees are assessed per dwelling unit, based on unit size, for residential development and per square foot of floor area for nonresidential development.

Figure 2: Current Development Fees

Residential Fees per Unit				
Unit Size	Parks & Recreational	Police	Street	Current Fees
700 or less	\$717	\$468	\$2,088	\$3,273
701 to 1,200	\$1,004	\$656	\$2,831	\$4,491
1,201 to 1,700	\$1,363	\$890	\$3,580	\$5,832
1,701 to 2,200	\$1,578	\$1,030	\$4,134	\$6,741
2,201 to 2,700	\$1,721	\$1,124	\$4,574	\$7,419
2,701 to 3,200	\$1,865	\$1,218	\$4,943	\$8,025
3,201 to 3,700	\$2,008	\$1,311	\$5,256	\$8,575
3,701 to 4,200	\$2,151	\$1,405	\$5,526	\$9,082
4,201 to 4,700	\$2,223	\$1,452	\$5,767	\$9,442
4,701 or more	\$2,295	\$1,498	\$5,985	\$9,778

Nonresidential Fees per Square Foot				
Development Type	Parks & Recreational	Police	Street	Current Fees
Industrial	\$0.74	\$0.16	\$1.18	\$2.09
Commercial	\$1.07	\$0.83	\$5.36	\$7.25
Office / Other Services	\$1.36	\$0.32	\$2.32	\$4.00
Institutional	\$0.42	\$0.43	\$3.07	\$3.92
Lodging (per room)	\$1,434	\$278	\$1,990	\$3,702

PROPOSED DEVELOPMENT FEES

Proposed development fees will be assessed per dwelling unit, based on unit size, for residential development and per square foot of floor area for nonresidential development. The proposed fees represent the maximum allowable fees. Sedona may adopt fees that are less than the amounts shown; however, a reduction in development fee revenue will necessitate an increase in other revenues, a decrease in planned capital improvements, and/or a decrease in level-of-service standards. All costs in the Development Fee Report represent current dollars with no assumed inflation over time. If costs change significantly over time, development fees should be recalculated.

Figure 3: Proposed Development Fees

Residential Fees per Unit				
Unit Size	Parks & Recreational	Police	Street	Proposed Fees
700 or less	\$1,734	\$1,274	\$4,373	\$7,381
701 to 1,200	\$2,185	\$1,605	\$5,629	\$9,419
1,201 to 1,700	\$2,809	\$2,064	\$7,145	\$12,018
1,701 to 2,200	\$3,433	\$2,522	\$8,808	\$14,763
2,201 to 2,700	\$4,092	\$3,006	\$10,130	\$17,228
2,701 to 3,200	\$4,525	\$3,325	\$11,320	\$19,170
3,201 to 3,700	\$4,906	\$3,605	\$12,213	\$20,724
3,701 to 4,200	\$5,184	\$3,809	\$12,916	\$21,909
4,201 to 4,700	\$5,444	\$4,000	\$13,544	\$22,988
4,701 or more	\$5,687	\$4,178	\$14,106	\$23,971

Nonresidential Fees per Square Foot				
Development Type	Parks & Recreational	Police	Street	Proposed Fees
Industrial	\$1.03	\$0.49	\$2.83	\$4.35
Commercial	\$1.40	\$2.46	\$14.61	\$18.47
Office / Other Services	\$2.15	\$1.09	\$6.31	\$9.55
Institutional	\$1.99	\$1.50	\$8.68	\$12.17
Lodging (per room)	\$3,277	\$807	\$4,779	\$8,863

DIFFERENCE BETWEEN PROPOSED AND CURRENT DEVELOPMENT FEES

The differences between the proposed and current development fees are displayed below in Figure 4.

Figure 4: Difference Between Proposed and Current Development Fees

Residential Fees per Unit				
Unit Size	Parks & Recreational	Police	Street	Difference
700 or less	\$1,017	\$806	\$2,285	\$4,108
701 to 1,200	\$1,181	\$949	\$2,798	\$4,928
1,201 to 1,700	\$1,447	\$1,174	\$3,566	\$6,186
1,701 to 2,200	\$1,856	\$1,492	\$4,675	\$8,022
2,201 to 2,700	\$2,371	\$1,882	\$5,556	\$9,809
2,701 to 3,200	\$2,661	\$2,108	\$6,377	\$11,145
3,201 to 3,700	\$2,898	\$2,294	\$6,957	\$12,149
3,701 to 4,200	\$3,033	\$2,404	\$7,390	\$12,827
4,201 to 4,700	\$3,221	\$2,548	\$7,777	\$13,546
4,701 or more	\$3,392	\$2,680	\$8,121	\$14,193

Nonresidential Fees per Square Foot				
Development Type	Parks & Recreational	Police	Street	Difference
Industrial	\$0.29	\$0.33	\$1.65	\$2.26
Commercial	\$0.33	\$1.63	\$9.25	\$11.22
Office / Other Services	\$0.79	\$0.77	\$3.99	\$5.55
Institutional	\$1.57	\$1.07	\$5.61	\$8.25
Lodging (per room)	\$1,843	\$529	\$2,789	\$5,161

LAND USE ASSUMPTIONS

Arizona’s Development Fee Act requires the preparation of Land Use Assumptions, which are defined in Arizona Revised Statutes § 9-463.05(T)(6) as:

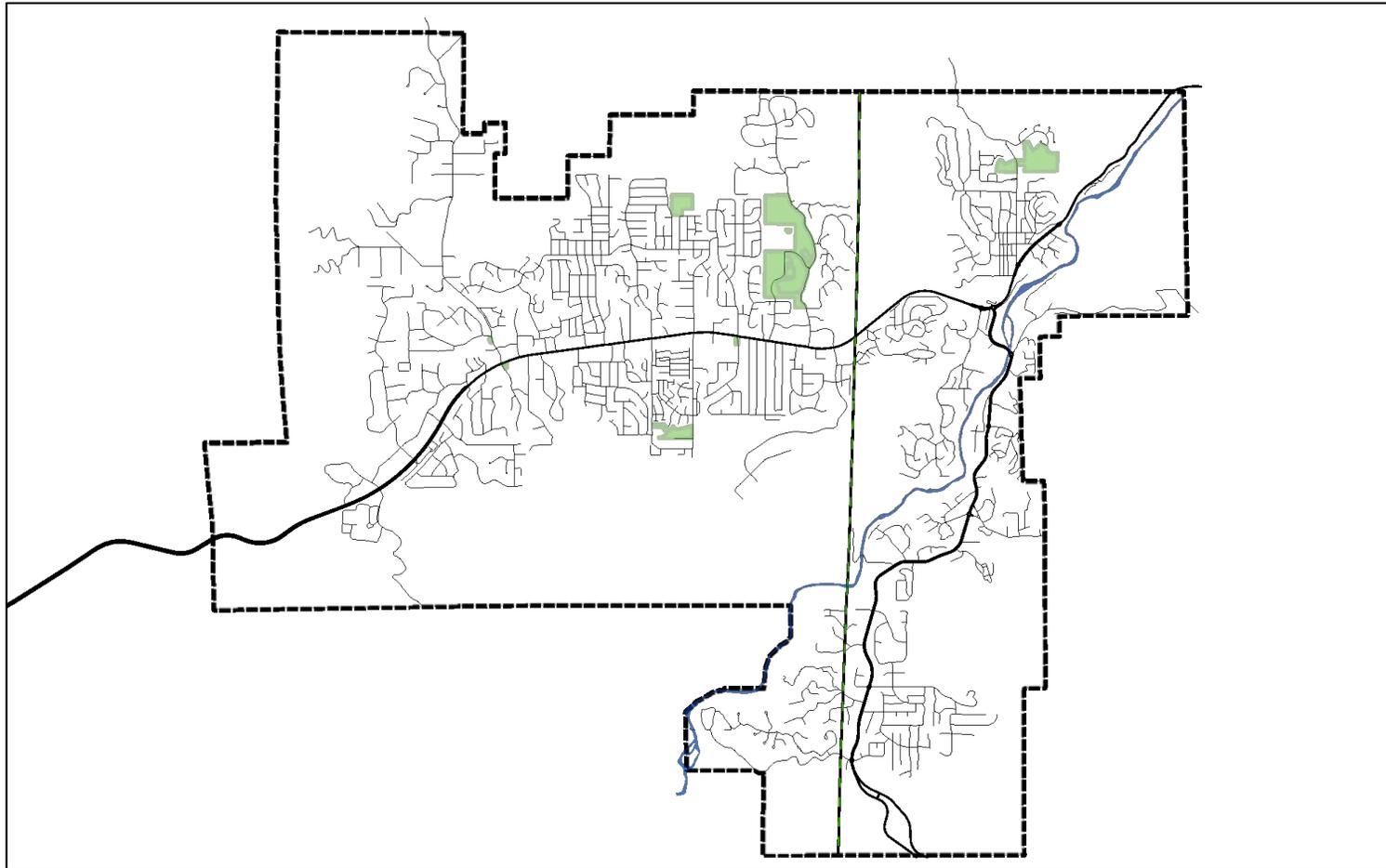
“projections of changes in land uses, densities, intensities and population for a specified service area over a period of at least ten years and pursuant to the General Plan of the municipality.”

The estimates and projections of residential and nonresidential development in this Land Use Assumptions document are for all areas within Sedona. The current demographic estimates and future development projections will be used in the Infrastructure Improvements Plan (IIP) and in the calculation of development fees. Current demographic data estimates for 2024 are used in calculating levels of service (LOS) provided to existing development in Sedona. Arizona’s Enabling Legislation requires fees to be updated at least every five years and limits the IIP to a maximum of 10 years. The Infrastructure Improvements Plan and the Development Fee Report include a citywide service area.

SUMMARY OF GROWTH INDICATORS

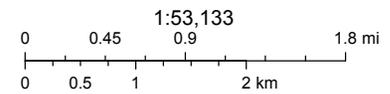
Key land use assumptions include projections of population, housing units, employment, and nonresidential floor area. TischlerBise projects future development based on recent and emerging development trends provided by city staff. Development projections are summarized in Figure L19. These projections will be used to estimate fee revenue and to indicate the anticipated need for growth-related infrastructure. However, development fee methodologies are designed to reduce sensitivity to development projections in the determination of the proportionate share fee amounts. If actual development occurs at a slower rate than projected, fee revenue will decline, but so will the need for growth-related infrastructure. In contrast, if development occurs at a faster rate than anticipated, fee revenue will increase, but Sedona will also need to accelerate infrastructure improvements to keep pace with the actual rate of development. During the next 10 years, residential development projections indicate a peak population increase of 2,171 persons in 1,150 housing units, and nonresidential development projections indicate an employment increase of 392 jobs in approximately 178,000 square feet of floor area.

Figure L1: Development Fee Service Area



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- CITY PARKS
- Street Centerline
- COUNTY LINE
- OAK CREEK
- State Route 179 & 89A



City of Sedona

The City of Sedona makes no warranties, expressed or implied, with respect to the information shown on this map. No portion of this information should be considered or used as a legal document.

RESIDENTIAL DEVELOPMENT

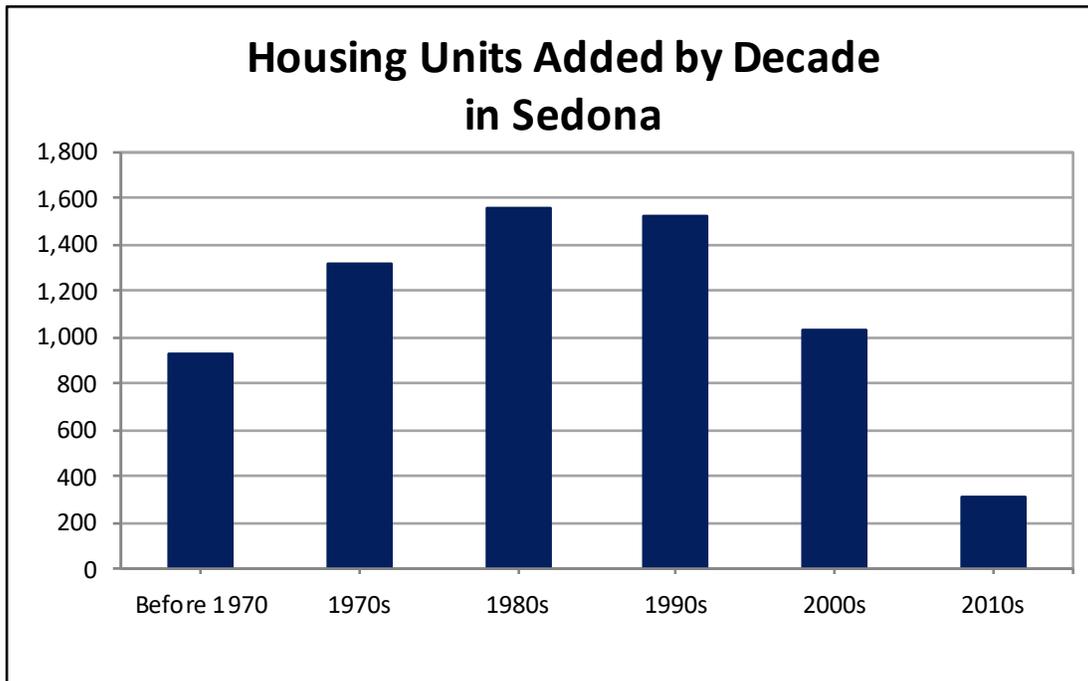
This section details current estimates and future projections of residential development including population and housing units.

Recent Residential Construction

Development fees require an analysis of current levels of service. For residential development, current levels of service are determined using estimates of population and housing units. Shown below, Figure L2 indicates the estimated number of housing units added by decade according to data obtained from the U.S. Census Bureau. In the previous decade, Sedona’s housing stock grew by an average of 30 housing units per year.

Figure L2: Housing Units by Decade

Census 2010 Housing Units	6,367	Sedona's housing stock grew by an average of 30 housing units per year from 2010 to 2020.
Census 2020 Housing Units	6,671	
New Housing Units 2010 to 2020	304	



Source: U.S. Census Bureau, Census 2020 Summary File 1, Census 2010 Summary File 1, 2017-2021 5-Year American Community Survey (for 2000s and earlier, adjusted to yield total units in 2010).

Occupancy by Housing Type

According to the U.S. Census Bureau, a household is a housing unit occupied by year-round residents. Development fees often use per capita standards and persons per housing unit (PPHU) or persons per household (PPH) to derive proportionate share fee amounts. When using PPHU in the fee calculations, the analysis derives infrastructure standards using year-round population. When using PPH in the fee calculations, the development fee methodology assumes a higher percentage of housing units will be occupied, thus requiring seasonal or peak population to be used when deriving infrastructure standards. TischlerBise recommends Sedona impose development fees for residential development according to the number of persons per household.

Occupancy calculations require data on population and the types of units by structure. The 2010 census did not obtain detailed information using a “long-form” questionnaire. Instead, the U.S. Census Bureau switched to a continuous monthly mailing of surveys, known as the American Community Survey (ACS), which has limitations due to sample-size constraints. For example, data on detached housing units are combined with attached single units (commonly known as townhouses, which share a common sidewall, but are constructed on an individual parcel of land). For occupancy estimates in Sedona, single-family units include detached units, attached units, and mobile home units. Multi-family units include duplexes, structures with two or more units on an individual parcel of land, recreational vehicles, and all other units.

Figure L3 below shows the occupancy estimates for Sedona based on 2017-2021 American Community Survey 5-Year Estimates. Single-family units averaged 2.00 persons per household and multi-family units averaged 1.84 persons per household. The estimates shown below are used only to calculate occupancy factors and may not match population and housing unit estimates shown throughout this report.

Figure L3: Occupancy by Housing Type

Housing Type	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family ¹	8,585	4,284	2.00	5,494	1.56	85.5%	22.02%
Multi-Family ²	1,135	618	1.84	932	1.22	14.5%	33.69%
Total	9,720	4,902	1.98	6,426	1.51	100.0%	23.72%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

1. Includes detached, attached (townhouse), and mobile home units.
2. Includes dwellings in structures with two or more units, RVs, and all other units.

Occupancy by Bedroom Range

Development fees must be proportionate to the demand for infrastructure. Averages per household have a strong, positive correlation to the number of bedrooms, so TischlerBise recommends a fee schedule where larger units pay higher development fees. Benefits of the proposed methodology include 1) a proportionate assessment of infrastructure demand using local demographic data and 2) a progressive fee structure (i.e., smaller units pay less, and larger units pay more).

Custom tabulations of demographic data by bedroom range can be created from individual survey responses provided by the U.S. Census Bureau in files known as Public Use Microdata Samples (PUMS). PUMS files are only available for areas of at least 100,000 persons, and Sedona is in two Public Use Microdata Areas (AZ PUMAs 400 and 500).

Shown in Figure L4, cells with yellow shading indicate the unweighted survey results which yield the unadjusted estimate of 2.34 persons per household. Unadjusted persons per household estimates are adjusted to match the control total for Sedona – 1.98 persons per household (see Figure L3). Adjusted persons per household estimates range from 1.19 persons per household for units with zero to one bedroom up to 2.99 persons per household for units with five or more bedrooms.

Figure L4: Occupancy by Bedroom Range

Bedroom Range	Persons ¹	Vehicles Available ¹	Households ¹	Housing Mix	Unadjusted PPH	Adjusted PPH ²	Unadjusted VPH	Adjusted VPH ²
0-1	770	614	548	8%	1.41	1.19	1.12	1.02
2	3,685	3,100	1,915	27%	1.92	1.63	1.62	1.47
3	9,143	7,733	3,729	52%	2.45	2.07	2.07	1.89
4	2,636	2,047	834	12%	3.16	2.67	2.45	2.23
5+	637	500	180	2%	3.54	2.99	2.78	2.53
Total	16,871	13,994	7,206	100%	2.34	1.98	1.94	1.77

National Averages According to ITE

ITE Code	AWVTE per Person	AWVTE per Vehicle	AWVTE per HU	Sedona Housing Mix
210 SFD	2.65	6.36	9.43	87%
220 Apt	1.86	5.10	6.74	13%
Weighted Avg	2.55	6.20	9.09	100%

Recommended AWVTE per Household

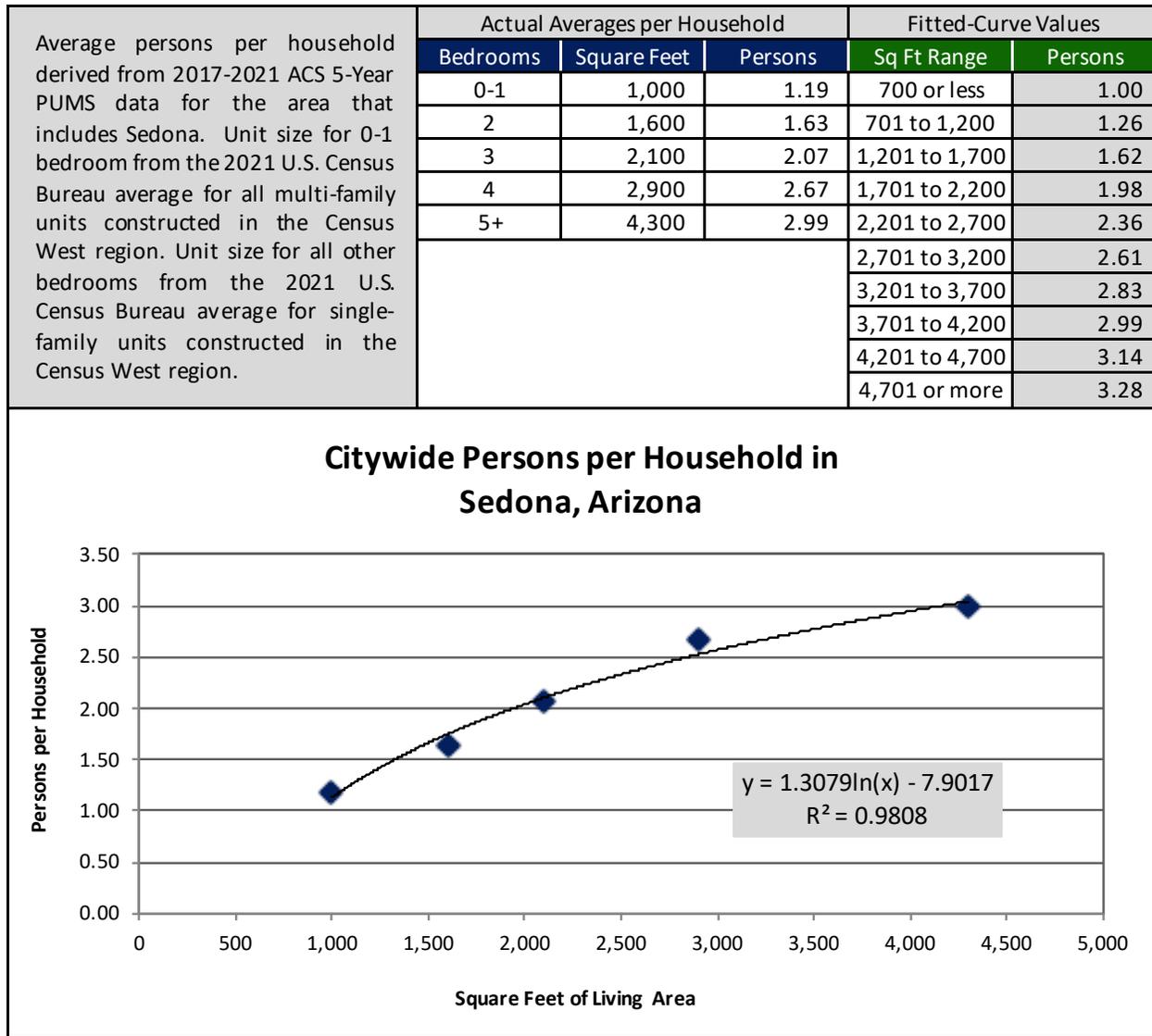
Bedroom Range	AWVTE per Hhld Based on Persons ³	AWVTE per Hhld Based on Vehicles ⁴	AWVTE per Household ⁵	
0-1	3.03	6.32	4.68	1. American Community Survey, Public Use Microdata Sample for AZ PUMAs 400 and 500 (2017-2021 5-Year unweighted data). 2. Adjusted multipliers are scaled to make the average PUMS values match control totals for Sedona, based on American Community Survey 2017-2021 5-Year Estimates. 3. Adjusted persons per household multiplied by national weighted average trip rate per person. 4. Adjusted vehicles available per household multiplied by national weighted average trip rate per vehicle. 5. Average trip rates based on persons and vehicles per household.
2	4.16	9.11	6.64	
3	5.28	11.72	8.50	
4	6.81	13.83	10.32	
5+	7.62	15.69	11.66	
Average	5.05	10.97	8.01	

Occupancy by Housing Size

To estimate square feet of living area by bedroom range, TischlerBise uses 2021 U.S. Census Bureau data for housing units constructed in the west region. Based on 2021 estimates, living area ranges from 1,000 square feet for households with zero to one bedroom up to 4,300 square feet for households with five or more bedrooms.

Average square feet of living area and persons per household by bedroom range are plotted in Figure L5 with a logarithmic trend line derived from U.S. Census Bureau estimates discussed in the previous paragraph and adjusted persons per household estimates shown in Figure L4. Using the trend line formula shown in the figure, TischlerBise calculates the number of persons per household, by square feet of living area, using intervals of 500 square feet. TischlerBise recommends a minimum development fee based on a household size of 700 square feet and a maximum fee for units 4,701 square feet or more.

Figure L5: Occupancy by Housing Size



Residential Estimates

Resident Population

Shown below, Figure L6 shows residential permits issued since the 2020 Census. The analysis uses the 2020 Census estimate of 6,671 housing units shown in Figure L2 and residential permits since 2020 to estimate 7,021 housing units in 2024.

Figure L6: Residential Permits

Year	Single Family	Multi-Family	Total
2020	62	0	62
2021	66	84	150
2022	57	1	58
2023 ¹	34	46	80
Total	219	131	350

Source: Sedona Community Development Department
 1. Through September 2023

For 2023, data published by Arizona Office of Economic Opportunity indicate a citywide population of 9,860 persons. Using the 2023 housing permit data shown in Figure L6 and the occupancy factors shown in Figure L3, Sedona’s 2024 resident population includes 10,013 persons.

Lodging Population

According to information provided by city staff, there are currently 2,574 lodging rooms in the City of Sedona. Data from the Sedona Chamber of Commerce & Tourism Bureau indicate lodging averages 2.90 persons per room with an average occupancy rate of 65.2 percent. This results in an adjusted 1.89 persons per room (2.90 persons per room X 65.2 percent occupancy rate). Multiplying adjusted persons per room by the total number of lodging rooms results in a lodging population estimate of 4,865 persons.

Figure L7: Lodging Population

Lodging Factors	
Lodging Rooms ¹	2,574
Persons per Room ²	2.90
Occupancy Rate ³	65.2%
Adjusted Persons per Room	1.89
Lodging Population	4,865

- 1. City of Sedona
- 2. Sedona Chamber of Commerce & Tourism Bureau, 2018
- 3. Sedona Chamber of Commerce & Tourism Bureau, Annual Report FY22/23

Seasonal Population

To account for seasonal residents, the analysis includes vacant households used for seasonal, recreational, or occasional use. According to 2017-2021 ACS estimates shown in Figure L8, seasonal units account for 1,058 of Sedona’s 1,524 vacant units. With all seasonal units occupied, Sedona’s seasonal vacancy rate is 7.25 percent (5,960 resident and seasonal households / 6,426 housing units). Applying Sedona’s occupancy rate of 1.98 persons per household to seasonal households provides a seasonal population estimate of 2,098 persons. Sedona’s peak population estimate for 2024 is 12,111 (10,013 resident population + 2,098 seasonal population).

Figure L8: Seasonal Population

2021 Peak Population	
Resident Population	9,720
Resident Households	4,902
Persons per Household	1.98
Housing Units	6,426
Persons per Housing Unit	1.51
Vacant Housing Units (Year-Round)	1,524
Year-Round Vacancy Rate	23.72%
Vacant Housing Units (Seasonal, Recreation, or Occasional Use)	1,058
Seasonal Vacancy Rate	7.25%
Resident Households	4,902
Seasonal Households	1,058
Adjusted Households	5,960
Resident Population	9,720
Seasonal Population	2,098
Peak Population	11,818

Source: U.S. Census Bureau, 2017-2021 American Community Survey, 5-Yr Estimates.

Residential Projections

Population and housing unit projections are used to illustrate the possible future pace of service demands, revenues, and expenditures. To the extent these factors change, the projected need for infrastructure will also change. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease.

TischlerBise projects lodging development using recommendations provided by Sedona Community Development Department staff. TischlerBise uses occupancy factors shown in Figure L7 to convert projected lodging rooms to lodging population. During the next 10 years, lodging development growth of 215 lodging rooms results in a lodging population increase of 406 persons (215 lodging rooms X 1.89 persons per room).

Figure L9: Lodging Projections

Sedona, Arizona	2024	2025	2026	2027	2028	2029	2034	10-Year Increase
	Base Year	1	2	3	4	5	10	
Lodging								
Rooms	2,574	2,664	2,678	2,692	2,706	2,720	2,789	215
Population	4,865	5,035	5,061	5,087	5,114	5,140	5,271	406

Source: Sedona Community Development Department

The analysis uses housing unit projections provided by Sedona Community Development Department staff. Based on recent trends, the scarcity of available land, and increasing demand for multi-family units, Community Development Department staff project a 10-year increase of 1,150 housing units – 350 single-family units and 800 multi-family units. TischlerBise uses occupancy factors shown in Figure L3 to convert projected housing units to projected population. The peak population increase, which includes resident population and seasonal population, over the next 10 years is 2,171 persons ((350 single-family units X 2.00 persons per household) + (800 multi-family units X 1.84 persons per household)). The park population increase over the next 10 years, which includes resident population, seasonal population, and lodging population, is 2,577 persons (2,171 peak population increase + 406 lodging population increase). The analysis uses the park population in the calculation of parks and recreational facilities development fees to more accurately allocate demand for parks and recreational facilities.

Figure L10: Residential Projections

Sedona, Arizona	2024	2025	2026	2027	2028	2029	2034	10-Year Increase
	Base Year	1	2	3	4	5	10	
Population								
Peak Population ¹	12,111	12,338	12,563	12,785	13,006	13,224	14,281	2,171
Park Population ²	16,975	17,373	17,624	17,873	18,119	18,364	19,552	2,577
Housing Units								
Single Family	5,922	5,962	6,001	6,039	6,076	6,111	6,272	350
Multi-Family	1,099	1,179	1,259	1,339	1,419	1,499	1,899	800
Total	7,021	7,141	7,260	7,378	7,494	7,610	8,171	1,150

1. Peak population includes resident and seasonal
 2. Park population includes resident, seasonal, and lodging

NONRESIDENTIAL DEVELOPMENT

This section details current estimates and future projections of nonresidential development including jobs and nonresidential floor area.

Nonresidential Demand Factors

TischlerBise uses the term jobs to refer to employment by place of work. In Figure L11, gray shading indicates the nonresidential development prototypes used to derive employment densities. For nonresidential development, TischlerBise uses data published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial development is Light Industrial (ITE 110) with 637 square feet of floor area per employee. For office development, the proxy is General Office (ITE 710) with 307 square feet of floor area per employee. Institutional development uses Government Office (ITE 730) with 330 square feet of floor area per employee. The prototype for commercial development is Shopping Center (ITE 820) with 471 square feet of floor area per employee.

Figure L11: Nonresidential Demand Units

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit ¹	Wkdy Trip Ends Per Employee ¹	Emp Per Dmd Unit	Sq Ft Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
565	Day Care	student	4.09	21.38	0.19	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Nonresidential Estimates

Esri Business Analyst 2023 employment estimates for Sedona include 9,278 jobs. This employment estimate includes 829 industrial jobs, 4,689 commercial jobs, 3,229 jobs related to office and other services, and 531 institutional jobs. Applying the employment density factors shown in Figure L11 to employment estimates shown in Figure L12 provides a nonresidential floor area estimate of 3,903,125 square feet.

Figure L12: Nonresidential Estimates

Nonresidential Category	2023 Jobs ¹	Percent of Total Jobs	Square Feet per Job ²	2023 Estimated Floor Area ³
Industrial ⁴	829	9%	637	528,073
Commercial ⁵	4,689	51%	471	2,208,519
Office / Other Services ⁶	3,229	35%	307	991,303
Institutional ⁷	531	6%	330	175,230
Total	9,278	100%		3,903,125

1. Esri Business Analyst Online, Business Summary, 2023.
2. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).
3. TischlerBise calculation (2023 jobs X square feet per job).
4. Major sectors are Manufacturing; Transportation & Warehousing.
5. Major sectors are Retail Trade; Accommodation & Food Services.
6. Major sectors are Real Estate, Rental & Leasing; Other Services.
7. Major sectors are Public Administration; Educational Services.

Nonresidential Projections

Employment and floor area projections are used to illustrate the possible future pace of service demands, revenues, and expenditures. To the extent these factors change, the projected need for infrastructure will also change. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease.

TischlerBise projects future nonresidential development based on nonresidential building permit data and discussions with city staff. From 2021 through 2023, average annual permitted square feet equal approximately 1,700 square feet of industrial development, 11,100 square feet of commercial development, 1,300 square feet of office development, and 700 square feet of institutional development. Based on discussions with city staff, the analysis includes an upward adjustment of 20 percent to account for likely development trends. The analysis projects future nonresidential development using an average annual increase of 2,000 square feet of industrial development, 13,400 square feet of commercial development, 1,600 square feet of office development, and 800 square feet of institutional development.

Adding the average annual floor area increase to the 2023 nonresidential floor area estimates shown in Figure L12 provides a 2024 base year estimate of approximately 3,921,000 square feet. Projected nonresidential development growth over the next 10 years includes an increase of approximately 178,000 square feet. This includes 20,000 square feet of industrial development, 134,000 square feet of commercial development, 16,000 square feet related to office and other services development, and 8,000 square feet of institutional development.

Applying the employment density factors shown in Figure L12 to the employment projections shown below provides the necessary conversion from nonresidential floor area to jobs. Over the next 10 years, projected employment growth equals 392 jobs. This includes 31 industrial jobs (20,000 sq. ft. of industrial development / 637 square feet per job), 285 commercial jobs (134,000 sq. ft. of commercial development / 471 square feet per job), 52 jobs related to office and other services (16,000 sq. ft. of office and other services development / 307 square feet per job), and 24 institutional jobs (8,000 sq. ft. of institutional development / 330 square feet per job).

Figure L13: Nonresidential Projections

Sedona, Arizona	2024	2025	2026	2027	2028	2029	2034	10-Year Increase
	Base Year	1	2	3	4	5	10	
Employment								
Industrial	832	835	838	842	845	848	864	31
Commercial	4,717	4,746	4,774	4,803	4,831	4,860	5,002	285
Office / Other Services	3,234	3,239	3,245	3,250	3,255	3,260	3,286	52
Institutional	533	536	538	541	543	546	558	24
Total	9,317	9,356	9,396	9,435	9,474	9,513	9,709	392
Nonres. Floor Area (x1,000)								
Industrial	530	532	534	536	538	540	550	20
Commercial	2,222	2,235	2,249	2,262	2,276	2,289	2,356	134
Office / Other Services	993	995	996	998	999	1,001	1,009	16
Institutional	176	177	178	178	179	180	184	8
Total	3,921	3,939	3,957	3,974	3,992	4,010	4,099	178

AVERAGE WEEKDAY VEHICLE TRIPS

Sedona uses average weekday vehicle trips (AWVT) in the calculation of police and street facilities fees. Components used to determine AWVT include average weekday vehicle trip generation rates, adjustments for commuting patterns, and adjustments for pass-by trips.

Residential Trip Generation Rates

As an alternative to simply using national average trip generation rates for residential development, published by the Institute of Transportation Engineers (ITE), TischlerBise calculates custom trip rates using local demographic data. Key inputs needed for the analysis, including average number of persons and vehicles available per housing unit, are available from American Community Survey (ACS) data.

Vehicle Trip Ends by Bedroom Range

TischlerBise recommends a fee schedule where larger units pay higher development fees than smaller units. Benefits of the proposed methodology include: 1) proportionate assessment of infrastructure demand using local demographic data, and 2) progressive fee structure (i.e., smaller units pay less, and larger units pay more).

TischlerBise creates custom tabulations of demographic data by bedroom range from individual survey responses provided by the U.S. Census Bureau in files known as Public Use Microdata Samples (PUMS). PUMS files are only available for areas of at least 100,000 persons, with Sedona in two Public Use Microdata Areas (AZ PUMAs 400 and 500). Shown in Figure L14, cells with yellow shading indicate the survey results, which yield the unadjusted number of persons and vehicles available per household. Unadjusted vehicles per household are adjusted to control totals in Sedona – 1.77 vehicles per household.

Figure L14: Vehicle Trip Ends by Bedroom Range

Bedroom Range	Persons ¹	Vehicles Available ¹	Households ¹	Housing Mix	Unadjusted PPH	Adjusted PPH ²	Unadjusted VPH	Adjusted VPH ²
0-1	770	614	548	8%	1.41	1.19	1.12	1.02
2	3,685	3,100	1,915	27%	1.92	1.63	1.62	1.47
3	9,143	7,733	3,729	52%	2.45	2.07	2.07	1.89
4	2,636	2,047	834	12%	3.16	2.67	2.45	2.23
5+	637	500	180	2%	3.54	2.99	2.78	2.53
Total	16,871	13,994	7,206	100%	2.34	1.98	1.94	1.77

National Averages According to ITE

ITE Code	AWVTE per Person	AWVTE per Vehicle	AWVTE per HU	Sedona Housing Mix
210 SFD	2.65	6.36	9.43	87%
220 Apt	1.86	5.10	6.74	13%
Weighted Avg	2.55	6.20	9.09	100%

Recommended AWVTE per Household

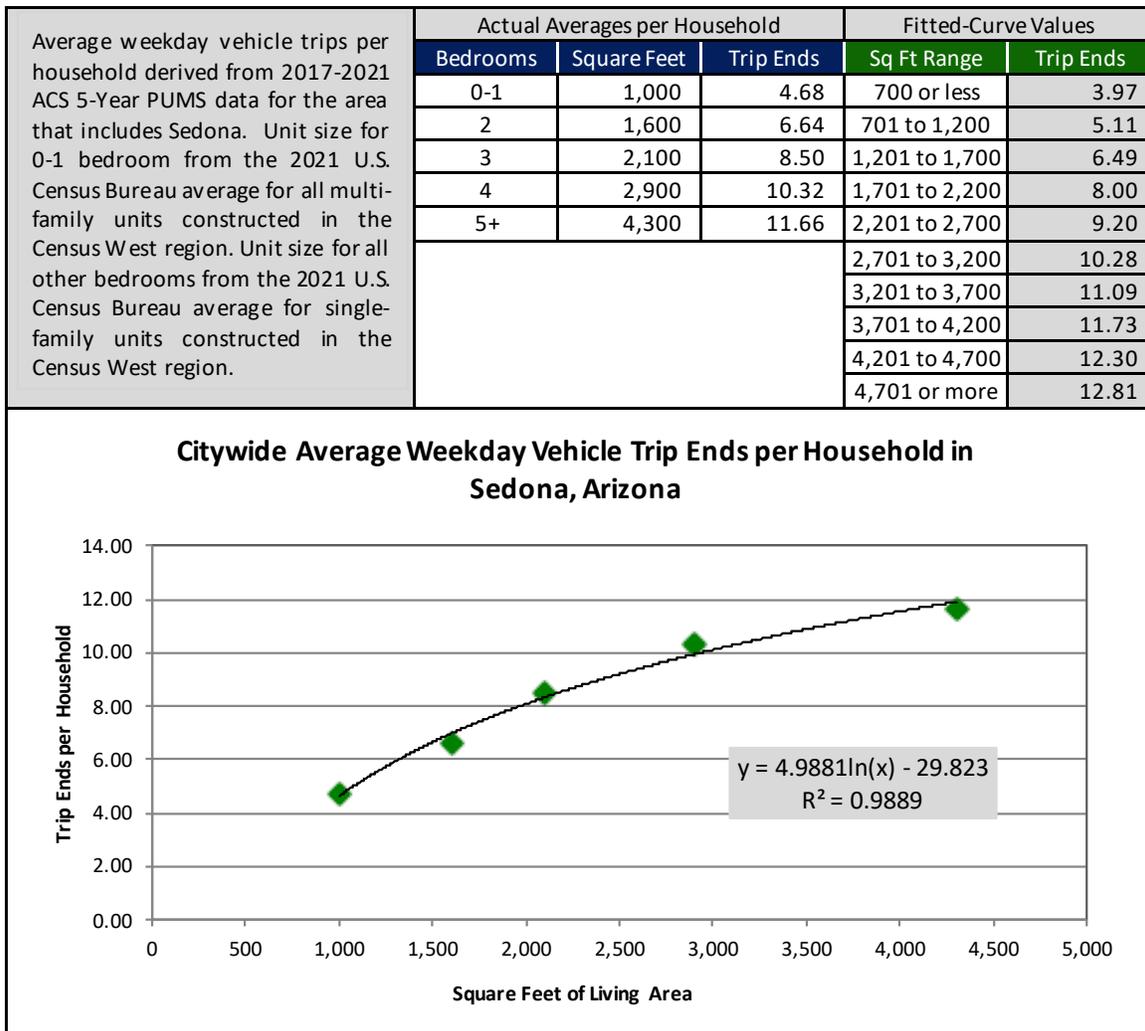
Bedroom Range	AWVTE per Hhld Based on Persons ³	AWVTE per Hhld Based on Vehicles ⁴	AWVTE per Household ⁵	
0-1	3.03	6.32	4.68	1. American Community Survey, Public Use Microdata Sample for AZ PUMAs 400 and 500 (2017-2021 5-Year unweighted data). 2. Adjusted multipliers are scaled to make the average PUMS values match control totals for Sedona, based on American Community Survey 2017-2021 5-Year Estimates. 3. Adjusted persons per household multiplied by national weighted average trip rate per person. 4. Adjusted vehicles available per household multiplied by national weighted average trip rate per vehicle. 5. Average trip rates based on persons and vehicles per household.
2	4.16	9.11	6.64	
3	5.28	11.72	8.50	
4	6.81	13.83	10.32	
5+	7.62	15.69	11.66	
Average	5.05	10.97	8.01	

Vehicle Trip Ends by Housing Size

To derive average weekday vehicle trip ends by dwelling size, Tischler Bise uses 2021 U.S. Census Bureau data for housing units constructed in the west region. Based on 2021 estimates, living area ranges from 1,000 square feet for households with zero to one bedroom up to 4,300 square feet for households with five or more bedrooms.

Citywide average floor area and weekday vehicle trip ends, by bedroom range, are plotted in Figure L15 with a logarithmic trend line. TischlerBise uses the trend line formula to derive estimated trip ends by household size in increments of 500 square feet. TischlerBise recommends a minimum fee based on a unit size of 700 square feet and a maximum fee for units 4,701 square feet or larger. For the upper threshold, each dwelling averages 12.81 vehicle trip ends.

Figure L15: Vehicle Trip Ends by Housing Size



Nonresidential Trip Generation Rates

For nonresidential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial development is Light Industrial (ITE 110) which generates 4.87 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for lodging development is Hotel (ITE 310) which generates 7.99 average weekday vehicle trip ends per room. For office & other services development, the proxy is General Office (ITE 710), and it generates 10.84 average weekday vehicle trip ends per 1,000 square feet of floor area. Institutional development uses Government Office (ITE 730) and generates 22.59 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for commercial development is Shopping Center (ITE 820) which generates 37.01 average weekday vehicle trips per 1,000 square feet of floor area.

Figure L16: Average Weekday Vehicle Trip Ends by Land Use

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit ¹	Wkdy Trip Ends Per Employee ¹	Emp Per Dmd Unit	Sq Ft Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
565	Day Care	student	4.09	21.38	0.19	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Trip Rate Adjustments

Trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed further in this section, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for each type of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 59 percent to account for commuters leaving Sedona for work. According to the 2009 National Household Travel Survey (see Table 30) weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure L17, the U.S. Census Bureau’s OnTheMap web application indicates 60 percent of resident workers traveled outside of Sedona for work in 2021. In combination, these factors ($0.31 \times 0.50 \times 0.60 = 0.09$) support the additional 9 percent allocation of trips to residential development.

Figure L17: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters	
Employed Residents	3,136
Residents Living and Working in Sedona	1,268
Residents Commuting Outside Sedona for Work	1,868
Percent Commuting out of Sedona	60%
Additional Production Trips ¹	9%
Residential Trip Adjustment Factor	59%

Source: U.S. Census Bureau, OnTheMap Application (version 6.23.4) and LEHD Origin-Destination Employment Statistics, 2021.

1. According to the National Household Travel Survey (2009)*, published in December 2011 (see Table 30), home-based work trips are typically 30.99 percent of “production” trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, LED OnTheMap data from 2021 indicate that 60 percent of Sedona’s workers travel outside the city for work. In combination, these factors ($0.3099 \times 0.50 \times 0.60 = 0.09$) account for 9 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (9 percent of production trips) for a total of 59 percent.

*<http://nhts.ornl.gov/publications.shtml> ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

Adjustment for Pass-By Trips

For commercial and institutional development, the trip adjustment factor is less than 50 percent because these types of development attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Average Weekday Vehicle Trips

Shown below in Figure L18, multiplying average weekday vehicle trip ends and trip adjustment factors (discussed on the previous page) by Sedona’s existing development units provides the average weekday vehicle trips generated by existing development. As shown below, existing development citywide generates 68,261 vehicle trips on an average weekday.

Figure L18: Average Weekday Vehicle Trips

Development Type	Development Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	2024 Dev Units	2024 Veh Trips
Residential	HU	Avg	8.00	59%	7,021	33,139
Industrial	KSF	130	4.87	50%	530	1,291
Commercial	KSF	820	37.01	33%	2,222	27,137
Office & Other Services	KSF	710	10.84	50%	993	5,382
Institutional	KSF	610	22.59	33%	176	1,312
Total						68,261

DEVELOPMENT PROJECTIONS

Provided below is a summary of development projections used in the Development Fee Report. Base year estimates for 2024 are used in the fee calculations. Development projections are used to illustrate a possible future pace of demand for service units and cash flows resulting from revenues and expenditures associated with those demands.

Figure L19: Projections Summary

Sedona, Arizona	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year
	Base Year	1	2	3	4	5	6	7	8	9	10	Increase
Population												
Peak Population¹	12,111	12,338	12,563	12,785	13,006	13,224	13,440	13,653	13,865	14,074	14,281	2,171
Park Population²	16,975	17,373	17,624	17,873	18,119	18,364	18,606	18,846	19,084	19,319	19,552	2,577
Housing Units												
Single Family	5,922	5,962	6,001	6,039	6,076	6,111	6,146	6,179	6,211	6,242	6,272	350
Multi-Family	1,099	1,179	1,259	1,339	1,419	1,499	1,579	1,659	1,739	1,819	1,899	800
Total	7,021	7,141	7,260	7,378	7,494	7,610	7,724	7,838	7,950	8,061	8,171	1,150
Employment												
Industrial	832	835	838	842	845	848	851	854	857	860	864	31
Commercial	4,717	4,746	4,774	4,803	4,831	4,860	4,888	4,917	4,945	4,974	5,002	285
Office / Other Services	3,234	3,239	3,245	3,250	3,255	3,260	3,265	3,271	3,276	3,281	3,286	52
Institutional	533	536	538	541	543	546	548	550	553	555	558	24
Total	9,317	9,356	9,396	9,435	9,474	9,513	9,553	9,592	9,631	9,670	9,709	392
Nonres. Floor Area (x1,000)												
Industrial	530	532	534	536	538	540	542	544	546	548	550	20
Commercial	2,222	2,235	2,249	2,262	2,276	2,289	2,302	2,316	2,329	2,343	2,356	134
Office / Other Services	993	995	996	998	999	1,001	1,003	1,004	1,006	1,007	1,009	16
Institutional	176	177	178	178	179	180	181	182	182	183	184	8
Total	3,921	3,939	3,957	3,974	3,992	4,010	4,028	4,046	4,063	4,081	4,099	178

1. Peak population includes resident and seasonal

2. Park population includes resident, seasonal, and lodging

AVERAGE WEEKDAY VEHICLE TRIP PROJECTIONS

TischlerBise uses the projections shown below in the calculation of police and street facilities development fees.

Figure L20: Average Weekday Vehicle Trips Summary

Sedona, Arizona	Base	1	2	3	4	5	6	7	8	9	10	10-Year
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Increase
Residential Units	7,021	7,141	7,260	7,378	7,494	7,610	7,724	7,838	7,950	8,061	8,171	1,150
Industrial KSF	530	532	534	536	538	540	542	544	546	548	550	20
Commercial KSF	2,222	2,235	2,249	2,262	2,276	2,289	2,302	2,316	2,329	2,343	2,356	134
Office & Other Services KSF	993	995	996	998	999	1,001	1,003	1,004	1,006	1,007	1,009	16
Institutional KSF	176	177	178	178	179	180	181	182	182	183	184	8
Residential Trips	33,139	33,706	34,267	34,823	35,373	35,919	36,459	36,994	37,523	38,048	38,567	5,428
Residential Trips	33,139	33,706	34,267	34,823	35,373	35,919	36,459	36,994	37,523	38,048	38,567	5,428
Industrial Trips	1,291	1,296	1,300	1,305	1,310	1,315	1,320	1,325	1,330	1,335	1,339	49
Commercial Trips	27,137	27,301	27,464	27,628	27,792	27,955	28,119	28,283	28,446	28,610	28,774	1,637
Office & Other Services Trips	5,382	5,390	5,399	5,408	5,416	5,425	5,434	5,442	5,451	5,460	5,468	87
Institutional Trips	1,312	1,318	1,324	1,330	1,336	1,342	1,348	1,354	1,360	1,366	1,372	60
Nonresidential Trips	35,121	35,305	35,488	35,671	35,854	36,037	36,220	36,404	36,587	36,770	36,953	1,832
Total Vehicle Trips	68,261	69,010	69,754	70,494	71,227	71,956	72,679	73,397	74,110	74,818	75,520	7,260

PARKS AND RECREATIONAL FACILITIES IIP

ARS § 9-463.05 (T)(7)(g) defines the facilities and assets that can be included in the Parks and Recreational Facilities IIP:

“Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools.”

The Parks and Recreational Facilities IIP includes components for park land, park amenities, shared-use paths, and the cost of preparing the Parks and Recreational Facilities IIP and related Development Fee Report. The incremental expansion methodology is used for park amenities and shared-use paths. The plan-based methodology is used for park land and the Development Fee Report.

SERVICE AREA

Sedona uses a citywide service area for the Parks and Recreational Facilities IIP.

PROPORTIONATE SHARE

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Parks and Recreational Facilities IIP and development fees allocate the cost of necessary public services between residential and nonresidential based on functional population. TischlerBise estimates Sedona’s 2021 park population equal to 16,683 persons. Based on 2021 estimates from the U.S. Census Bureau’s OnTheMap web application, 4,818 inflow commuters traveled to Sedona for work in 2021. The proportionate share is based on cumulative impact days per year with a resident potentially impacting parks and recreational facilities 365 days per year and an inflow commuter potentially impacting parks and recreational facilities 250 days per year. For parks and recreational facilities, residential development generates 83 percent of demand and nonresidential development generates the remaining 17 percent of demand.

Figure PR1: Proportionate Share

Development Type	Service Unit	Impact Days per Year	Cumulative Impact Days per Year	Proportionate Share
Residential	16,683 persons ¹	365	6,089,244	83%
Nonresidential	4,818 inflow commuters ²	250	1,204,500	17%
Total			7,293,744	100%

1. TischlerBise calculation; includes resident, peak, and lodging population, 2021.
 2. U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.4, 2021
 Residential Impact: 365 days per year
 Nonresidential Impact: 5 days per week X 50 weeks per year

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Figure PR2 displays the demand indicators for residential and nonresidential land uses. For residential development, the table displays the number of persons per household. For nonresidential development, the table displays the number of employees per thousand square feet of floor area.

Figure PR2: Ratio of Service Unit to Development Unit

Residential Development per Unit	
Unit Size	Persons per Household ¹
700 or less	1.00
701 to 1,200	1.26
1,201 to 1,700	1.62
1,701 to 2,200	1.98
2,201 to 2,700	2.36
2,701 to 3,200	2.61
3,201 to 3,700	2.83
3,701 to 4,200	2.99
4,201 to 4,700	3.14
4,701 or more	3.28
Lodging (per room)	1.89

Nonresidential Development per 1,000 Square Feet	
Development Type	Jobs per 1,000 Sq Ft ¹
Industrial	1.57
Commercial	2.12
Office / Other Services	3.26
Institutional	3.03

1. See Land Use Assumptions

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Park Land – Plan-Based

Existing Level of Service

Sedona currently provides 144.10 acres of park land. To allocate the proportionate share of demand for park land to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. Sedona’s existing LOS for residential development is 0.00705 acres per person (144.10 acres X 83 percent residential share / 16,975 persons). For nonresidential development, the existing LOS is 0.00263 acres per job (144.10 acres X 17 percent nonresidential share / 9,317 jobs).

Figure PR3: Existing Level of Service

Level-of-Service (LOS) Standards	
Existing Acres	144.10
Residential	
Residential Share	83%
2024 Park Population	16,975
Acres per Person	0.00705
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Acres per Job	0.00263

Source: Sedona Parks and Recreation Department

To maintain the existing level of service, Sedona needs to acquire 19.19 acres of park land to serve future development. Based on a projected park population increase of 2,577 persons, future residential development demands an additional 18.16 acres (2,577 additional persons X 0.00705 acres per person). With projected employment growth of 392 jobs, future nonresidential development demands an additional 1.03 acres (392 additional jobs X 0.00263 acres per job).

Planned Level of Service

Due to the scarcity of potential park land sites, Sedona plans to acquire 5.0 acres of park land to serve future development during the next 10 years. Since this is fewer acres than needed to maintain the existing level of service, the analysis includes a downward adjustment to the existing level of service. To calculate the adjusted level of service, the analysis applies an adjustment factor of 26 percent (5.0 planned acres / 19.19 acres based on existing LOS) to the existing level of service. Sedona currently provides 37.5 adjusted acres (144.10 acres X 26 percent adjustment) to existing development.

To allocate the proportionate share of demand for park land to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. Sedona’s adjusted LOS for residential development is 0.00184 adjusted acres per person (37.5 adjusted acres X 83 percent residential share / 16,975 persons). For nonresidential development, the adjusted LOS is 0.00069 adjusted acres per job (37.5 adjusted acres X 17 percent nonresidential share / 9,317 jobs).

Based on estimates provided by the Sedona Parks and Recreation Department, the cost to acquire park land is \$500,000 per acre. For park land, the cost is \$917.98 per person (0.00184 adjusted acres per person X \$500,000 per acre) and \$342.56 per job (0.00069 adjusted acres per job X \$500,000 per acre).

Figure PR4: Planned Level of Service

Cost Factors	
Cost per Acre	\$500,000

Level-of-Service (LOS) Standards	
Existing Acres	144.10
Adjustment	26%
Adjusted Acres	37.5
Residential	
Residential Share	83%
2024 Park Population	16,975
Adjusted Acres per Person	0.00184
Cost per Person	\$917.98
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Adjusted Acres per Job	0.00069
Cost per Job	\$342.56

Source: Sedona Parks and Recreation Department

Park Amenities – Incremental Expansion

Sedona currently provides 69 park amenities in its existing parks and plans to construct additional park amenities to serve future development. Based on recent and planned costs to construct park amenities, the total cost of Sedona’s existing park amenities in the is \$15,789,500. The weighted average cost is \$228,833 per park amenity, and the analysis uses this as a proxy for future park amenity costs.

Figure PR5: Existing Park Amenities

Description	Units	Unit Cost	Total Cost
Baseball / Softball Field, Lighted	1	\$900,000	\$900,000
Basketball Court, Lighted	1	\$180,000	\$180,000
Basketball Court, Unlighted	1	\$120,000	\$120,000
Bike Park	1	\$523,000	\$523,000
Concession Building	1	\$379,000	\$379,000
Disc Golf	1	\$90,000	\$90,000
Dog Park	1	\$444,000	\$444,000
Fitness Trail	1	\$100,000	\$100,000
Parking Lot	12	\$300,000	\$3,600,000
Pickleball Court	8	\$150,000	\$1,200,000
Playground	3	\$400,000	\$1,200,000
Ramada	12	\$74,000	\$888,000
Restroom	6	\$350,000	\$2,100,000
Shade Structure	11	\$45,000	\$495,000
Skate Park	1	\$852,000	\$852,000
Soccer Field	1	\$530,000	\$530,000
Splash Pad	1	\$400,000	\$400,000
The Hub	1	\$1,130,500	\$1,130,500
Tennis Court, Lighted	2	\$180,000	\$360,000
Tennis Court, Unlighted	2	\$110,000	\$220,000
Volleyball Court (sand)	1	\$78,000	\$78,000
Total	69	\$228,833	\$15,789,500

Source: Sedona Parks and Recreation Department

To allocate the proportionate share of demand for park amenities to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. Sedona’s existing LOS for residential development is 0.00337 units per person (69 units X 83 percent residential share / 16,975 persons). For nonresidential development, the existing LOS is 0.00126 units per job (69 units X 17 percent nonresidential share / 9,317 jobs).

The weighted average cost of existing park amenities is \$228,833 per unit (\$15,789,500 total cost / 69 units), and the analysis uses this as a proxy for future park amenity costs. Sedona may use development fees to construct additional park amenities in existing or future parks. For park amenities, the cost is \$772.01 per person (0.00337 units per person X \$228,833 per unit) and \$288.09 per job (0.00126 units per job X \$228,833 per unit).

Figure PR6: Existing Level of Service

Cost Factors	
Weighted Average per Unit	\$228,833

Level-of-Service (LOS) Standards	
Existing Units	69
Residential	
Residential Share	83%
2024 Park Population	16,975
Units per Person	0.00337
Cost per Person	\$772.01
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Units per Job	0.00126
Cost per Job	\$288.09

Source: Sedona Parks and Recreation Department

Shared-Use Paths – Incremental

Sedona currently provides 1.24 miles of shared-use paths in its existing parks and plans to construct additional shared-use paths to serve future development. Based on planned construction costs, the total cost of Sedona’s existing shared-use paths is \$680,777. The weighted average cost is \$547,525 per mile, and the analysis uses this as a proxy for future shared-use path costs.

To allocate the proportionate share of demand for shared-use paths to residential and nonresidential development, this analysis uses the proportionate share shown in Figure PR1. Sedona’s existing LOS for residential development is 0.00006 miles per person (1.24 miles X 83 percent residential share / 16,975 persons). For nonresidential development, the existing LOS is 0.00002 miles per job (1.24 miles X 17 percent nonresidential share / 9,317 jobs).

The weighted average cost of existing shared-use paths is \$547,525 per mile (\$680,777 total cost / 1.24 miles), and the analysis uses this as a proxy for future shared-use path costs. Sedona may use development fees to construct additional shared-use paths in existing or future parks. For shared-use paths, the cost is \$33.29 per person (0.00006 miles per person X \$547,525 per mile) and \$12.42 per job (0.00002 miles per job X \$547,525 per mile).

Figure PR7: Existing Level of Service

Description	Miles	Unit Cost	Total Cost
Decomposed Granite	0.94	\$300,000	\$280,682
Concrete	0.31	\$1,300,000	\$400,095
Total	1.24	\$547,525	\$680,777

Cost Factors	
Weighted Average per Mile	\$547,525

Level-of-Service (LOS) Standards	
Existing Shared-Use Paths (miles)	1.24
Residential	
Residential Share	83%
2024 Park Population	16,975
Miles per Person	0.00006
Cost per Person	\$33.29
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Miles per Job	0.00002
Cost per Job	\$12.42

Source: Sedona Parks and Recreation Department

Development Fee Report – Plan-Based

The cost to prepare the Parks and Recreational Facilities IIP and development fees totals \$17,500. Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new development from the *Land Use Assumptions* document, the cost is \$10.46 per person and \$15.17 per job.

Figure PR8: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Parks and Recreational	\$17,500	Residential	83%	Park Population	1,388	\$10.46
		Nonresidential	17%	Jobs	196	\$15.17
Police	\$18,000	Residential	69%	Police Population	1,113	\$11.16
		Nonresidential	31%	Vehicle Trips	916	\$6.09
Street	\$20,820	All Development	100%	VMT	13,299	\$1.56
Total	\$56,320					

PROJECTED DEMAND FOR SERVICES AND COSTS

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

As shown in the *Land Use Assumptions* document, Sedona’s park population is expected to increase by 2,577 persons and employment is expected to increase by 392 jobs over the next 10 years. To maintain the desired levels of service, Sedona plans to acquire five acres of park land, construct approximately 9.2 park amenities, and construct approximately 0.17 miles of shared-use paths (this does not include shared-use paths within street rights of way included in the street facilities development fee). The following pages include a more detailed projection of demand for services and costs for the Parks and Recreational Facilities IIP.

Park Land – Plan-Based

Sedona plans to acquire five acres of park land in the next 10 years. Based on a projected park population increase of 2,577 persons, future residential development demands an additional 4.73 acres (2,577 additional persons X 0.00184 adjusted acres per person). With projected employment growth of 392 jobs, future nonresidential development demands an additional 0.27 acres (392 additional jobs X 0.00069 adjusted acres per job). This results in a cost of \$2,500,000 (5.0 acres X \$500,000 per acre).

Figure PR9: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Acre
Park Land	0.00184 Adjusted Acres	per Person	\$500,000
	0.00069 Adjusted Acres	per Job	

Demand for Park Land					
Year	Park Population	Jobs	Acres		
			Residential	Nonresidential	Total
2024	16,975	9,317	31.17	6.38	37.55
2025	17,373	9,356	31.90	6.41	38.31
2026	17,624	9,396	32.36	6.44	38.79
2027	17,873	9,435	32.81	6.46	39.28
2028	18,119	9,474	33.27	6.49	39.76
2029	18,364	9,513	33.72	6.52	40.23
2030	18,606	9,553	34.16	6.54	40.70
2031	18,846	9,592	34.60	6.57	41.17
2032	19,084	9,631	35.04	6.60	41.64
2033	19,319	9,670	35.47	6.63	42.09
2034	19,552	9,709	35.90	6.65	42.55
10-Yr Increase	2,577	392	4.73	0.27	5.00

Growth-Related Expenditures	\$2,365,627	\$134,373	\$2,500,000
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Park Amenities – Incremental Expansion

Sedona plans to maintain its existing level of service for park amenities over the next 10 years. Based on a projected park population increase of 2,577 persons, future residential development demands an additional 8.7 park amenities (2,577 additional persons X 0.00337 units per person). With projected employment growth of 392 jobs, future nonresidential development demands an additional 0.5 park amenities (392 additional jobs X 0.00126 units per job). Future development demands 9.2 additional park amenities at a cost of \$2,102,479 (9.2 units X \$228,833 per unit). Sedona may use development fees to construct additional park amenities.

Figure PR10: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Park Amenities	0.00337 Units	per Person	\$228,833
	0.00126 Units	per Job	

Demand for Park Amenities					
Year	Park Population	Jobs	Units		
			Residential	Nonresidential	Total
2024	16,975	9,317	57.3	11.7	69.0
2025	17,373	9,356	58.6	11.8	70.4
2026	17,624	9,396	59.5	11.8	71.3
2027	17,873	9,435	60.3	11.9	72.2
2028	18,119	9,474	61.1	11.9	73.1
2029	18,364	9,513	62.0	12.0	73.9
2030	18,606	9,553	62.8	12.0	74.8
2031	18,846	9,592	63.6	12.1	75.7
2032	19,084	9,631	64.4	12.1	76.5
2033	19,319	9,670	65.2	12.2	77.4
2034	19,552	9,709	66.0	12.2	78.2
10-Yr Increase	2,577	392	8.7	0.5	9.2

Growth-Related Expenditures	\$1,989,473	\$113,006	\$2,102,479
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Shared-Use Paths – Incremental Expansion

Sedona plans to maintain its existing level of service for shared-use paths over the next 10 years. Based on a projected park population increase of 2,577 persons, future residential development demands an additional 0.16 miles of shared-use paths (2,577 additional persons X 0.00006 miles per person). With projected employment growth of 392 jobs, future nonresidential development demands an additional 0.01 miles of shared-use paths (392 additional jobs X 0.00002 miles per job). Future development demands 0.17 miles of shared-use paths at a cost of \$90,650 (0.17 miles X \$547,525 per amenity). Sedona may use development fees to construct additional shared-use paths.

Figure PR11: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Shared-Use Paths	0.00006 Miles	per Person	\$547,525
	0.00002 Miles	per Job	

Demand for Shared-Use Paths					
Year	Park Population	Jobs	Miles		
			Residential	Nonresidential	Total
2024	16,975	9,317	1.03	0.21	1.24
2025	17,373	9,356	1.06	0.21	1.27
2026	17,624	9,396	1.07	0.21	1.28
2027	17,873	9,435	1.09	0.21	1.30
2028	18,119	9,474	1.10	0.21	1.32
2029	18,364	9,513	1.12	0.22	1.33
2030	18,606	9,553	1.13	0.22	1.35
2031	18,846	9,592	1.15	0.22	1.36
2032	19,084	9,631	1.16	0.22	1.38
2033	19,319	9,670	1.17	0.22	1.39
2034	19,552	9,709	1.19	0.22	1.41
10-Yr Increase	2,577	392	0.16	0.01	0.17

Growth-Related Expenditures	\$85,778	\$4,872	\$90,650
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PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because Sedona’s construction transaction privilege tax rate does not exceed the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)).

Parks and Recreational Facilities Development Fees

Infrastructure components and cost factors for parks and recreational facilities are summarized in the upper portion of Figure PR12. The cost per service unit is \$1,733.74 per person and \$658.24 per job.

Parks and recreational facilities fees for residential development are calculated per housing unit, based on unit size, and vary proportionately according to the number of persons per household. The fee of \$3,433 for a residential unit with 2,000 square feet is calculated using a cost per service unit of \$1,733.74 per person multiplied by a demand unit of 1.98 persons per household.

Nonresidential development fees are calculated per square foot and vary proportionately according to the number of jobs per service unit. The fee of \$1.03 per square foot of industrial development is derived from a cost per service unit of \$658.24 per job, multiplied by a demand unit of 1.57 jobs per 1,000 square feet, and divided by 1,000.

Figure PR12: Parks and Recreational Facilities Development Fees

Fee Component	Cost per Person	Cost per Job
Park Land	\$917.98	\$342.56
Park Amenities	\$772.01	\$288.09
Shared-Use Paths	\$33.29	\$12.42
Development Fee Report	\$10.46	\$15.17
Total	\$1,733.74	\$658.24

Residential Fees per Unit				
Unit Size	Persons per Household ¹	Proposed Fees	Current Fees	Difference
700 or less	1.00	\$1,734	\$717	\$1,017
701 to 1,200	1.26	\$2,185	\$1,004	\$1,181
1,201 to 1,700	1.62	\$2,809	\$1,363	\$1,447
1,701 to 2,200	1.98	\$3,433	\$1,578	\$1,856
2,201 to 2,700	2.36	\$4,092	\$1,721	\$2,371
2,701 to 3,200	2.61	\$4,525	\$1,865	\$2,661
3,201 to 3,700	2.83	\$4,906	\$2,008	\$2,898
3,701 to 4,200	2.99	\$5,184	\$2,151	\$3,033
4,201 to 4,700	3.14	\$5,444	\$2,223	\$3,221
4,701 or more	3.28	\$5,687	\$2,295	\$3,392
Lodging (per room)	1.89	\$3,277	\$1,434	\$1,843

Nonresidential Fees per Square Foot				
Development Type	Jobs per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	1.57	\$1.03	\$0.74	\$0.29
Commercial	2.12	\$1.40	\$1.07	\$0.33
Office / Other Services	3.26	\$2.15	\$1.36	\$0.79
Institutional	3.03	\$1.99	\$0.42	\$1.57

1. See Land Use Assumptions

PARKS AND RECREATIONAL FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)). In accordance with state law, this report includes an IIP for parks and recreational facilities needed to accommodate new development. Projected fee revenue shown in Figure PR13 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for parks and recreational facilities shown in Figure PR12. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase and development fee revenue will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease, along with development fee revenue. Projected development fee revenue equals \$4,191,084, and projected expenditures equal \$4,710,629. Since Sedona will assess residential development fees based on unit size, and the analysis projects residential development fee revenue based on a residential unit with 2,000 square feet (average size residential unit), actual development fee revenue will vary based on the actual mix of future residential units.

Figure PR13: Parks and Recreational Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Park Land	\$2,500,000	\$0	\$2,500,000
Park Amenities	\$2,102,479	\$0	\$2,102,479
Shared-Use Paths	\$90,650	\$0	\$90,650
Development Fee Report	\$17,500	\$0	\$17,500
Total	\$4,710,629	\$0	\$4,710,629

		Residential \$3,433 per unit	Industrial \$1.03 per sq ft	Commercial \$1.40 per sq ft	Office / Other \$2.15 per sq ft	Institutional \$1.99 per sq ft
Year		Hsg Unit	KSF	KSF	KSF	KSF
Base	2024	7,021	530	2,222	993	176
Year 1	2025	7,141	532	2,235	995	177
Year 2	2026	7,260	534	2,249	996	178
Year 3	2027	7,378	536	2,262	998	178
Year 4	2028	7,494	538	2,276	999	179
Year 5	2029	7,610	540	2,289	1,001	180
Year 6	2030	7,724	542	2,302	1,003	181
Year 7	2031	7,838	544	2,316	1,004	182
Year 8	2032	7,950	546	2,329	1,006	182
Year 9	2033	8,061	548	2,343	1,007	183
Year 10	2034	8,171	550	2,356	1,009	184
10-Year Increase		1,150	20	134	16	8
Projected Revenue		\$3,936,105	\$20,431	\$184,838	\$33,938	\$15,772

Projected Fee Revenue	\$4,191,084
Total Expenditures	\$4,710,629

POLICE FACILITIES IIP

ARS § 9-463.05 (T)(7)(f) defines the eligible facilities and assets for the Police Facilities IIP:

“Fire and police facilities, including all appurtenances, equipment and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes or a facility that is used for training firefighters or officers from more than one station or substation.”

The Police Facilities IIP includes components for police facilities, police vehicles, communication equipment, and the cost of preparing the Police Facilities IIP and related Development Fee Report. The incremental expansion methodology, based on the current level of service, is used for police facilities, police vehicles, and communication equipment. The plan-based methodology is used for the Development Fee Report.

SERVICE AREA

Sedona uses a citywide service area for the Police Facilities IIP.

PROPORTIONATE SHARE

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Police Facilities IIP and development fees will allocate the cost of police infrastructure between residential and nonresidential using functional population. Functional population is similar to what the U.S. Census Bureau calls "daytime population," by accounting for people living and working in a jurisdiction, but also considers commuting patterns and time spent at home and at nonresidential locations. The functional population approach allocates the cost of the police infrastructure to residential and nonresidential development based on the activity of residents and workers through the 24 hours in a day.

Residents that do not work are assigned 20 hours per day to residential development and four hours per day to nonresidential development (annualized averages). Residents that work in Sedona are assigned 14 hours to residential development and 10 hours to nonresidential development. Residents that work outside Sedona are assigned 14 hours to residential development, the remaining 10 hours in the day are assumed to be spent working outside of Sedona. Inflow commuters are assigned 10 hours to nonresidential development. Based on 2021 functional population data, residential development accounts for 69 percent of the functional population, while nonresidential development accounts for 31 percent.

Figure P1: Proportionate Share

Demand Units in 2021				
Residential			Demand Hours/Day	Person Hours
Peak Population	11,818	↙		
Residents Not Working	8,682		20	173,640
Employed Residents	3,136	↙		
Employed in Sedona	1,268		14	17,752
Employed outside Sedona	1,868		14	26,152
Residential Subtotal				217,544
Residential Share				69%
Nonresidential				
Non-working Residents	8,682		4	34,728
Jobs Located in Sedona	6,086	↙		
Residents Employed in Sedona	1,268		10	12,680
Non-Resident Workers (inflow commuters)	4,818		10	48,180
Nonresidential Subtotal				95,588
Nonresidential Share				31%
Total				313,132

Source: Arizona Office of Economic Opportunity (population), U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, Version 6.23.4 (employment).

The proportionate share of costs attributable to residential development will be allocated to population and then converted to an appropriate amount by type of housing unit. TischlerBise recommends using vehicle trips as the demand indicator for nonresidential demand for police services. Trip generation rates are used for nonresidential development because vehicle trips are highest for commercial developments, such as shopping centers, and lowest for industrial development. Office and institutional trip rates fall between the other two categories. This ranking of trip rates is consistent with the relative demand for public safety services from nonresidential development. Other possible nonresidential demand indicators, such as employment or floor area, will not accurately reflect the demand for service. For example, if employees per thousand square feet were used as the demand indicator, police development fees would be disproportionately high for office and institutional development because these types of development typically have more employees per 1,000 square feet than commercial uses. If floor area were used as the demand indicator, police development fees would be disproportionately high for industrial development.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Figure P2 displays the demand indicators for residential and nonresidential land uses. For residential development, the table displays the number of persons per household. For nonresidential development, the table displays vehicle trips per thousand square feet of floor area.

Figure P2: Ratio of Service Unit to Development Unit

Residential Development per Unit	
Unit Size	Persons per Household ¹
700 or less	1.00
701 to 1,200	1.26
1,201 to 1,700	1.62
1,701 to 2,200	1.98
2,201 to 2,700	2.36
2,701 to 3,200	2.61
3,201 to 3,700	2.83
3,701 to 4,200	2.99
4,201 to 4,700	3.14
4,701 or more	3.28

Nonresidential Development per 1,000 Square Feet			
Development Type	AWVTE per 1,000 Sq Ft ¹	Trip Rate Adjustment	Avg Weekday Vehicle Trips
Industrial	4.87	50%	2.44
Commercial	37.01	33%	12.21
Office / Other Services	10.84	50%	5.42
Institutional	22.59	33%	7.45
Lodging (per room)	7.99	50%	4.00

1. See Land Use Assumptions

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Police Facilities – Incremental Expansion

Sedona currently provides 20,354 square feet of police facilities to existing development, and Sedona plans to construct additional police facilities to serve future development. To allocate the proportionate share of demand for police vehicles to residential and nonresidential development, this analysis uses functional population outlined in Figure P1. Sedona’s existing level of service for residential development is 1.1597 square feet per person (20,354 square feet X 69 percent residential share / 12,111 persons). The nonresidential level of service is 0.1797 square feet per vehicle trip (20,354 square feet X 31 percent nonresidential share / 35,121 vehicle trips).

Based on TischlerBise estimates, the construction cost for police facilities is \$750 per square foot. Sedona may use development fees to construct or expand polices facilities to serve future development. For police facilities, the cost is \$869.75 per person (1.1597 square feet per person X \$750 per square foot) and \$134.74 per vehicle trip (0.1797 square feet per vehicle trip X \$750 per square foot).

Figure P3: Existing Level of Service

Description	Square Feet
Police Station	7,960
Parking Garage	11,227
Shooting Range	1,167
Total	20,354

Cost Factors	
Cost per Square Foot	\$750

Level-of-Service (LOS) Standards	
Existing Square Feet	20,354
Residential	
Residential Share	69%
2024 Peak Population	12,111
Square Feet per Person	1.1597
Cost per Person	\$869.75
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Square Feet per Vehicle Trip	0.1797
Cost per Vehicle Trip	\$134.74

Source: Sedona Police Department

Police Vehicles – Incremental Expansion

Sedona has 49 police vehicles with a total cost of \$4,076,600, and Sedona plans to acquire additional police vehicles to serve future development. To allocate the proportionate share of demand for police vehicles to residential and nonresidential development, this analysis uses functional population outlined in Figure P1. Sedona’s existing level of service for residential development is 0.0028 units per person (49 units X 69 percent residential share / 12,111 persons). The nonresidential level of service is 0.0004 units per vehicle trip (49 units X 31 percent nonresidential share / 35,121 vehicle trips).

Based on the total cost of Sedona’s existing fleet of police vehicles, the weighted average cost is \$83,196 per unit (\$4,076,600 total cost / 49 units). Sedona may use development fees to expand its police vehicle fleet. For police vehicles, the cost is \$232.26 per person (0.0028 units per person X \$83,196 per unit) and \$35.98 per vehicle trip (0.0004 units per vehicle trip X \$83,196 per unit).

Figure P4: Existing Level of Service

Description	Units	Unit Cost	Total Cost
Patrol Vehicle - Marked	31	\$89,600	\$2,777,600
Patrol Vehicle - Unmarked	12	\$74,400	\$892,800
Pickup Truck	3	\$79,400	\$238,200
Motorcycle	3	\$56,000	\$168,000
Total	49	\$83,196	\$4,076,600

Cost Factors	
Weighted Average per Unit	\$83,196

Level-of-Service (LOS) Standards	
Existing Units	49
Residential	
Residential Share	69%
2024 Peak Population	12,111
Units per Person	0.0028
Cost per Person	\$232.26
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Units per Vehicle Trip	0.0004
Cost per Vehicle Trip	\$35.98

Source: Sedona Police Department

Communication Equipment – Incremental Expansion

Sedona has 58 units of communication equipment with a total cost of \$2,819,100, and Sedona plans to acquire additional units to serve future development. To allocate the proportionate share of demand for communication equipment to residential and nonresidential development, this analysis uses functional population outlined in Figure P1. Sedona’s existing level of service for residential development is 0.0033 units per person (58 units X 69 percent residential share / 12,111 persons). The nonresidential level of service is 0.0005 units per vehicle trip (58 units X 31 percent nonresidential share / 35,121 trips).

Based on the total cost of Sedona’s existing communication equipment, the weighted average cost is \$48,605 per unit (\$2,819,100 total cost / 58 units). Sedona may use development fees to acquire additional communication equipment. For communication equipment, the cost is \$160.62 per person (0.0033 units per person X \$48,605 per unit) and \$24.88 per trip (0.0005 units per trip X \$48,605 per unit).

Figure P5: Existing Level of Service

Description	Units	Unit Cost	Total Cost
Radio Infrastructure	1	\$1,549,100	\$1,549,100
Radios - Handheld	52	\$3,000	\$156,000
Dispatch Center Equipment	1	\$64,500	\$64,500
Dispatch Work Station	2	\$25,800	\$51,600
Spillman	1	\$710,000	\$710,000
Qwest / 911	1	\$287,900	\$287,900
Total	58	\$48,605	\$2,819,100

Cost Factors	
Weighted Average per Unit	\$48,605

Level-of-Service (LOS) Standards	
Existing Units	58
Residential	
Residential Share	69%
2024 Peak Population	12,111
Units per Person	0.0033
Cost per Person	\$160.62
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Units per Vehicle Trip	0.0005
Cost per Vehicle Trip	\$24.88

Source: Sedona Police Department

Development Fee Report – Plan-Based

The cost to prepare the Police Facilities IIP and related Development Fee Report equals \$18,000. Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost is \$11.16 per person and \$6.09 per vehicle trip.

Figure P6: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Parks and Recreational	\$17,500	Residential	83%	Park Population	1,388	\$10.46
		Nonresidential	17%	Jobs	196	\$15.17
Police	\$18,000	Residential	69%	Police Population	1,113	\$11.16
		Nonresidential	31%	Vehicle Trips	916	\$6.09
Street	\$20,820	All Development	100%	VMT	13,299	\$1.56
Total	\$56,320					

PROJECTED DEMAND FOR SERVICES AND COSTS

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

As shown in the *Land Use Assumptions* document, Sedona’s peak population is expected to increase by 2,171 persons and nonresidential vehicle trips are expected to increase by 1,832 over the next 10 years. To maintain the existing levels of service over the next 10 years, Sedona needs to construct approximately 2,846 square feet of facilities, acquire approximately 7 police vehicles, and acquire approximately 8 units of communication equipment. The following pages include a more detailed projection of demand for services and costs for the Police Facilities IIP.

Police Facilities – Incremental Expansion

Sedona plans to maintain its existing level of service for police facilities over the next 10 years. Based on a projected peak population increase of 2,171 persons, future residential development demands an additional 2,517.2 square feet (2,171 additional persons X 1.1597 square feet per person). With projected nonresidential vehicle trip growth of 1,832 vehicle trips, future nonresidential development demands an additional 329.1 square feet (1,832 additional vehicle trips X 0.1797 square feet per vehicle trip). Future development demands approximately 2,846 square feet of police facilities at a cost of \$2,134,713 (2,846.3 square feet X \$750 per square foot). Sedona may use development fees to expand its police facilities.

Figure P7: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Police Facilities	1.1597 Square Feet	per Person	\$750
	0.1797 Square Feet	per Vehicle Trip	

Demand for Police Facilities					
Year	Peak Population	Vehicle Trips	Square Feet		
			Residential	Nonresidential	Total
2024	12,111	35,121	14,044.3	6,309.7	20,354.0
2025	12,338	35,305	14,307.6	6,342.6	20,650.2
2026	12,563	35,488	14,568.4	6,375.6	20,943.9
2027	12,785	35,671	14,826.5	6,408.5	21,235.0
2028	13,006	35,854	15,082.1	6,441.4	21,523.5
2029	13,224	36,037	15,335.1	6,474.3	21,809.4
2030	13,440	36,220	15,585.6	6,507.2	22,092.8
2031	13,653	36,404	15,833.4	6,540.1	22,373.5
2032	13,865	36,587	16,078.7	6,573.0	22,651.7
2033	14,074	36,770	16,321.4	6,605.9	22,927.3
2034	14,281	36,953	16,561.5	6,638.8	23,200.3
10-Yr Increase	2,171	1,832	2,517.2	329.1	2,846.3

Growth-Related Expenditures	\$1,887,916	\$246,797	\$2,134,713
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Police Vehicles – Incremental Expansion

Sedona plans to maintain its existing level of service for police vehicles over the next 10 years. Based on a projected population increase of 2,171 persons, future residential development demands an additional 6.1 units (2,171 additional persons X 0.0028 units per person). With projected nonresidential vehicle trip growth of 1,832 vehicle trips, future nonresidential development demands an additional 0.8 units (1,832 additional vehicle trips X 0.0004 units per vehicle trip). Future development demands approximately 6.9 units at a cost of \$570,068 (6.9 units X \$83,196 per unit). Sedona may use development fees to expand its police vehicle fleet.

Figure P8: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Police Vehicles	0.0028 Units	per Person	\$83,196
	0.0004 Units	per Vehicle Trip	

Demand for Police Vehicles					
Year	Peak Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	12,111	35,121	33.8	15.2	49.0
2025	12,338	35,305	34.4	15.3	49.7
2026	12,563	35,488	35.1	15.3	50.4
2027	12,785	35,671	35.7	15.4	51.1
2028	13,006	35,854	36.3	15.5	51.8
2029	13,224	36,037	36.9	15.6	52.5
2030	13,440	36,220	37.5	15.7	53.2
2031	13,653	36,404	38.1	15.7	53.9
2032	13,865	36,587	38.7	15.8	54.5
2033	14,074	36,770	39.3	15.9	55.2
2034	14,281	36,953	39.9	16.0	55.9
10-Yr Increase	2,171	1,832	6.1	0.8	6.9

Growth-Related Expenditures	\$504,161	\$65,906	\$570,068
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Communication Equipment – Incremental Expansion

Sedona plans to maintain its existing level of service for communication equipment over the next 10 years. Based on a projected population increase of 2,171 persons, future residential development demands an additional 7.2 units (2,171 additional persons X 0.0033 units per person). With projected nonresidential vehicle trip growth of 1,832 vehicle trips, future nonresidential development demands an additional 0.9 units (1,832 additional vehicle trips X 0.0005 units per vehicle trip). Future development demands approximately 8.1 units at a cost of \$394,220 (8.1 units X \$48,605 per unit).

Figure P9: Projected Demand

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communication Equipment	0.0033 Units	per Person	\$48,605
	0.0005 Units	per Vehicle Trip	

Demand for Communication Equipment					
Year	Peak Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	12,111	35,121	40.0	18.0	58.0
2025	12,338	35,305	40.8	18.1	58.8
2026	12,563	35,488	41.5	18.2	59.7
2027	12,785	35,671	42.2	18.3	60.5
2028	13,006	35,854	43.0	18.4	61.3
2029	13,224	36,037	43.7	18.4	62.1
2030	13,440	36,220	44.4	18.5	63.0
2031	13,653	36,404	45.1	18.6	63.8
2032	13,865	36,587	45.8	18.7	64.5
2033	14,074	36,770	46.5	18.8	65.3
2034	14,281	36,953	47.2	18.9	66.1
10-Yr Increase	2,171	1,832	7.2	0.9	8.1

Growth-Related Expenditures	\$348,644	\$45,576	\$394,220
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POLICE FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because Sedona’s construction transaction privilege tax rate does not exceed the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)).

Police Facilities Development Fees

Infrastructure components and cost factors for police facilities are summarized in the upper portion of Figure P10. The cost per service unit is \$1,273.79 per person and \$201.69 per vehicle trip.

Police facilities fees for residential development are calculated per housing unit, based on unit size, and vary proportionately according to the number of persons per household. The fee of \$2,522 for a residential unit with 2,000 square feet is calculated using a cost per service unit of \$1,273.79 per person multiplied by a demand unit of 1.98 persons per household.

Nonresidential development fees are calculated per square foot and vary proportionately according to the number of vehicle trips per service unit. The fee of \$0.49 per square foot of industrial development is derived from a cost per service unit of \$201.69 per job, multiplied by a demand unit of 2.44 vehicle trips per 1,000 square feet, and divided by 1,000.

Figure P10: Police Facilities Development Fees

Fee Component	Cost per Person	Cost per Trip
Police Facilities	\$869.75	\$134.74
Police Vehicles	\$232.26	\$35.98
Communication Equipment	\$160.62	\$24.88
Development Fee Report	\$11.16	\$6.09
Total	\$1,273.79	\$201.69

Residential Fees per Unit				
Unit Size	Persons per Household ¹	Proposed Fees	Current Fees	Difference
700 or less	1.00	\$1,274	\$468	\$806
701 to 1,200	1.26	\$1,605	\$656	\$949
1,201 to 1,700	1.62	\$2,064	\$890	\$1,174
1,701 to 2,200	1.98	\$2,522	\$1,030	\$1,492
2,201 to 2,700	2.36	\$3,006	\$1,124	\$1,882
2,701 to 3,200	2.61	\$3,325	\$1,218	\$2,108
3,201 to 3,700	2.83	\$3,605	\$1,311	\$2,294
3,701 to 4,200	2.99	\$3,809	\$1,405	\$2,404
4,201 to 4,700	3.14	\$4,000	\$1,452	\$2,548
4,701 or more	3.28	\$4,178	\$1,498	\$2,680

Nonresidential Fees per Square Foot				
Development Type	AWVT per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	2.44	\$0.49	\$0.16	\$0.33
Commercial	12.21	\$2.46	\$0.83	\$1.63
Office / Other Services	5.42	\$1.09	\$0.32	\$0.77
Institutional	7.45	\$1.50	\$0.43	\$1.07
Lodging (per room)	4.00	\$807	\$278	\$529

1. See Land Use Assumptions

POLICE FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)). In accordance with state law, this report includes an IIP for police facilities needed to accommodate new development. Projected fee revenue shown in Figure P11 is based on the development projections in the *Land Use Assumptions* document and the updated development fees for police facilities shown in Figure P10. If development occurs at a more rapid rate than projected, the demand for infrastructure will increase and development fee revenue will increase at a corresponding rate. If development occurs at a slower rate than projected, the demand for infrastructure will also decrease, along with development fee revenue. Projected development fee revenue equals \$3,251,792, and projected expenditures equal \$3,117,001. Since Sedona will assess residential development fees based on unit size, and the analysis projects residential development fee revenue based on a residential unit with 2,000 square feet (average size residential unit), actual development fee revenue will vary based on the actual mix of future residential units.

Figure P11: Police Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Police Facilities	\$2,134,713	\$0	\$2,134,713
Police Vehicles	\$570,068	\$0	\$570,068
Communication Equipment	\$394,220	\$0	\$394,220
Development Fee Report	\$18,000	\$0	\$18,000
Total	\$3,117,001	\$0	\$3,117,001

		Residential \$2,522 per unit	Industrial \$0.49 per sq ft	Commercial \$2.46 per sq ft	Office / Other \$1.09 per sq ft	Institutional \$1.50 per sq ft
Year		Hsg Unit	KSF	KSF	KSF	KSF
Base	2024	7,021	530	2,222	993	176
Year 1	2025	7,141	532	2,235	995	177
Year 2	2026	7,260	534	2,249	996	178
Year 3	2027	7,378	536	2,262	998	178
Year 4	2028	7,494	538	2,276	999	179
Year 5	2029	7,610	540	2,289	1,001	180
Year 6	2030	7,724	542	2,302	1,003	181
Year 7	2031	7,838	544	2,316	1,004	182
Year 8	2032	7,950	546	2,329	1,006	182
Year 9	2033	8,061	548	2,343	1,007	183
Year 10	2034	8,171	550	2,356	1,009	184
10-Year Increase		1,150	20	134	16	8
Projected Revenue		\$2,888,021	\$9,694	\$325,011	\$17,226	\$11,839

Projected Fee Revenue	\$3,251,792
Total Expenditures	\$3,117,001

STREET FACILITIES IIP

ARS § 9-463.05 (T)(7)(e) defines the eligible facilities and assets for the Street Facilities IIP:

“Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon.”

The Street Facilities IIP includes components for street improvements, shared-use paths, intersection improvements, and the cost of preparing the Street Facilities IIP and related Development Fee Report. The incremental expansion methodology is used for street improvements, shared-use paths, and intersection improvements. The plan-based methodology is used for the Development Fee Report.

SERVICE AREA

Sedona uses a citywide service area for the Street Facilities IIP.

PROPORTIONATE SHARE

ARS § 9-463.05 (B)(3) states that the development fee shall not exceed a proportionate share of the cost of necessary public services needed to accommodate new development. The Street Facilities IIP and development fees will allocate the cost of necessary public services between residential and nonresidential based on trip generation rates, trip adjustment factors, and trip lengths.

RATIO OF SERVICE UNIT TO DEVELOPMENT UNIT

ARS § 9-463.05(E)(4) requires:

“A table establishing the specific level or quantity of use, consumption, generation or discharge of a service unit for each category of necessary public services or facility expansions and an equivalency or conversion table establishing the ratio of a service unit to various types of land uses, including residential, commercial and industrial.”

Sedona will use vehicle miles traveled (VMT) as the demand units for street facilities fees. Components used to determine VMT include average weekday vehicle trip generation rates, adjustments for commuting patterns and pass-by trips, and trip length weighting factors.

Residential Trip Generation Rates

As an alternative to simply using national average trip generation rates for residential development, published by the Institute of Transportation Engineers (ITE), TischlerBise calculates custom trip rates using local demographic data. Key inputs needed for the analysis, including average number of persons and vehicles available per housing unit, are available from American Community Survey (ACS) data.

Vehicle Trip Ends by Bedroom Range

TischlerBise recommends a fee schedule where larger units pay higher development fees than smaller units. Benefits of the proposed methodology include: 1) proportionate assessment of infrastructure demand using local demographic data, and 2) progressive fee structure (i.e., smaller units pay less, and larger units pay more).

TischlerBise creates custom tabulations of demographic data by bedroom range from individual survey responses provided by the U.S. Census Bureau in files known as Public Use Microdata Samples (PUMS). PUMS files are only available for areas of at least 100,000 persons, with Sedona in two Public Use Microdata Areas (AZ PUMAs 400 and 500). Shown in Figure S1, cells with yellow shading indicate the survey results, which yield the unadjusted number of persons and vehicles available per household. Unadjusted vehicles per household are adjusted to control totals in Sedona – 1.98 vehicles per unit.

Figure S1: Vehicle Trip Ends by Bedroom Range

Bedroom Range	Persons ¹	Vehicles Available ¹	Households ¹	Housing Mix	Unadjusted PPH	Adjusted PPH ²	Unadjusted VPH	Adjusted VPH ²
0-1	770	614	548	8%	1.41	1.19	1.12	1.02
2	3,685	3,100	1,915	27%	1.92	1.63	1.62	1.47
3	9,143	7,733	3,729	52%	2.45	2.07	2.07	1.89
4	2,636	2,047	834	12%	3.16	2.67	2.45	2.23
5+	637	500	180	2%	3.54	2.99	2.78	2.53
Total	16,871	13,994	7,206	100%	2.34	1.98	1.94	1.77

National Averages According to ITE

ITE Code	AWVTE per Person	AWVTE per Vehicle	AWVTE per HU	Sedona Housing Mix
210 SFD	2.65	6.36	9.43	87%
220 Apt	1.86	5.10	6.74	13%
Weighted Avg	2.55	6.20	9.09	100%

Recommended AWVTE per Household

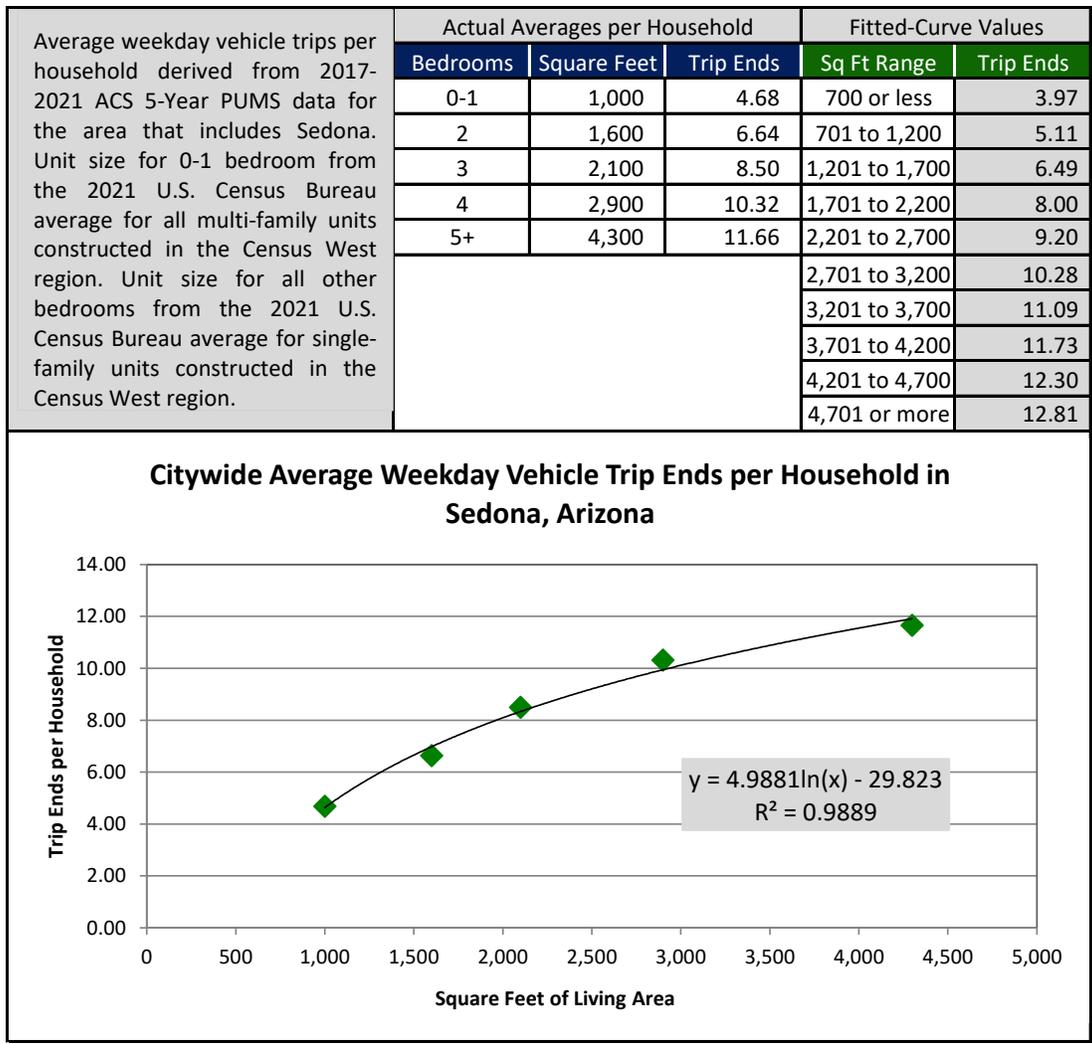
Bedroom Range	AWVTE per Hhld Based on Persons ³	AWVTE per Hhld Based on Vehicles ⁴	AWVTE per Household ⁵	
0-1	3.03	6.32	4.68	1. American Community Survey, Public Use Microdata Sample for AZ PUMAs 400 and 500 (2017-2021 5-Year unweighted data). 2. Adjusted multipliers are scaled to make the average PUMS values match control totals for Sedona, based on American Community Survey 2017-2021 5-Year Estimates. 3. Adjusted persons per household multiplied by national weighted average trip rate per person. 4. Adjusted vehicles available per household multiplied by national weighted average trip rate per vehicle. 5. Average trip rates based on persons and vehicles per household.
2	4.16	9.11	6.64	
3	5.28	11.72	8.50	
4	6.81	13.83	10.32	
5+	7.62	15.69	11.66	
Average	5.05	10.97	8.01	

Vehicle Trip Ends by Housing Size

To derive average weekday vehicle trip ends by dwelling size, Tischler Bise uses 2021 U.S. Census Bureau data for housing units constructed in the west region. Based on 2021 estimates, living area ranges from 1,000 square feet for households with zero to one bedroom up to 4,300 square feet for households with five or more bedrooms. Citywide average floor area and weekday vehicle trip ends, by bedroom range, are plotted in Figure S2 with a logarithmic trend line. TischlerBise uses the trend line formula to derive estimated trip ends by housing unit size in increments of 500 square feet. TischlerBise recommends a minimum fee based on a unit size of 700 square feet and a maximum fee for units 4,701 square feet or larger. For the upper threshold, each dwelling averages 12.81 vehicle trip ends.

A medium-size residential unit in Sedona with 1,701 to 2,200 square feet has a fitted-curve value of 8.00 vehicle trip ends on an average weekday. A small unit of 700 square feet or less would pay 49 percent of the street fee paid by a medium-size unit. A large unit of 4,701 square feet or more would pay 160 percent of the street fee paid by a medium-size unit. With a “one-size-fits-all” approach, small units pay more than their proportionate share while large units pay less than their proportionate share. An average fee that does not vary by size makes small units less affordable and essentially subsidizes larger units.

Figure S2: Vehicle Trip Ends by Housing Size



Nonresidential Trip Generation Rates

For nonresidential development, TischlerBise uses trip generation rates published in Trip Generation, Institute of Transportation Engineers, 11th Edition (2021). The prototype for industrial development is Light Industrial (ITE 110) which generates 4.87 average weekday vehicle trip ends per 1,000 square feet of floor area. The prototype for commercial development is Shopping Center (ITE 820) which generates 37.01 average weekday vehicle trips per 1,000 square feet of floor area. For office & other services development, the proxy is General Office (ITE 710), and it generates 10.84 average weekday vehicle trip ends per 1,000 square feet of floor area. Institutional development uses Government Office (ITE 730) and generates 22.59 average weekday vehicle trip ends per 1,000 square feet of floor area.

Figure S3: Average Weekday Vehicle Trip Ends by Land Use

ITE Code	Land Use / Size	Demand Unit	Wkdy Trip Ends Per Dmd Unit ¹	Wkdy Trip Ends Per Employee ¹	Emp Per Dmd Unit	Sq Ft Per Emp
110	Light Industrial	1,000 Sq Ft	4.87	3.10	1.57	637
130	Industrial Park	1,000 Sq Ft	3.37	2.91	1.16	864
140	Manufacturing	1,000 Sq Ft	4.75	2.51	1.89	528
150	Warehousing	1,000 Sq Ft	1.71	5.05	0.34	2,953
254	Assisted Living	bed	2.60	4.24	0.61	na
310	Hotel	room	7.99	14.34	0.56	na
565	Day Care	student	4.09	21.38	0.19	na
610	Hospital	1,000 Sq Ft	10.77	3.77	2.86	350
620	Nursing Home	bed	3.06	3.31	0.92	na
710	General Office (avg size)	1,000 Sq Ft	10.84	3.33	3.26	307
720	Medical-Dental Office	1,000 Sq Ft	36.00	8.71	4.13	242
730	Government Office	1,000 Sq Ft	22.59	7.45	3.03	330
770	Business Park	1,000 Sq Ft	12.44	4.04	3.08	325
820	Shopping Center (avg size)	1,000 Sq Ft	37.01	17.42	2.12	471

1. Trip Generation, Institute of Transportation Engineers, 11th Edition (2021).

Trip Rate Adjustments

To calculate street facilities fees, trip generation rates require an adjustment factor to avoid double counting each trip at both the origin and destination points. Therefore, the basic trip adjustment factor is 50 percent. As discussed further in this section, the development fee methodology includes additional adjustments to make the fees proportionate to the infrastructure demand for particular types of development.

Commuter Trip Adjustment

Residential development has a larger trip adjustment factor of 59 percent to account for commuters leaving Sedona for work. According to the 2009 National Household Travel Survey (see Table 30) weekday work trips are typically 31 percent of production trips (i.e., all out-bound trips, which are 50 percent of all trip ends). As shown in Figure S4, the U.S. Census Bureau’s OnTheMap web application indicates 60 percent of resident workers traveled outside of Sedona for work in 2021. In combination, these factors (0.31 x 0.50 x 0.60 = 0.09) support the additional nine percent allocation of trips to residential development.

Figure S4: Commuter Trip Adjustment

Trip Adjustment Factor for Commuters	
Employed Residents	3,136
Residents Living and Working in Sedona	1,268
Residents Commuting Outside Sedona for Work	1,868
Percent Commuting out of Sedona	60%
Additional Production Trips ¹	9%
Residential Trip Adjustment Factor	59%

Source: U.S. Census Bureau, OnTheMap Application (version 6.23.4) and LEHD Origin-Destination Employment Statistics, 2021.

1. According to the National Household Travel Survey (2009)*, published in December 2011 (see Table 30), home-based work trips are typically 30.99 percent of “production” trips, in other words, out-bound trips (which are 50 percent of all trip ends). Also, LED OnTheMap data from 2021 indicate that 60 percent of Sedona’s workers travel outside the city for work. In combination, these factors (0.3099 x 0.50 x 0.60 = 0.09) account for 9 percent of additional production trips. The total adjustment factor for residential includes attraction trips (50 percent of trip ends) plus the journey-to-work commuting adjustment (9 percent of production trips) for a total of 59 percent.

*<http://nhts.ornl.gov/publications.shtml> ; Summary of Travel Trends - Table "Daily Travel Statistics by Weekday vs. Weekend"

Adjustment for Pass-By Trips

For commercial and institutional development, the trip adjustment factor is less than 50 percent because these types of development attract vehicles as they pass by on arterial and collector roads. For example, when someone stops at a convenience store on the way home from work, the convenience store is not the primary destination. For the average shopping center, ITE data indicate 34 percent of the vehicles that enter are passing by on their way to some other primary destination. The remaining 66 percent of attraction trips have the commercial site as their primary destination. Because attraction trips are half of all trips, the trip adjustment factor is 66 percent multiplied by 50 percent, or approximately 33 percent of the trip ends.

Average Weekday Vehicle Trips

Shown below in Figure S5, multiplying average weekday vehicle trip ends and trip adjustment factors (discussed on the previous page) by Sedona’s existing development units provides the average weekday vehicle trips generated by existing development. As shown below, Sedona’s existing citywide development generates 68,261 vehicle trips on an average weekday.

Figure S5: Average Weekday Vehicle Trips by Land Use

Development Type	Development Unit	ITE Code	Avg Wkday VTE	Trip Adjustment	2024 Dev Units	2024 Veh Trips
Residential	HU	Avg	8.00	59%	7,021	33,139
Industrial	KSF	130	4.87	50%	530	1,291
Commercial	KSF	820	37.01	33%	2,222	27,137
Office & Other Services	KSF	710	10.84	50%	993	5,382
Institutional	KSF	610	22.59	33%	176	1,312
Total						68,261

Trip Length Weighting Factor

The street facilities development fee methodology includes a percentage adjustment, or weighting factor, to account for trip length variation by type of land use. As documented in Table 6a, Table 6b, and Table 6c of the 2017 National Household Travel Survey, vehicle trips from residential development are approximately 117 percent of the average trip length. The residential trip length adjustment factor includes data on home-based work trips, social, and recreational purposes. Conversely, shopping trips associated with commercial development are roughly 75 percent of the average trip length while other nonresidential development typically accounts for trips that are 73 percent of the average for all trips.

Local Trip Lengths

According to recent estimates, Sedona provides approximately 27.43 lane miles of arterials and collectors citywide. Using a capacity standard of 8,000 vehicles per lane mile, Sedona’s existing network provides 219,415 vehicle miles of capacity (27.43 lane miles X 8,000 vehicles per lane mile). To derive the average utilization (i.e., average trip length expressed in miles) of the major streets, divide vehicle miles of capacity by vehicle trips attracted to development in Sedona. As shown in Figure S5, citywide development currently attracts 68,261 average weekday vehicle trips. Dividing 219,415 vehicle miles of capacity by existing average weekday vehicle trips yields an unweighted-average trip length of approximately 3.214 miles. The calibration of average trip length includes the same adjustment factors used in the development fee calculations (i.e., commuter trip adjustment, pass-by trip adjustment, and average trip length adjustment). With these refinements, the weighted-average trip length is 3.378 miles.

Local Vehicle Miles Traveled

Shown below are the demand indicators for residential and nonresidential land uses related to vehicle miles traveled (VMT). For residential development, the table displays the number of VMT per household. For nonresidential development, the table displays VMT per thousand square feet of floor area.

Figure S6: Ratio of Service Unit to Development Unit

Residential Development per Unit					
Unit Size	AWVTE per unit ¹	Trip Adjustment ¹	Average Trip Length (miles)	Trip Length Adjustment	Avg Weekday VMT
700 or less	3.97	59%	3.378	117%	9.26
701 to 1,200	5.11	59%	3.378	117%	11.92
1,201 to 1,700	6.49	59%	3.378	117%	15.13
1,701 to 2,200	8.00	59%	3.378	117%	18.65
2,201 to 2,700	9.20	59%	3.378	117%	21.45
2,701 to 3,200	10.28	59%	3.378	117%	23.97
3,201 to 3,700	11.09	59%	3.378	117%	25.86
3,701 to 4,200	11.73	59%	3.378	117%	27.35
4,201 to 4,700	12.30	59%	3.378	117%	28.68
4,701 or more	12.81	59%	3.378	117%	29.87

Nonresidential Development per 1,000 Square Feet					
Development Type	AWVTE per 1,000 Sq Ft ¹	Trip Adjustment ¹	Average Trip Length (miles)	Trip Length Adjustment	Avg Weekday VMT
Industrial	4.87	50%	3.378	73%	6.00
Commercial	37.01	33%	3.378	75%	30.94
Office / Other Services	10.84	50%	3.378	73%	13.37
Institutional	22.59	33%	3.378	73%	18.38
Lodging (per room)	7.99	50%	3.378	75%	10.12

1. See Land Use Assumptions

PROJECTED DEMAND FOR SERVICES AND COSTS

ARS § 9-463.05(E)(5) requires:

“The total number of projected service units necessitated by and attributable to new development in the service area based on the approved land use assumptions and calculated pursuant to generally accepted engineering and planning criteria.”

ARS § 9-463.05(E)(6) requires:

“The projected demand for necessary public services or facility expansions required by new service units for a period not to exceed ten years.”

As shown in the *Land Use Assumptions* document, projected development includes an additional 1,150 housing units and 178,000 square feet of nonresidential floor area over the next 10 years. Based on the trip generation factors discussed in this section, projected development generates an additional 26,080 VMT over the next 10 years. Shown below in Figure S7, Sedona needs to construct approximately 3.26 lane miles of street improvements, 0.95 miles of shared-use paths, and 0.36 intersection improvements over the next 10 years to maintain the existing levels of service.

Figure S7: Projected Travel Demand

Development Type	Development Unit	ITE Code	Weekday Veh Trips	Local Trip Length	Trip Length Adj	Weekday VMT
Residential	HU	Avg	4.72	3.38	117%	18.65
Industrial	KSF	130	2.44	3.38	73%	6.00
Commercial	KSF	820	12.21	3.38	75%	30.94
Office & Other Services	KSF	710	5.42	3.38	73%	13.37
Institutional	KSF	610	7.45	3.38	73%	18.38

VMC Per Lane Mile	8,000
Average Trip Length (miles)	3.378

Sedona, Arizona	Base	1	2	3	4	5	10	10-Year Increase
	2024	2025	2026	2027	2028	2029	2034	
Residential Units	7,021	7,141	7,260	7,378	7,494	7,610	8,171	1,150
Industrial KSF	530	532	534	536	538	540	550	20
Commercial KSF	2,222	2,235	2,249	2,262	2,276	2,289	2,356	134
Office & Other Services KSF	993	995	996	998	999	1,001	1,009	16
Institutional KSF	176	177	178	178	179	180	184	8
Residential Trips	33,139	33,706	34,267	34,823	35,373	35,919	38,567	5,428
Industrial Trips	1,291	1,296	1,300	1,305	1,310	1,315	1,339	49
Commercial Trips	27,137	27,301	27,464	27,628	27,792	27,955	28,774	1,637
Office & Other Services Trips	5,382	5,390	5,399	5,408	5,416	5,425	5,468	87
Institutional Trips	1,312	1,318	1,324	1,330	1,336	1,342	1,372	60
Nonresidential Trips	35,121	35,305	35,488	35,671	35,854	36,037	36,953	1,832
Total Vehicle Trips	68,261	69,010	69,754	70,494	71,227	71,956	75,520	7,260
Vehicle Miles Traveled (VMT)	219,415	222,117	224,797	227,457	230,096	232,714	245,495	26,080
Lane Miles (Total)	27.43	27.76	28.10	28.43	28.76	29.09	30.69	3.26
Lane Miles Cost (Annual)		\$1,012,983	\$1,005,210	\$997,438	\$989,665	\$981,892	\$943,028	\$9,780,056
Shared-Use Paths (Total)	7.97	8.07	8.17	8.26	8.36	8.45	8.92	0.95
Shared-Use Paths Cost (Annual)		\$102,875	\$102,086	\$101,296	\$100,507	\$99,718	\$95,771	\$993,230
Improved Intersections (Total)	3.00	3.04	3.07	3.11	3.15	3.18	3.36	0.36
Impr. Intersections Cost (Annual)		\$155,649	\$154,454	\$153,260	\$152,066	\$150,872	\$144,900	\$1,502,743

ANALYSIS OF CAPACITY, USAGE, AND COSTS OF EXISTING PUBLIC SERVICES

ARS § 9-463.05(E)(1) requires:

“A description of the existing necessary public services in the service area and the costs to upgrade, update, improve, expand, correct or replace those necessary public services to meet existing needs and usage and stricter safety, efficiency, environmental or regulatory standards, which shall be prepared by qualified professionals licensed in this state, as applicable.”

ARS § 9-463.05(E)(2) requires:

“An analysis of the total capacity, the level of current usage and commitments for usage of capacity of the existing necessary public services, which shall be prepared by qualified professionals licensed in this state, as applicable.”

Street Improvements – Incremental Expansion

Sedona currently provides approximately 27.43 lane miles of arterial and collector streets to existing development, and Sedona plans to construct additional street improvements to serve future development. Sedona’s existing level of service is 1.25 lane miles per 10,000 VMT (27.43 lane miles / (219,415 VMT / 10,000)).

Based on Public Works Department estimates of recent and planned street improvements, the construction cost for street improvements is \$3,000,000 per lane mile. The analysis uses this cost as a proxy for future growth-related street improvement costs, and Sedona may use development fees to construct street improvements to serve future development. For street improvements, the cost is \$375.00 per VMT (1.25 lane miles per 10,000 VMT / 10,000 X \$3,000,000 per lane mile).

Figure S8: Existing Level of Service

Cost Factors	
Cost per Lane Mile	\$3,000,000

Level-of-Service (LOS) Standards	
Existing Lane Miles	27.43
2024 VMT	219,415
Lane Miles per 10,000 VMT	1.25
Cost per VMT	\$375.00

Source: Sedona Public Works Department

Shared-Use Paths – Incremental Expansion

Sedona currently provides 7.97 miles of shared-use paths within street rights of way to existing development, and Sedona plans to construct additional shared-use paths to serve future development. Sedona’s current level of service for shared-use paths is 0.3633 miles per 10,000 VMT (7.97 miles of shared-use paths / (219,415 VMT / 10,000)).

The weighted average cost of Sedona’s existing shared-use paths is \$1,048,366 per mile (\$8,356,155 total cost / 7.97 miles), and the analysis uses this cost as a proxy for future growth-related shared-use path costs. Sedona may use development fees to construct additional shared-use paths within street rights of way. The cost for shared-use paths is \$38.08 per VMT (0.3633 miles per 10,000 VMT / 10,000 X \$1,048,366 per mile).

Figure S9: Existing Level of Service

Shared-Use Path Type	Miles	Unit Cost	Total Cost
Decomposed Granite	2.01	\$300,000	\$601,705
Concrete	5.96	\$1,300,000	\$7,754,451
Total	7.97	\$1,048,366	\$8,356,155

Cost Factors	
Weighted Average Cost per Mile	\$1,048,366

Level-of-Service (LOS) Standards	
Existing Miles	7.97
2024 VMT	219,415
Miles per 10,000 VMT	0.3633
Cost per VMT	\$38.08

Source: Sedona Public Works Department

Intersection Improvements – Incremental Expansion

Sedona currently provides 3.0 intersection improvements to existing development, and Sedona plans to construct additional intersection improvements to serve future development. Sedona’s current level of service for intersection improvements is 0.1367 intersections per 10,000 VMT (3.0 intersection improvements / (219,415 VMT / 10,000)).

The Sedona Public Works Department provided construction costs for three future intersection improvements equal to \$12,642,751. The weighted average cost of these intersection improvements is \$4,214,250 per intersection (\$12,642,751/ 3.0 intersection improvements), and the analysis uses this cost as a proxy for future growth-related intersection improvement costs. Sedona may use development fees to construct these improvements or to construct other growth-related intersection improvements. The cost for intersection improvements is \$57.62 per VMT (0.1367 intersection improvements per 10,000 VMT / 10,000 X \$4,214,250 per intersection).

Figure S10: Existing Level of Service

Cost Factors	
Ranger Rd / Brewer Rd RAB (SIM-05d)	\$6,274,993
Ranger Rd / SR 179 (SIM-04e)	\$1,072,500
Forest Rd / Ranger Rd / SR 89A (SIM-05e)	\$5,295,258
Total	\$12,642,751
Average	\$4,214,250

Level-of-Service (LOS) Standards	
Existing Intersection Improvements	3.0
2024 VMT	219,415
Intersection Improvements per 10,000 VMT	0.1367
Cost per VMT	\$57.62

Source: Sedona Public Works Department

Development Fee Report – Plan-Based

The cost to prepare the Street Facilities IIP and related Development Fee Report equals \$20,820. Sedona plans to update its report every five years. Based on this cost, proportionate share, and five-year projections of new residential and nonresidential development from the *Land Use Assumptions* document, the cost is \$1.56 per VMT.

Figure S11: IIP and Development Fee Report

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Parks and Recreational	\$17,500	Residential	83%	Park Population	1,388	\$10.46
		Nonresidential	17%	Jobs	196	\$15.17
Police	\$18,000	Residential	69%	Police Population	1,113	\$11.16
		Nonresidential	31%	Vehicle Trips	916	\$6.09
Street	\$20,820	All Development	100%	VMT	13,299	\$1.56
Total	\$56,320					

STREET FACILITIES DEVELOPMENT FEES

Revenue Credit/Offset

A revenue credit/offset is not necessary for development fees, because Sedona’s construction transaction privilege tax rate does not exceed the amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications. Appendix A contains the forecast of revenues required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)).

Street Facilities Development Fees

Infrastructure components and cost factors for street facilities are summarized in the upper portion of Figure S12. The cost per service unit is \$472.26 per VMT.

Street facilities fees for residential development are calculated per housing unit, based on unit size, and vary proportionately according to the number of VMT per household. The fee of \$8,808 for a residential unit with 2,000 square feet is calculated using a cost per service unit of \$472.26 per VMT multiplied by a demand unit of 18.65 VMT per unit.

Nonresidential development fees are calculated per square foot and vary proportionately according to the number of VMT per service unit. The fee of \$2.83 per square foot of industrial development is calculated using a cost per service unit of \$472.26 per VMT, multiplied by a demand unit of 6.00 VMT per 1,000 square feet, and divided by 1,000.

Figure S12: Street Facilities Development Fees

Fee Component	Cost per VMT
Street Improvements	\$375.00
Shared-Use Paths	\$38.08
Intersection Improvements	\$57.62
Development Fee Report	\$1.56
Total	\$472.26

Residential Fees per Unit				
Unit Size	Avg Wkdy VMT per Unit ¹	Proposed Fees	Current Fees	Difference
700 or less	9.26	\$4,373	\$2,088	\$2,285
701 to 1,200	11.92	\$5,629	\$2,831	\$2,798
1,201 to 1,700	15.13	\$7,145	\$3,580	\$3,566
1,701 to 2,200	18.65	\$8,808	\$4,134	\$4,675
2,201 to 2,700	21.45	\$10,130	\$4,574	\$5,556
2,701 to 3,200	23.97	\$11,320	\$4,943	\$6,377
3,201 to 3,700	25.86	\$12,213	\$5,256	\$6,957
3,701 to 4,200	27.35	\$12,916	\$5,526	\$7,390
4,201 to 4,700	28.68	\$13,544	\$5,767	\$7,777
4,701 or more	29.87	\$14,106	\$5,985	\$8,121

Nonresidential Fees per Square Foot				
Development Type	Avg Wkdy VMT per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	6.00	\$2.83	\$1.18	\$1.65
Commercial	30.94	\$14.61	\$5.36	\$9.25
Office / Other Services	13.37	\$6.31	\$2.32	\$3.99
Institutional	18.38	\$8.68	\$3.07	\$5.61
Lodging (per room)	10.12	\$4,779	\$1,990	\$2,789

1. See Land Use Assumptions

STREET FACILITIES DEVELOPMENT FEE REVENUE

Appendix A contains revenue forecasts required by Arizona’s Enabling Legislation (ARS § 9-463.05(E)(7)). Projected fee revenue shown in Figure S13 is based on the development projections in the *Land Use Assumptions* document and the updated street facilities development fees. If development occurs faster than projected, the demand for infrastructure will increase along with development fee revenue. If development occurs slower than projected, the demand for infrastructure will decrease and development fee revenue will decrease at a similar rate. Projected development fee revenue equals \$12,293,830 and projected expenditures equal \$12,296,849. Since Sedona will assess residential development fees based on unit size, and the analysis projects residential development fee revenue based on a residential unit with 2,000 square feet (average size residential unit), actual development fee revenue will vary based on the actual mix of future residential units.

Figure S13: Street Facilities Development Fee Revenue

Fee Component	Growth Share	Existing Share	Total
Street Improvements	\$9,780,056	\$0	\$9,780,056
Shared-Use Paths	\$993,230	\$0	\$993,230
Intersection Improvements	\$1,502,743	\$0	\$1,502,743
Development Fee Report	\$20,820	\$0	\$20,820
Total	\$12,296,849	\$0	\$12,296,849

		Residential \$8,808 per unit	Industrial \$2.83 per sq ft	Commercial \$14.61 per sq ft	Office/ Other \$6.31 per sq ft	Institutional \$8.68 per sq ft
Year		Hsg Unit	KSF	KSF	KSF	KSF
Base	2024	7,021	530	2,222	993	176
Year 1	2025	7,141	532	2,235	995	177
Year 2	2026	7,260	534	2,249	996	178
Year 3	2027	7,378	536	2,262	998	178
Year 4	2028	7,494	538	2,276	999	179
Year 5	2029	7,610	540	2,289	1,001	180
Year 6	2030	7,724	542	2,302	1,003	181
Year 7	2031	7,838	544	2,316	1,004	182
Year 8	2032	7,950	546	2,329	1,006	182
Year 9	2033	8,061	548	2,343	1,007	183
Year 10	2034	8,171	550	2,356	1,009	184
10-Year Increase		1,150	20	134	16	8
Projected Revenue		\$10,112,471	\$56,436	\$1,954,737	\$100,859	\$69,326

Projected Fee Revenue	\$12,293,830
Total Expenditures	\$12,296,849

APPENDIX A: FORECAST OF REVENUES OTHER THAN FEES

ARS § 9-463.05(E)(7) requires:

“A forecast of revenues generated by new service units other than development fees, which shall include estimated state-shared revenue, highway users revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes and the capital recovery portion of utility fees attributable to development based on the approved land use assumptions, and a plan to include these contributions in determining the extent of the burden imposed by the development as required in subsection B, paragraph 12 of this section.”

ARS § 9-463.05(B)(12) states,

“The municipality shall forecast the contribution to be made in the future in cash or by taxes, fees, assessments or other sources of revenue derived from the property owner towards the capital costs of the necessary public service covered by the development fee and shall include these contributions in determining the extent of the burden imposed by the development. Beginning August 1, 2014, for purposes of calculating the required offset to development fees pursuant to this subsection, if a municipality imposes a construction contracting or similar excise tax rate in excess of the percentage amount of the transaction privilege tax rate imposed on the majority of other transaction privilege tax classifications, the entire excess portion of the construction contracting or similar excise tax shall be treated as a contribution to the capital costs of necessary public services provided to development for which development fees are assessed, unless the excess portion was already taken into account for such purpose pursuant to this subsection.”

REVENUE PROJECTIONS

Sedona does not have a higher-than-normal construction excise tax rate; therefore, the required offset described above is not applicable. Shown in Figure A1, Sedona provided the required forecast of non-development fee revenue from identified sources that can be attributed to future development over a period of five years. Sedona directs the revenues shown below to non-development fee eligible capital needs including maintenance, repair, and replacement.

Figure A1: Revenue Projections

NOTE TO STAFF: WE NEED TO PROJECT FUTURE REVENUE.

APPENDIX B: PROFESSIONAL SERVICES

As stated in Arizona’s development fee enabling legislation, “a municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development, including the costs of infrastructure, improvements, real property, engineering and architectural services, financing and professional services required for the preparation or revision of a development fee pursuant to this section, including the relevant portion of the infrastructure improvements plan” (see ARS § 9-463.05.A). Because development fees must be updated at least every five years, the cost of professional services is allocated to the projected increase in service units, over five years (see Figure B1). Qualified professionals must develop the IIP, using generally accepted engineering and planning practices. A qualified professional is defined as “a professional engineer, surveyor, financial analyst or planner providing services within the scope of the person’s license, education or experience”.

Figure B1: Cost of Professional Services

Necessary Public Service	Cost	Proportionate Share		Service Unit	5-Year Change	Cost per Service Unit
Parks and Recreational	\$17,500	Residential	83%	Park Population	1,388	\$10.46
		Nonresidential	17%	Jobs	196	\$15.17
Police	\$18,000	Residential	69%	Police Population	1,113	\$11.16
		Nonresidential	31%	Vehicle Trips	916	\$6.09
Street	\$20,820	All Development	100%	VMT	13,299	\$1.56
Total	\$56,320					

APPENDIX C: LAND USE DEFINITIONS

RESIDENTIAL DEVELOPMENT

As discussed below, residential development categories are based on data from the U.S. Census Bureau, American Community Survey. Development fees will be assessed to all new residential units. One-time development fees are determined by site capacity (i.e., number of residential units).

Single Family:

1. Single-family detached is a one-unit structure detached from any other house, that is, with open space on all four sides. Such structures are considered detached even if they have an adjoining shed or garage. A one-family house that contains a business is considered detached as long as the building has open space on all four sides.
2. Single-family attached (townhouse) is a one-unit structure that has one or more walls extending from ground to roof separating it from adjoining structures. In row houses (sometimes called townhouses), double houses, or houses attached to nonresidential structures, each house is a separate, attached structure if the dividing or common wall goes from ground to roof.
3. Mobile home includes both occupied and vacant mobile homes, to which no permanent rooms have been added. Mobile homes used only for business purposes or for extra sleeping space and mobile homes for sale on a dealer's lot, at the factory, or in storage are not counted in the housing inventory.

Multi-Family:

3. Includes units in structures containing two or more housing units, further categorized as units in structures with “2, 3 or 4, 5 to 9, 10 to 19, 20 to 49, and 50 or more apartments.”
1. Includes any living quarters occupied as a housing unit that does not fit the other categories (e.g., houseboats, railroad cars, campers, and vans). Recreational vehicles, boats, vans, railroad cars, and the like are included only if they are occupied as a current place of residence.

NONRESIDENTIAL DEVELOPMENT

The proposed general nonresidential development categories (defined below) can be used for all new construction. Nonresidential development categories represent general groups of land uses that share similar average weekday vehicle trip generation rates and employment densities (i.e., jobs per thousand square feet of floor area).

Commercial: Establishments primarily selling merchandise, eating/drinking places, and entertainment uses. By way of example, commercial includes shopping centers, supermarkets, pharmacies, restaurants, bars, nightclubs, automobile dealerships, and movie theaters.

Industrial: Establishments primarily engaged in the production, transportation, or storage of goods. By way of example, industrial includes manufacturing plants, distribution warehouses, trucking companies, utility substations, power generation facilities, and telecommunications buildings.

Institutional: Public and quasi-public buildings providing educational, social assistance, or religious services. By way of example, institutional includes schools, universities, churches, daycare facilities, and government buildings.

Lodging: Establishments primarily engaged in providing sleeping accommodations and supporting facilities such as restaurants, cocktail lounges, meeting and banquet rooms or convention facilities, limited recreational facilities (pool, fitness room), and/or other retail and service shops.

Office / Other Services: Establishments providing management, administrative, professional, or business services; personal and health care services; and lodging facilities. By way of example, Office and Other services includes banks, business offices; hotels and motels; assisted-living facilities, nursing homes and hospitals.

DRAFT Land Use Assumptions, Infrastructure Improvements Plan, and Development Fees

Sedona, Arizona
September 24, 2024

Bethesda, MD | 301.320.6900

[TischlerBise.com](https://www.tischlerbise.com)



Overview

- **Development Fee Basics**
- **Project Timeline**
- **Land Use Assumptions (LUA)**
- **Infrastructure Improvements Plan (IIP)**
 - Parks and Recreational
 - Police
 - Street
- **Fee Summary**

- **One-time payment for growth-related infrastructure, usually collected when building permits are issued**
- **Can't be used for operations, maintenance, or replacement**
- **Not a tax, but more like a contractual arrangement to build growth-related infrastructure**
- **Three requirements:**
 - Need (system improvements, not project-level improvements)
 - Benefit
 - Short range expenditures
 - Geographic service areas and/or benefit districts
 - Proportionate to demand

- **Three Integrated Products:**
 - **Land Use Assumptions:** 10+ years
 - **Infrastructure Improvements Plan (IIP):** limited to 10 years
 - **Development Fees:** part of broader revenue strategy
- **Level of service (LOS)**
 - May not exceed what is provided to existing development
 - Higher LOS must be paired with non-development fee funding source to cover existing development's share
- **Limitations on necessary public services**
 - Parks: 30 acres unless direct benefit to development
 - Public Safety: No regional training facilities

- **Cost Recovery Approach (Past)**
 - Future development is “buying in” to the cost the community has already incurred to provide growth-related capacity
 - Common in communities approaching buildout
- **Incremental Expansion Approach (Present)**
 - Formula-based approach based on existing levels of service
 - Fee is based on the current cost to replicate existing levels of service (i.e., replacement cost)
- **Plan-Based Approach (Future)**
 - Usually reflects an adopted CIP or master plan
 - Growth-related costs are more refined

- **Site specific**
 - Developer constructs a capital facility included in fee calculations
- **Debt service**
 - Avoid double payment due to existing or future bonds
- **Dedicated revenues**
 - Property tax, local option sales tax, gas tax, etc.

Project Timeline

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- **October 2023:** Project Initiation Meeting
- **June 1:** Advertise LUA & IIP (60 days)
- **Aug 13:** LUA & IIP - Public Hearing (30 days)
- **Sept 24:** LUA & IIP – Public Hearing #2
- **Oct 8:** LUA & IIP - Adoption
- **Oct 9:** Development Fees - Advertise (30 days)
- **Nov 12:** Development Fees - Public Hearing (30 days)
- **Jan 14, 2025:** Development Fees - Adoption (75 days)
- **March 31:** Development Fees - Effective

LUA
& IIP

Dev
Fees

Residential Occupancy Factors

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Occupancy by Housing Type

Most AZ cities use this.

Housing Type	Persons	Households	Persons per Household	Housing Units	Persons per Housing Unit	Housing Mix	Vacancy Rate
Single-Family ¹	8,585	4,284	2.00	5,494	1.56	85.5%	22.02%
Multi-Family ²	1,135	618	1.84	932	1.22	14.5%	33.69%
Total	9,720	4,902	1.98	6,426	1.51	100.0%	23.72%

Source: U.S. Census Bureau, 2017-2021 American Community Survey 5-Year Estimates

1. Includes detached, attached (townhouse), and mobile home units.

2. Includes dwellings in structures with two or more units, RVs, and all other units.

Limited incentive to build smaller units.

Smaller units subsidize larger units.

Occupancy by Housing Size

Sedona uses this.

Average persons per household derived from 2017-2021 ACS 5-Year PUMS data for the area that includes Sedona. Unit size for 0-1 bedroom from the 2021 U.S. Census Bureau average for all multi-family units constructed in the Census West region. Unit size for all other bedrooms from the 2021 U.S. Census Bureau average for single-family units constructed in the Census West region.	Actual Averages per Household			Fitted-Curve Values	
	Bedrooms	Square Feet	Persons	Sq Ft Range	Persons
	0-1	1,000	1.19	700 or less	1.00
	2	1,600	1.63	701 to 1,200	1.26
	3	2,100	2.07	1,201 to 1,700	1.62
	4	2,900	2.67	1,701 to 2,200	1.98
	5+	4,300	2.99	2,201 to 2,700	2.36
				2,701 to 3,200	2.61
				3,201 to 3,700	2.83
				3,701 to 4,200	2.99
				4,201 to 4,700	3.14
				4,701 or more	3.28

Provides incentive to build smaller units.

Fees more proportionate to demand.

For example, 700 sq ft unit pays 38% of fees paid by 3,000 sq ft unit (1.00 PPH / 2.61 PPH = 0.38)

- **Land scarcity will likely affect future residential development**
- **Recent Permits**
 - Single-Family Units: 55 per year
 - Multi-Family Units: 33 per year
- **Future Permits**
 - Single-Family Units: 40 per year in 2025, declining to 30 per year in 2034
 - Multi-Family Units: 80 per year

Year	Single Family	Multi-Family	Total
2020	62	0	62
2021	66	84	150
2022	57	1	58
2023 ¹	34	46	80
Total	219	131	350
Average	55	33	88

Source: Sedona Community Development Department

1. Through September 2023

Recent Permits

- Industrial: 1,700 sq ft per year
- Commercial: 11,100 sq ft per year
- Office: 1,300 sq ft per year
- Institutional: 700 sq ft per year
- Lodging: 16 rooms per year

Future Permits +20%

- Industrial: 2,000 sq ft per year
- Commercial: 13,400 sq ft per year
- Office: 1,600 sq ft per year
- Institutional: 800 sq ft per year
- Lodging: 22 rooms per year (90 rooms in 2025 and 125 rooms over the next 9 years)

Development Type	Permitted Square Feet		
	2021-2023 Total	2021-2023 Avg Annual	Future Avg Annual
Industrial	4,960	1,653	2,000
Commercial	33,414	11,138	13,400
Office	3,907	1,302	1,600
Institutional	2,000	667	800
Total	44,281	14,760	17,800

Source: Sedona Community Development Department

Development Projections

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Sedona, Arizona	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	10-Year Increase
	Base Year	1	2	3	4	5	6	7	8	9	10	
Population												
Peak Population ¹	12,111	12,338	12,563	12,785	13,006	13,224	13,440	13,653	13,865	14,074	14,281	2,171
Park Population ²	16,975	17,373	17,624	17,873	18,119	18,364	18,606	18,846	19,084	19,319	19,552	2,577
Housing Units												
Single Family	5,922	5,962	6,001	6,039	6,076	6,111	6,146	6,179	6,211	6,242	6,272	350
Multi-Family	1,099	1,179	1,259	1,339	1,419	1,499	1,579	1,659	1,739	1,819	1,899	800
Total	7,021	7,141	7,260	7,378	7,494	7,610	7,724	7,838	7,950	8,061	8,171	1,150
Employment												
Industrial	832	835	838	842	845	848	851	854	857	860	864	31
Commercial	4,717	4,746	4,774	4,803	4,831	4,860	4,888	4,917	4,945	4,974	5,002	285
Office / Other Services	3,234	3,239	3,245	3,250	3,255	3,260	3,265	3,271	3,276	3,281	3,286	52
Institutional	533	536	538	541	543	546	548	550	553	555	558	24
Total	9,317	9,356	9,396	9,435	9,474	9,513	9,553	9,592	9,631	9,670	9,709	392
Nonres. Floor Area (x1,000)												
Industrial	530	532	534	536	538	540	542	544	546	548	550	20
Commercial	2,222	2,235	2,249	2,262	2,276	2,289	2,302	2,316	2,329	2,343	2,356	134
Office / Other Services	993	995	996	998	999	1,001	1,003	1,004	1,006	1,007	1,009	16
Institutional	176	177	178	178	179	180	181	182	182	183	184	8
Total	3,921	3,939	3,957	3,974	3,992	4,010	4,028	4,046	4,063	4,081	4,099	178

1. Peak population includes resident and seasonal

2. Park population includes resident, seasonal, and lodging

- **Service Area: Citywide**
- **Fee Components**
 - Park Land: Plan-Based
 - Park Amenities: Incremental
 - Shared-Use Paths: Incremental
- **10-Year Demand**
 - Park Land: 5 acres, \$2.5 million
 - Park Amenities: 9 units, \$2.1 million
 - Shared-Use Paths: 0.17 miles, \$91k

Park Land (Plan-Based)

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The existing LOS supports acquisition of 19 acres during the next 10 years, but this may be unrealistic due to land scarcity.

To maintain the adjusted level of service, Sedona needs to acquire 5 acres of park land to serve future development.

The analysis includes an adjustment to acquire only 5 acres of park land.

Cost Factors	
Cost per Acre	\$500,000

Level-of-Service (LOS) Standards	
Existing Acres	144.10
Adjustment	26%
Adjusted Acres	37.5
Residential	
Residential Share	83%
2024 Park Population	16,975
Adjusted Acres per Person	0.00184
Cost per Person	\$917.98
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Adjusted Acres per Job	0.00069
Cost per Job	\$342.56

Source: Sedona Parks and Recreation Department

Using recent land acquisitions as a proxy for future land acquisition costs.

Sedona provides 0.00184 adjusted acres per person for residential development in 2024.

Sedona provides 0.00069 adjusted acres per job to nonresidential development in 2024.

Type of Infrastructure	Level of Service	Demand Unit	Cost per Acre
Park Land	0.00184 Adjusted Acres	per Person	\$500,000
	0.00069 Adjusted Acres	per Job	

Demand for Park Land					
Year	Park Population	Jobs	Acres		
			Residential	Nonresidential	Total
2024	16,975	9,317	31.17	6.38	37.55
2025	17,373	9,356	31.90	6.41	38.31
2026	17,624	9,396	32.36	6.44	38.79
2027	17,873	9,435	32.81	6.46	39.28
2028	18,119	9,474	33.27	6.49	39.76
2029	18,364	9,513	33.72	6.52	40.23
2030	18,606	9,553	34.16	6.54	40.70
2031	18,846	9,592	34.60	6.57	41.17
2032	19,084	9,631	35.04	6.60	41.64
2033	19,319	9,670	35.47	6.63	42.09
2034	19,552	9,709	35.90	6.65	42.55
10-Yr Increase	2,577	392	4.73	0.27	5.00

Growth-Related Expenditures	\$2,365,627	\$134,373	\$2,500,000
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Existing Park Amenities

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Sedona’s existing parks include 69 amenities, and Sedona plans to construct additional amenities to serve future development.

The weighted average cost of existing park amenities is \$228,833 per unit.

We use the weighted average cost as a proxy for future park amenity costs.

Description	Units	Unit Cost	Total Cost
Baseball / Softball Field, Lighted	1	\$900,000	\$900,000
Basketball Court, Lighted	1	\$180,000	\$180,000
Basketball Court, Unlighted	1	\$120,000	\$120,000
Bike Park	1	\$523,000	\$523,000
Concession Building	1	\$379,000	\$379,000
Disc Golf	1	\$90,000	\$90,000
Dog Park	1	\$444,000	\$444,000
Fitness Trail	1	\$100,000	\$100,000
Parking Lot	12	\$300,000	\$3,600,000
Pickleball Court	8	\$150,000	\$1,200,000
Playground	3	\$400,000	\$1,200,000
Ramada	12	\$74,000	\$888,000
Restroom	6	\$350,000	\$2,100,000
Shade Structure	11	\$45,000	\$495,000
Skate Park	1	\$852,000	\$852,000
Soccer Field	1	\$530,000	\$530,000
Splash Pad	1	\$400,000	\$400,000
The Hub	1	\$1,130,500	\$1,130,500
Tennis Court, Lighted	2	\$180,000	\$360,000
Tennis Court, Unlighted	2	\$110,000	\$220,000
Volleyball Court (sand)	1	\$78,000	\$78,000
Total	69	\$228,833	\$15,789,500

Source: Sedona Parks and Recreation Department

Park Amenities (Incremental)

DRAFT

Sedona plans to construct park amenities to serve future development.

To maintain the existing level of service, Sedona needs to construct approximately 9 park amenities to serve future development.

Cost Factors	
Weighted Average per Unit	\$228,833

Using existing amenities as a proxy for future amenity costs.

Level-of-Service (LOS) Standards	
Existing Units	69
Residential	
Residential Share	83%
2024 Park Population	16,975
Units per Person	0.00337
Cost per Person	\$772.01
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Units per Job	0.00126
Cost per Job	\$288.09

Sedona provides 0.00337 units per person for residential development in 2024.

Sedona provides 0.00126 units per job to nonresidential development in 2024.

Source: Sedona Parks and Recreation Department

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Park Amenities	0.00337 Units	per Person	\$228,833
	0.00126 Units	per Job	

Demand for Park Amenities					
Year	Park Population	Jobs	Units		
			Residential	Nonresidential	Total
2024	16,975	9,317	57.3	11.7	69.0
2025	17,373	9,356	58.6	11.8	70.4
2026	17,624	9,396	59.5	11.8	71.3
2027	17,873	9,435	60.3	11.9	72.2
2028	18,119	9,474	61.1	11.9	73.1
2029	18,364	9,513	62.0	12.0	73.9
2030	18,606	9,553	62.8	12.0	74.8
2031	18,846	9,592	63.6	12.1	75.7
2032	19,084	9,631	64.4	12.1	76.5
2033	19,319	9,670	65.2	12.2	77.4
2034	19,552	9,709	66.0	12.2	78.2
10-Yr Increase	2,577	392	8.7	0.5	9.2

Growth-Related Expenditures	\$1,989,473	\$113,006	\$2,102,479
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Shared-Use Paths (Incremental)

DRAFT

Sedona plans to construct shared-use paths to serve future development.

To maintain the existing level of service, Sedona needs to construct approximately 0.2 miles of shared-use paths to serve future development.

Description	Miles	Unit Cost	Total Cost
Decomposed Granite	0.94	\$300,000	\$280,682
Concrete	0.31	\$1,300,000	\$400,095
Total	1.24	\$547,525	\$680,777

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Shared-Use Paths	0.00006 Miles	per Person	\$547,525
	0.00002 Miles	per Job	

Cost Factors	
Weighted Average per Mile	\$547,525

Using existing shared-use paths as a proxy for future costs.

Level-of-Service (LOS) Standards	
Existing Shared-Use Paths (miles)	1.24
Residential	
Residential Share	83%
2024 Park Population	16,975
Miles per Person	0.00006
Cost per Person	\$33.29
Nonresidential	
Nonresidential Share	17%
2024 Jobs	9,317
Miles per Job	0.00002
Cost per Job	\$12.42

Sedona provides 0.00006 miles per person for residential development in 2024.

Sedona provides 0.00002 miles per job to nonresidential development in 2024.

Source: Sedona Parks and Recreation Department

Demand for Shared-Use Paths					
Year	Park Population	Jobs	Miles		
			Residential	Nonresidential	Total
2024	16,975	9,317	1.03	0.21	1.24
2025	17,373	9,356	1.06	0.21	1.27
2026	17,624	9,396	1.07	0.21	1.28
2027	17,873	9,435	1.09	0.21	1.30
2028	18,119	9,474	1.10	0.21	1.32
2029	18,364	9,513	1.12	0.22	1.33
2030	18,606	9,553	1.13	0.22	1.35
2031	18,846	9,592	1.15	0.22	1.36
2032	19,084	9,631	1.16	0.22	1.38
2033	19,319	9,670	1.17	0.22	1.39
2034	19,552	9,709	1.19	0.22	1.41
10-Yr Increase	2,577	392	0.16	0.01	0.17
Growth-Related Expenditures			\$85,778	\$4,872	\$90,650

Proposed Parks and Recreational Fees

DRAFT

Fee Component	Cost per Person	Cost per Job
Park Land	\$917.98	\$342.56
Park Amenities	\$772.01	\$288.09
Shared-Use Paths	\$33.29	\$12.42
Development Fee Report	\$10.46	\$15.17
Total	\$1,733.74	\$658.24

Residential Fees per Unit				
Unit Size	Persons per Household ¹	Proposed Fees	Current Fees	Difference
700 or less	1.00	\$1,734	\$717	\$1,017
701 to 1,200	1.26	\$2,185	\$1,004	\$1,181
1,201 to 1,700	1.62	\$2,809	\$1,363	\$1,447
1,701 to 2,200	1.98	\$3,433	\$1,578	\$1,856
2,201 to 2,700	2.36	\$4,092	\$1,721	\$2,371
2,701 to 3,200	2.61	\$4,525	\$1,865	\$2,661
3,201 to 3,700	2.83	\$4,906	\$2,008	\$2,898
3,701 to 4,200	2.99	\$5,184	\$2,151	\$3,033
4,201 to 4,700	3.14	\$5,444	\$2,223	\$3,221
4,701 or more	3.28	\$5,687	\$2,295	\$3,392
Lodging (per room)	1.89	\$3,277	\$1,434	\$1,843

Nonresidential Fees per Square Foot				
Development Type	Jobs per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	1.57	\$1.03	\$0.74	\$0.29
Commercial	2.12	\$1.40	\$1.07	\$0.33
Office / Other Services	3.26	\$2.15	\$1.36	\$0.79
Institutional	3.03	\$1.99	\$0.42	\$1.57

1. See Land Use Assumptions

- **Service Area: Citywide**
- **Fee Components**
 - Facilities: Incremental
 - Vehicles: Incremental
 - Communication Equipment: Incremental
- **10-Year Demand**
 - Facilities: 2,846 square feet, \$2.1 million
 - Vehicles: 7 units, \$570k
 - Communication Equipment: 8 units, \$394k

Facilities (Incremental)

DRAFT

Sedona will use development fees to construct additional police facilities.

To maintain the current level of service, Sedona needs to construct 2,846 square feet of police facilities to serve future development.

Description	Square Feet
Police Station	7,960
Parking Garage	11,227
Shooting Range	1,167
Total	20,354

Cost Factors	
Cost per Square Foot	\$750

Level-of-Service (LOS) Standards	
Existing Square Feet	20,354
Residential	
Residential Share	69%
2024 Peak Population	12,111
Square Feet per Person	1.1597
Cost per Person	\$869.75
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Square Feet per Vehicle Trip	0.1797
Cost per Vehicle Trip	\$134.74

Source: Sedona Police Department

Sedona provides 1.1597 square feet per person to residential development in 2024.

Sedona provides 0.1797 square feet per vehicle trip to nonresidential development in 2024.

Type of Infrastructure	Level of Service	Demand Unit	Cost per Sq Ft
Police Facilities	1.1597 Square Feet	per Person	\$750
	0.1797 Square Feet	per Vehicle Trip	

Demand for Police Facilities					
Year	Peak Population	Vehicle Trips	Square Feet		
			Residential	Nonresidential	Total
2024	12,111	35,121	14,044.3	6,309.7	20,354.0
2025	12,338	35,305	14,307.6	6,342.6	20,650.2
2026	12,563	35,488	14,568.4	6,375.6	20,943.9
2027	12,785	35,671	14,826.5	6,408.5	21,235.0
2028	13,006	35,854	15,082.1	6,441.4	21,523.5
2029	13,224	36,037	15,335.1	6,474.3	21,809.4
2030	13,440	36,220	15,585.6	6,507.2	22,092.8
2031	13,653	36,404	15,833.4	6,540.1	22,373.5
2032	13,865	36,587	16,078.7	6,573.0	22,651.7
2033	14,074	36,770	16,321.4	6,605.9	22,927.3
2034	14,281	36,953	16,561.5	6,638.8	23,200.3
10-Yr Increase	2,171	1,832	2,517.2	329.1	2,846.3
Growth-Related Expenditures			\$1,887,916	\$246,797	\$2,134,713

Vehicles (Incremental)

DRAFT

Sedona will use development fees to acquire additional police vehicles.

To maintain the existing level of service, Sedona needs to acquire approximately 7 additional vehicles to serve future development.

Description	Units	Unit Cost	Total Cost
Patrol Vehicle - Marked	31	\$89,600	\$2,777,600
Patrol Vehicle - Unmarked	12	\$74,400	\$892,800
Pickup Truck	3	\$79,400	\$238,200
Motorcycle	3	\$56,000	\$168,000
Total	49	\$83,196	\$4,076,600

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Police Vehicles	0.0028 Units	per Person	\$83,196
	0.0004 Units	per Vehicle Trip	

Cost Factors	
Weighted Average per Unit	\$83,196

Using existing vehicle costs as a proxy for future costs.

Level-of-Service (LOS) Standards	
Existing Units	49
Residential	
Residential Share	69%
2024 Peak Population	12,111
Units per Person	0.0028
Cost per Person	\$232.26
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Units per Vehicle Trip	0.0004
Cost per Vehicle Trip	\$35.98

Sedona provides 0.0028 units per person to residential development in 2024.

Sedona provides 0.0004 units per vehicle trip to nonresidential development in 2024.

Source: Sedona Police Department

Demand for Police Vehicles					
Year	Peak Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	12,111	35,121	33.8	15.2	49.0
2025	12,338	35,305	34.4	15.3	49.7
2026	12,563	35,488	35.1	15.3	50.4
2027	12,785	35,671	35.7	15.4	51.1
2028	13,006	35,854	36.3	15.5	51.8
2029	13,224	36,037	36.9	15.6	52.5
2030	13,440	36,220	37.5	15.7	53.2
2031	13,653	36,404	38.1	15.7	53.9
2032	13,865	36,587	38.7	15.8	54.5
2033	14,074	36,770	39.3	15.9	55.2
2034	14,281	36,953	39.9	16.0	55.9
10-Yr Increase	2,171	1,832	6.1	0.8	6.9
Growth-Related Expenditures			\$504,161	\$65,906	\$570,068

Communication Equipment (Incremental)

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Sedona will use development fees to acquire additional equipment.

Description	Units	Unit Cost	Total Cost
Radio Infrastructure	1	\$1,549,100	\$1,549,100
Radios - Handheld	52	\$3,000	\$156,000
Dispatch Center Equipment	1	\$64,500	\$64,500
Dispatch Work Station	2	\$25,800	\$51,600
Spillman	1	\$710,000	\$710,000
Qwest / 911	1	\$287,900	\$287,900
Total	58	\$48,605	\$2,819,100

To maintain the existing level of service, Sedona needs to acquire approximately 8 additional units to serve future development.

Type of Infrastructure	Level of Service	Demand Unit	Cost per Unit
Communication Equipment	0.0033 Units	per Person	\$48,605
	0.0005 Units	per Vehicle Trip	

Cost Factors	
Weighted Average per Unit	\$48,605

Level-of-Service (LOS) Standards	
Existing Units	58
Residential	
Residential Share	69%
2024 Peak Population	12,111
Units per Person	0.0033
Cost per Person	\$160.62
Nonresidential	
Nonresidential Share	31%
2024 Vehicle Trips	35,121
Units per Vehicle Trip	0.0005
Cost per Vehicle Trip	\$24.88

Using existing equipment costs as a proxy for future equipment costs.

Sedona provides 0.0033 units per person to residential development in 2024.

Sedona provides 0.0005 units per vehicle trip to nonresidential development in 2024.

Source: Sedona Police Department

Demand for Communication Equipment					
Year	Peak Population	Vehicle Trips	Units		
			Residential	Nonresidential	Total
2024	12,111	35,121	40.0	18.0	58.0
2025	12,338	35,305	40.8	18.1	58.8
2026	12,563	35,488	41.5	18.2	59.7
2027	12,785	35,671	42.2	18.3	60.5
2028	13,006	35,854	43.0	18.4	61.3
2029	13,224	36,037	43.7	18.4	62.1
2030	13,440	36,220	44.4	18.5	63.0
2031	13,653	36,404	45.1	18.6	63.8
2032	13,865	36,587	45.8	18.7	64.5
2033	14,074	36,770	46.5	18.8	65.3
2034	14,281	36,953	47.2	18.9	66.1
10-Yr Increase	2,171	1,832	7.2	0.9	8.1

Growth-Related Expenditures	\$348,644	\$45,576	\$394,220
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Proposed Police Fees

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Fee Component	Cost per Person	Cost per Trip
Police Facilities	\$869.75	\$134.74
Police Vehicles	\$232.26	\$35.98
Communication Equipment	\$160.62	\$24.88
Development Fee Report	\$11.16	\$6.09
Total	\$1,273.79	\$201.69

Residential Fees per Unit				
Unit Size	Persons per Household ¹	Proposed Fees	Current Fees	Difference
700 or less	1.00	\$1,274	\$468	\$806
701 to 1,200	1.26	\$1,605	\$656	\$949
1,201 to 1,700	1.62	\$2,064	\$890	\$1,174
1,701 to 2,200	1.98	\$2,522	\$1,030	\$1,492
2,201 to 2,700	2.36	\$3,006	\$1,124	\$1,882
2,701 to 3,200	2.61	\$3,325	\$1,218	\$2,108
3,201 to 3,700	2.83	\$3,605	\$1,311	\$2,294
3,701 to 4,200	2.99	\$3,809	\$1,405	\$2,404
4,201 to 4,700	3.14	\$4,000	\$1,452	\$2,548
4,701 or more	3.28	\$4,178	\$1,498	\$2,680

Nonresidential Fees per Square Foot				
Development Type	AWVT per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	2.44	\$0.49	\$0.16	\$0.33
Commercial	12.21	\$2.46	\$0.83	\$1.63
Office / Other Services	5.42	\$1.09	\$0.32	\$0.77
Institutional	7.45	\$1.50	\$0.43	\$1.07
Lodging (per room)	4.00	\$807	\$278	\$529

1. See Land Use Assumptions

- **Service Area: Citywide**
- **Fee Components**
 - Street Improvements: Incremental
 - Shared-Use Paths: Incremental
 - Intersection Improvements: Incremental
- **10-Year Demand**
 - Street Improvements: 3.26 lane miles, \$9.8 million
 - Shared-Use Paths: 0.95 miles, \$993k
 - Intersection Improvements: 0.36 improved intersections, \$1.5 million

Travel Demand

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Sedona, Arizona	Base	1	2	3	4	5	10	10-Year Increase
	2024	2025	2026	2027	2028	2029	2034	
Residential Units	7,021	7,141	7,260	7,378	7,494	7,610	8,171	1,150
Industrial KSF	530	532	534	536	538	540	550	20
Commercial KSF	2,222	2,235	2,249	2,262	2,276	2,289	2,356	134
Office & Other Services KSF	993	995	996	998	999	1,001	1,009	16
Institutional KSF	176	177	178	178	179	180	184	8
Residential Trips	33,139	33,706	34,267	34,823	35,373	35,919	38,567	5,428
Residential Trips	33,139	33,706	34,267	34,823	35,373	35,919	38,567	5,428
Industrial Trips	1,291	1,296	1,300	1,305	1,310	1,315	1,339	49
Commercial Trips	27,137	27,301	27,464	27,628	27,792	27,955	28,774	1,637
Office & Other Services Trips	5,382	5,390	5,399	5,408	5,416	5,425	5,468	87
Institutional Trips	1,312	1,318	1,324	1,330	1,336	1,342	1,372	60
Nonresidential Trips	35,121	35,305	35,488	35,671	35,854	36,037	36,953	1,832
Total Vehicle Trips	68,261	69,010	69,754	70,494	71,227	71,956	75,520	7,260
Vehicle Miles Traveled (VMT)	219,415	222,117	224,797	227,457	230,096	232,714	245,495	26,080
Lane Miles (Total)	27.43	27.76	28.10	28.43	28.76	29.09	30.69	3.26
Lane Miles Cost (Annual)		\$1,012,983	\$1,005,210	\$997,438	\$989,665	\$981,892	\$943,028	\$9,780,056
Shared-Use Paths (Total)	7.97	8.07	8.17	8.26	8.36	8.45	8.92	0.95
Shared-Use Paths Cost (Annual)		\$102,875	\$102,086	\$101,296	\$100,507	\$99,718	\$95,771	\$993,230
Improved Intersections (Total)	3.00	3.04	3.07	3.11	3.15	3.18	3.36	0.36
Impr. Intersections Cost (Annual)		\$155,649	\$154,454	\$153,260	\$152,066	\$150,872	\$144,900	\$1,502,743

Sedona currently provides 27.43 lane miles of collectors/arterials, 7.97 miles of shared-use paths, and 3.0 improved intersections to existing development.

To maintain the existing level of service, Sedona needs to construct 3.26 lane miles of street improvements, 0.95 miles of shared-use paths, and 0.36 intersection improvements over the next 10 years.

Street Facilities (Incremental)

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Street Improvements

Cost Factors	
Cost per Lane Mile	\$3,000,000

Level-of-Service (LOS) Standards	
Existing Lane Miles	27.43
2024 VMT	219,415
Lane Miles per 10,000 VMT	1.25
Cost per VMT	\$375.00

Source: Sedona Public Works Department

Estimate based on recent and planned street improvements.

Sedona provides 1.25 lane miles per 10,000 VMT to development in 2024.

Shared-Use Paths

Shared-Use Path Type	Miles	Unit Cost	Total Cost
Decomposed Granite	2.01	\$300,000	\$601,705
Concrete	5.96	\$1,300,000	\$7,754,451
Total	7.97	\$1,048,366	\$8,356,155

Cost Factors	
Weighted Average Cost per Mile	\$1,048,366

Level-of-Service (LOS) Standards	
Existing Miles	7.97
2024 VMT	219,415
Miles per 10,000 VMT	0.3633
Cost per VMT	\$38.08

Source: Sedona Public Works Department

Estimate based on weighted average cost of existing share-use paths.

Sedona provides 0.3633 miles per 10,000 VMT to development in 2024.

Intersection Improvements

Cost Factors	
Ranger Rd / Brewer Rd RAB (SIM-05d)	\$6,274,993
Ranger Rd / SR 179 (SIM-04e)	\$1,072,500
Forest Rd / Ranger Rd / SR 89A (SIM-05e)	\$5,295,258
Total	\$12,642,751
Average	\$4,214,250

Level-of-Service (LOS) Standards	
Existing Intersection Improvements	3.0
2024 VMT	219,415
Intersection Improvements per 10,000 VMT	0.1367
Cost per VMT	\$57.62

Source: Sedona Public Works Department

Sedona provides 0.1367 intersection improvements per 10,000 VMT to development in 2024.

The analysis uses the average cost of planned improvements as a proxy for future intersection improvement costs. Sedona may use development fees to construct intersection improvements on this list or to construct other growth-related intersection improvements.

Proposed Street Fees

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Fee Component	Cost per VMT
Street Improvements	\$375.00
Shared-Use Paths	\$38.08
Intersection Improvements	\$57.62
Development Fee Report	\$1.56
Total	\$472.26

Residential Fees per Unit				
Unit Size	Avg Wkdy VMT per Unit ¹	Proposed Fees	Current Fees	Difference
700 or less	9.26	\$4,373	\$2,088	\$2,285
701 to 1,200	11.92	\$5,629	\$2,831	\$2,798
1,201 to 1,700	15.13	\$7,145	\$3,580	\$3,566
1,701 to 2,200	18.65	\$8,808	\$4,134	\$4,675
2,201 to 2,700	21.45	\$10,130	\$4,574	\$5,556
2,701 to 3,200	23.97	\$11,320	\$4,943	\$6,377
3,201 to 3,700	25.86	\$12,213	\$5,256	\$6,957
3,701 to 4,200	27.35	\$12,916	\$5,526	\$7,390
4,201 to 4,700	28.68	\$13,544	\$5,767	\$7,777
4,701 or more	29.87	\$14,106	\$5,985	\$8,121

Nonresidential Fees per Square Foot				
Development Type	Avg Wkdy VMT per 1,000 Sq Ft ¹	Proposed Fees	Current Fees	Difference
Industrial	6.00	\$2.83	\$1.18	\$1.65
Commercial	30.94	\$14.61	\$5.36	\$9.25
Office / Other Services	13.37	\$6.31	\$2.32	\$3.99
Institutional	18.38	\$8.68	\$3.07	\$5.61
Lodging (per room)	10.12	\$4,779	\$1,990	\$2,789

1. See Land Use Assumptions

Fee Summary

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Proposed Fees

Residential Fees per Unit				
Unit Size	Parks & Recreational	Police	Street	Proposed Fees
700 or less	\$1,734	\$1,274	\$4,373	\$7,381
701 to 1,200	\$2,185	\$1,605	\$5,629	\$9,419
1,201 to 1,700	\$2,809	\$2,064	\$7,145	\$12,018
1,701 to 2,200	\$3,433	\$2,522	\$8,808	\$14,763
2,201 to 2,700	\$4,092	\$3,006	\$10,130	\$17,228
2,701 to 3,200	\$4,525	\$3,325	\$11,320	\$19,170
3,201 to 3,700	\$4,906	\$3,605	\$12,213	\$20,724
3,701 to 4,200	\$5,184	\$3,809	\$12,916	\$21,909
4,201 to 4,700	\$5,444	\$4,000	\$13,544	\$22,988
4,701 or more	\$5,687	\$4,178	\$14,106	\$23,971

Nonresidential Fees per Square Foot				
Development Type	Parks & Recreational	Police	Street	Proposed Fees
Industrial	\$1.03	\$0.49	\$2.83	\$4.35
Commercial	\$1.40	\$2.46	\$14.61	\$18.47
Office / Other Services	\$2.15	\$1.09	\$6.31	\$9.55
Institutional	\$1.99	\$1.50	\$8.68	\$12.17
Lodging (per room)	\$3,277	\$807	\$4,779	\$8,863

Current Fees

Residential Fees per Unit				
Unit Size	Parks & Recreational	Police	Street	Current Fees
700 or less	\$717	\$468	\$2,088	\$3,273
701 to 1,200	\$1,004	\$656	\$2,831	\$4,491
1,201 to 1,700	\$1,363	\$890	\$3,580	\$5,832
1,701 to 2,200	\$1,578	\$1,030	\$4,134	\$6,741
2,201 to 2,700	\$1,721	\$1,124	\$4,574	\$7,419
2,701 to 3,200	\$1,865	\$1,218	\$4,943	\$8,025
3,201 to 3,700	\$2,008	\$1,311	\$5,256	\$8,575
3,701 to 4,200	\$2,151	\$1,405	\$5,526	\$9,082
4,201 to 4,700	\$2,223	\$1,452	\$5,767	\$9,442
4,701 or more	\$2,295	\$1,498	\$5,985	\$9,778

Nonresidential Fees per Square Foot				
Development Type	Parks & Recreational	Police	Street	Current Fees
Industrial	\$0.74	\$0.16	\$1.18	\$2.09
Commercial	\$1.07	\$0.83	\$5.36	\$7.25
Office / Other Services	\$1.36	\$0.32	\$2.32	\$4.00
Institutional	\$0.42	\$0.43	\$3.07	\$3.92
Lodging (per room)	\$1,434	\$278	\$1,990	\$3,702

Fee Comparison: Single-Family Unit

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Single-Family Unit 3/4-Inch Meter	Fees Effective	Fire	Library	Park	Police	Street	Subtotal Non-Utility	Water	Water Resource	Waste- water	Subtotal Utility	Total
Sedona - 4KSF (Proposed)	2025	\$0	\$0	\$5,184	\$3,809	\$12,916	\$21,909	\$0	\$0	\$21,036	\$21,036	\$42,945
Sedona - 3KSF (Proposed)	2025	\$0	\$0	\$4,525	\$3,325	\$11,320	\$19,170	\$0	\$0	\$11,854	\$11,854	\$31,024
Sedona - 4KSF (Current)	2019	\$0	\$0	\$2,151	\$1,405	\$5,526	\$9,082	\$0	\$0	\$21,036	\$21,036	\$30,118
Sedona - 2KSF (Proposed)	2025	\$0	\$0	\$3,433	\$2,522	\$8,808	\$14,763	\$0	\$0	\$11,854	\$11,854	\$26,617
Sedona - 3KSF (Current)	2019	\$0	\$0	\$1,865	\$1,218	\$4,943	\$8,025	\$0	\$0	\$11,854	\$11,854	\$19,879
Sedona - 2KSF (Current)	2019	\$0	\$0	\$1,578	\$1,030	\$4,134	\$6,741	\$0	\$0	\$11,854	\$11,854	\$18,595
Flagstaff - 4+ Bedrooms	2020/2024	\$1,357	\$0	\$0	\$672	\$0	\$2,029	\$8,146	\$0	\$4,086	\$12,232	\$14,261
Prescott - 3KSF	2024	\$1,253	\$0	\$0	\$802	\$3,754	\$5,809	\$969	\$1,189	\$6,036	\$8,194	\$14,003
Flagstaff - 3 Bedrooms	2020/2024	\$1,071	\$0	\$0	\$531	\$0	\$1,602	\$8,146	\$0	\$4,086	\$12,232	\$13,834
Prescott - 2KSF	2024	\$1,189	\$0	\$0	\$761	\$3,568	\$5,518	\$969	\$1,189	\$6,036	\$8,194	\$13,712
Prescott Valley	2023/2024	\$0	\$1,589	\$1,469	\$404	\$2,671	\$6,133	\$2,266	\$2,320	\$0	\$4,586	\$10,719
Cottonwood	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$1,124	\$0	\$4,502	\$5,626	\$5,626
Camp Verde	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$0	\$0	\$4,000	\$4,000
Payson	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$3,391	\$0	\$0	\$3,391	\$3,391

Sedona: 2KSF = 13.7 WSFU, 3KSF = 14.7 WSFU, and 4KSF = 20.9 WSFU

Fee Comparison: Multi-Family Development

DRAFT

Residential Component

20 units: 600 Sq Ft, 7.5 WSFU
26 units: 900 Sq Ft, 11.1 WSFU
 46 units: 438.6 WSFU

Nonresidential Component

Office: 150 Sq Ft, 2.6 WSFU
Development served by a 2" meter.

Multi-Family: 46 units, 150 SF Office 2.0-Inch Meter	Fees Effective	Fire	Library	Park	Police	Street	Subtotal Non-Utility	Water	Water Resource	Waste- water	Subtotal Utility	Total	Total per Unit
Sedona (Proposed)	2025	\$0	\$0	\$89,107	\$65,388	\$227,225	\$381,719	\$0	\$0	\$361,764	\$361,764	\$743,482	\$16,163
Sedona (Current)	2019	\$0	\$0	\$38,926	\$25,336	\$111,256	\$175,518	\$0	\$0	\$361,764	\$361,764	\$537,282	\$11,680
Prescott	2024	\$49,034	\$0	\$0	\$31,397	\$147,070	\$227,501	\$5,168	\$6,337	\$32,193	\$43,698	\$271,199	\$5,896
Flagstaff	2020/2024	\$34,793	\$0	\$0	\$17,219	\$0	\$52,012	\$0	\$0	\$187,956	\$187,956	\$239,968	\$5,217
Prescott Valley	2023/2024	\$0	\$45,908	\$57,185	\$15,757	\$71,070	\$189,920	\$11,928	\$12,208	\$0	\$24,136	\$214,056	\$4,653
Payson	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$98,441	\$0	\$0	\$98,441	\$98,441	\$2,140
Cottonwood	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$5,992	\$0	\$23,995	\$29,987	\$29,987	\$652
Camp Verde	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$23,958	\$0	\$0	\$23,958	\$23,958	\$521

Sedona: 441.2 WSFU

Fee Comparison: Townhouse Development

DRAFT

Townhouse Development
 6 units: 1,494 Sq Ft, 14.1 WSFU
 8 units: 607 Sq Ft, 14.1 WSFU
 5 units: 2,016 Sq Ft, 15.1 WSFU
 19 units: 277.1 WSFU
Development served by 2 x 2" meters.

Townhouse: 19 Units 2 x 2.0-Inch Meters	Fees Effective	Fire	Library	Park	Police	Street	Subtotal Non-Utility	Water	Water Resource	Waste- water	Subtotal Utility	Total	Total per Unit
Sedona (Proposed)	2025	\$0	\$0	\$56,491	\$41,506	\$144,070	\$242,067	\$0	\$0	\$225,226	\$225,226	\$467,293	\$24,594
Sedona (Current)	2019	\$0	\$0	\$26,963	\$17,610	\$70,781	\$115,353	\$0	\$0	\$225,226	\$225,226	\$340,579	\$17,925
Flagstaff	2020/2024	\$20,705	\$0	\$0	\$10,260	\$0	\$30,965	\$86,836	\$0	\$77,634	\$164,470	\$195,435	\$10,286
Prescott	2024	\$20,813	\$0	\$0	\$13,325	\$62,416	\$96,554	\$10,336	\$12,675	\$64,386	\$87,397	\$183,951	\$9,682
Prescott Valley	2023/2024	\$0	\$30,191	\$27,911	\$7,676	\$50,749	\$116,527	\$23,856	\$24,416	\$0	\$48,272	\$164,799	\$8,674
Cottonwood	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$11,984	\$0	\$47,990	\$59,974	\$59,974	\$3,157
Payson	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$56,901	\$0	\$0	\$56,901	\$56,901	\$2,995
Camp Verde	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$47,916	\$0	\$0	\$47,916	\$47,916	\$2,522

Sedona: 277.1 WSFU

Fee Comparison: Commercial Development

DRAFT

Commercial / Retail
 4,984 Sq Ft, 60 WSFU
 Development served by a 1" meter.

Commercial/Retail: 4,984 Sq Ft 1.0-Inch Meter	Fees Effective	Fire	Library	Park	Police	Street	Subtotal Non-Utility	Water	Water Resource	Waste- water	Subtotal Utility	Total	Total per KSF
Sedona (Proposed)	2025	\$0	\$0	\$6,978	\$12,261	\$72,816	\$92,054	\$0	\$0	\$46,431	\$46,431	\$138,486	\$27,786
Sedona (Current)	2019	\$0	\$0	\$5,318	\$4,122	\$26,714	\$36,154	\$0	\$0	\$46,431	\$46,431	\$82,585	\$16,570
Prescott	2024	\$14,653	\$0	\$0	\$9,420	\$33,343	\$57,416	\$1,615	\$1,986	\$10,060	\$13,661	\$71,076	\$14,261
Flagstaff	2020/2024	\$4,037	\$0	\$0	\$3,888	\$0	\$7,925	\$13,604	\$0	\$6,824	\$20,428	\$28,353	\$5,689
Prescott Valley	2023/2024	\$0	\$0	\$2,592	\$3,987	\$13,058	\$19,637	\$3,757	\$3,845	\$0	\$7,602	\$27,239	\$5,465
Cottonwood	2018	\$0	\$0	\$0	\$0	\$0	\$0	\$1,878	\$0	\$7,518	\$9,396	\$9,396	\$1,885
Camp Verde	2024	\$0	\$0	\$0	\$0	\$0	\$0	\$8,277	\$0	\$0	\$8,277	\$8,277	\$1,661
Payson	2019	\$0	\$0	\$0	\$0	\$0	\$0	\$2,253	\$0	\$0	\$2,253	\$2,253	\$452

Sedona: 60 WSFU



CITY COUNCIL
AGENDA BILL

AB 3066
September 24, 2024
Regular Business

Agenda Item: 8d
Proposed Action & Subject: Discussion/possible direction regarding future agenda items.

Table with 2 columns: Category (Department, Time to Present, Total Time for Item, Other Council Meetings, Exhibits) and Value (City Manager, 2 Minutes, 5 Minutes, Included in City Council regular meeting agenda packets as of May 14, 2024, A. Future Agenda Items)

Table with 3 columns: Approval/Recommendation (Finance Approval, City Attorney Approval, City Manager's Recommendation), Review/Details (Reviewed RMS 09/09/24, Reviewed 9/09/24 KWC, For discussion and direction only. ABS 09/09/24), and Financials (Expenditure Required, Amount Budgeted, Account No. (Description))

SUMMARY STATEMENT

Background: Council requested a document showing future agenda items be added to the Council packet going forward. Attached as Exh. A is the Future Agenda Items document for review and discussion, and possible direction purposes.

Climate Action Plan/Sustainability Consistent: [] Yes - [] No - [x] Not Applicable

Board/Commission Recommendation: [] Applicable - [x] Not Applicable

Alternative(s): None

MOTION

I move to: For presentation and direction only.

Date	Day	Time	Type	Topic	Agenda Section	Requestor	Estimated Total Time
PENDING ITEMS							
				AB 3091 Discussion/possible action regarding an additional \$600,000 into the SIM 1B -Uptown Road Improvements Project for the completion of the paving northbound areas from Forest Road to Owenby Roundabout, but to also include the southbound areas.	Regular	Hall/Harris	30 min
10/8/2024	Tuesday	4:30 p.m	Regular Meeting				
				AB 3107 Approval of a Resolution authorizing the execution of an Intergovernmental Agreement (IGA) between the City of Sedona and Arizona Department of Transportation (ADOT) regarding the construction of Shelby Drive Shared Use Path in the amount of \$500,000.00	Consent	Ueda/Phillips	NA
				AB 3092 Presentation/discussion with Northern Arizona Healthcare (NAH) President and CEO Dave Cheney and VP, Construction and Real Estate Development Steve Eiss.	Regular	Spickard	
				AB 2953 Presentation/discussion regarding the June 2024 Sales and Bed Tax Report.	Regular	Whitehorn	30 min
				AB 3071 Discussion/possible action regarding the adoption of the draft Development Impact Fees LUA and IIP.	Regular	Spickard	
				AB 3099 Discussion/possible action regarding the future of the Historical Preservation Commission.	Regular	Spickard	
				AB 3120 Discussion/possible action regarding an Ordinance amending Sedona City Code Title 13 (Public Services and Utilities) amending Chapter 13.05 Definitions, Sewer Availability, and other miscellaneous amendments.	Regular	Holland	15 min
				AB 3066 Discussion/possible action regarding future meeting and agenda items.	Regular	Spickard	5 min
10/9/2024	Wednesday	3:00 p.m.	Special Meeting				

				AB 3054 Presentation/discussion with Yavapai College, Dr. Irina Del Genio, Dean of Verde Valley Campus Administration and Mr. Richard Hernandez, Executive Director of Government Relations, regarding a general update on activities and plans of the College.	Regular	Spickard	
10/22/2024	Tuesday	4:30 p.m	Regular Meeting				
				AB 3119 Approval of a Construction Manager at Risk contract with KEAR Civil Corporation for the construction of the WWRP UV Replacement project, in an amount not-to-exceed \$x,xxx,xxx, and approval of a Professional Services Contract for the Construction Administration & Inspection (CA&I) Services to Sunrise Engineering, Inc. in the amount of \$xxx,xxx.	Consent	Holland	NA
				AB 3120 Approval of an Ordinance amending Sedona City Code Title 13 (Public Services and Utilities) amending Chapter 13.05 Definitions, Sewer Availability, and other miscellaneous amendments.	Regular	Holland	NA
				AB 3122 Discussion and approval regarding the installation of a Flagpole at the Posse Grounds Pavilion to exceed City Code Height.	Regular	Frewin	5
				AB 3121 Approval of sustainably adding grass to the Sedona Dog Park to better serve the dog park community and relocate the Yappy Hour weekly event to the Sedona Dog Park.	Regular	Frewin	15
				AB 3111 Discussion / possible action regarding the Extreme Weather Overnight Lodging Program to shelter 'rough sleepers' during inclement or extreme weather conditions.	Regular	Frieder	20 min
				AB 3086 Discussion/possible action regarding the Sedona in Motion Transportation program.	Regular	Harris	2 hours
				AB 3066 Discussion/possible action regarding future meeting and agenda items.	Regular	Spickard	5 min
10/23/2024	Wednesday	3:00 p.m.	Special Meeting				
				AB 3079 Presentation/discussion from Arizona Water Company and City of Sedona staff regarding Growing Water Smart initiatives.	Special	Beck	1 hour
11/12/2024	Tuesday	3:30 p.m	Special Meeting				

				AB 3116 Discussion/possible action regarding a Resolution approving the canvass of the City's General Election held on November 5, 2024.	Special	Cook	2 min
				Public Forum/Recognition of Outgoing Councilors	Public Forum	Council	15 min
				Swearing In of Newly Elected Council Members By Magistrate Judge Paul Schlegel.	Special	Cook	10 min
				AB 3117 Discussion/possible action regarding the appointment of a Vice Mayor.	Appointments	Cook	5 min
11/12/2024	Tuesday	4:30 p.m	Regular Meeting				
				AB 3071 Public Hearing #2 on draft Development Impact Fees LUA and IIP	Regular	Spickard	30 min
				AB 3066 Discussion/possible action regarding future meeting and agenda items.	Regular	Spickard	5 min
11/13/2024	Wednesday	3:00 p.m.	Special Meeting				