

RESOLUTION NO. 2024-12

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A DEVELOPMENT AGREEMENT WITH BLUEFLAGIRIS, LLC, REDROCKIRIS, LLC, ALKEMISTA, INC, AND ALKEMISTA BREW, INC. FOR THE DEVELOPMENT OF A MIXED-USE PROJECT AT 2144 W STATE ROUTE 89A AND 40 GOODROW LANE WITH LEASE TERM RESTRICTIONS FOR THE MULTI-FAMILY UNITS AND SHARED PARKING AGREEMENTS AND RESTRICTED HOURS OF OPERATION FOR THE COMMERCIAL USES.

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

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

Section 1. That it is deemed in the best interest of the City of Sedona and its citizens that the City enter into a Development Agreement with Blueflagiris, LLC, Redrockiris, LLC, Alkemista, Inc, and Alkemista Brew, Inc., which provides for lease term restrictions for a multi-family development and shared parking agreements and restricted hours of operation for the commercial uses located at 2144 W State Route 89A and 40 Goodrow Lane, Sedona, Arizona.

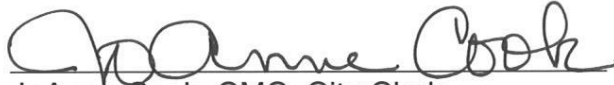
Section 2. That the Mayor is authorized and directed to execute and deliver said agreement on behalf of the City of Sedona.

ADOPTED AND APPROVED by the Mayor and Council of the City of Sedona, Arizona, this 11th day of June, 2024.



Scott M. Jablow, Mayor

ATTEST:



JoAnne Cook, CMC, City Clerk

APPROVED AS TO FORM:



Kurt W. Christianson, City Attorney

Recorded at the request of

Sergio Goma
Ofelia Goma
120 Fox Trail Loop
Sedona, Arizona 86351

When recorded mail to

Sergio Goma
Ofelia Goma
120 Fox Trail Loop
Sedona, Arizona 86351

Development and Shared Parking Agreement

This agreement is entered among Blueflagiris, LLC ["Blueflagiris"], Redrockiris, LLC ["Redrockiris"], Alkemista, Inc. ["Alkemista"], Alkemista Brew, Inc. ["Alkemista Brew"] and the City of Sedona, an Arizona municipal corporation. Blueflagiris, Redrockiris, Alkemista, and Alkemista Brew are collectively referred to as "parties."

Recitals

- A. Blueflagiris and Redrockiris are Arizona limited liability companies in good standing under Arizona law. Alkemista and Alkemista Brew are Arizona domestic for-profit business corporations in good standing under Arizona law.
- B. Blueflagiris and Redrockiris own adjoining commercial lots located in Yavapai County, Arizona, and more particularly described by the legal descriptions appended hereto as Exhibits A and B ["the Property"].
- C. Blueflagiris owns the structure identified as New Building #1 on the site plan attached hereto as Exhibit C ["the site plan"] which will be leased to Alkemista and Alkemista Brew under the terms set forth herein.

- D. Redrockiris owns and will rent out the living units located in Buildings #2, #3 and #4 as well as the warehouse space in Building 2 identified as such on the site plan.
- E. There was a parking space shortage for the mixed uses proposed by the parties in accordance with the formulas set forth in Section 5.5 of the Land Development Code of the City of Sedona.
- F. This Agreement is entered into by authority of A.R.S. § 9-500.5, the City finding that the consideration and commitments herein from and to the Parties and the City are justified based on other consideration provided hereby, including without limitation the economic benefits to the community resulting from this Agreement and that this Agreement is consistent with the Sedona Community Plan in effect on the Effective Date of this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties hereby submit, covenant and agree as follows:

1. Recitals. The above recitals are true and correct and incorporated into this Agreement by this reference.
2. Blueflagiris, Redrockiris, Alkemista, and Alkemist Brew, and each of their successors and assigns agree to the following operational and parking restrictions:
 - a. Hours of operation for Alkemista and Alkemista Brew will not overlap and they will not be open for business to the public at the same time.
 - b. Parking spaces for the employees, customers and business invitees of the two businesses and tenants of Redrockiris will be shared.
 - c. On-site housing at reduced rental rates will be made available to qualified employees of the businesses.
 - d. Short-term rentals [lease terms of less than thirty days] of the on-site housing on the Property are prohibited. The parties shall not lease any dwelling unit on the Property for an initial lease term of less than 90

days. Any tenant shall not be allowed to assign a lease or sublease a dwelling unit without the express prior written consent of the parties. If an assignment or sublease is approved by the parties such assignment or sublease shall be for the balance of the existing lease term, or for 90 days, whichever term is greater. The requirements of this subsection survive the termination or expiration of this Agreement.

3. Alkemista will own and operate a coffee shop in the space leased from Blueflagiris. Its initial hours of operation will be from 6am to 3pm. Alkemista Brew will own and operate a microbrewery and restaurant in a separate space leased from Blueflagiris in Building #1. Its initial hours of operation will run from 3pm to 10pm. The parties reserve the right to change their hours of operation. However, at no time will the hours of operation for the businesses overlap. Alkemista and Alkemista Brew will share a common kitchen.
4. The parking spaces designated on the site plan, Exhibit C, will be shared by the parties' employees, customers, business invitees and tenants. They will be used continuously and maintained by the parties.
5. A Parking and Loading Demand Study for the project is appended hereto in accordance with Section 5.5C[5] of the Land Development Code of the City of Sedona. See Exhibit D.
6. The business plan of applicants has been conditionally approved by the City of Sedona subject to submission and approval of a parking agreement which meets the requirements of the Land Development Code of the City of Sedona, section 5.5E[2]c and a development agreement both of which must be approved by the Sedona City Council prior to issuance of building permits for the project.
7. This agreement memorializes conditions of approval by which applicants requested and received a reduction of 14 parking spaces for the non-overlapping business hours of their businesses to 38 required spaces.
8. Ofelia Goma certifies her authority to enter this agreement and to bind each of the referenced limited liability companies and corporations.

9. This agreement is binding on the parties and their successors and assigns. Its benefits and burdens run with the land. This agreement may not be modified unless there is a change in use, a change in the city's land development code which impacts the parking requirements of the parties and a permit from the city which will also be a party to any amendments hereto.

10. This agreement shall be effective when fully executed and recorded.

Blueflagiris, LLC

By  _____
Ofelia Goma
Its Member


Redrockiris, LLC

By  _____
Ofelia Goma
Its Member

Alkemista, Inc.

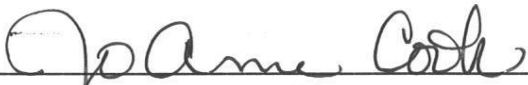
By  _____
Ofelia Goma
Its president/director

Alkemista Brew, Inc.

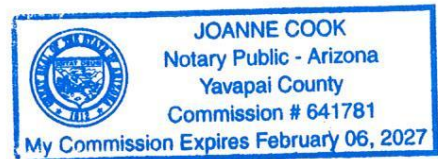
By  _____

Ofelia Goma
Its president/director

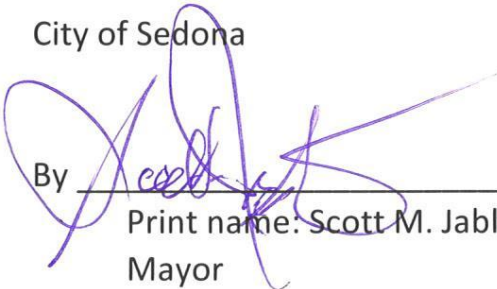
SUBSCRIBED AND SWORN to before me this 19 day of June,
2024 by Ofelia Goma who has signed as the authorized agent on behalf of the
identified limited liability companies and corporations.



Notary Public



City of Sedona

By 


Print name: Scott M. Jablow
Mayor

ATTEST:



JoAnne Cook, CMC, City Clerk

APPROVED AS TO LEGAL FORM:



Kurt W. Christianson, City Attorney

- Exhibit A DEED OF TRUST BlueflagIris – Foothills Bank
- Exhibit B DEED OF TRUST RedrockIris – Foothills Bank
- Exhibit C The Site Plan
- Exhibit D The Site Plan with designated shared parking (proposal below)
- Exhibit E Traffic Impact Statement – Sefton Eng – 11-01-2023

Exhibit A – Legal Description to property owned by Blueflagiris LLC

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YAVAPAI, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

A tract of land in the Southeast quarter of the Southeast quarter of Section 11, Township 17 North, Range 5 East, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

Beginning at a point on the East line of the Northwest quarter of said Southeast quarter of the Southeast quarter of Section 11, distant along said East line South $00^{\circ}30'$ East, 376.3 feet from the Northeast corner of said Northwest quarter of the Southeast quarter of the Southeast quarter of Section 11;

Thence South $63^{\circ}10'$ West, 185.3 feet;

Thence South $25^{\circ}01'$ East, 86.3 feet to the North right of way line of U.S. Highway 89A;

Thence along said Highway line, North $82^{\circ}18'$ East, 131.3 feet to said East line of the Northwest quarter of the Southeast quarter of the Southeast quarter;

Thence along said East line, North $00^{\circ}30'$ West, 144.3 feet to the POINT OF BEGINNING.

Exhibit B – Legal Description to property owned by Redrockiris LLC

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF YAVAPAI, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

A tract of land in the Southeast quarter of the Southeast quarter of Section 11, Township 17 North, Range 5 East, of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

Beginning at a 1" iron pipe marking the Southeast corner of a tract of land owned by Leonard Sharman as described in deed recorded December 13, 1961 in Book 242, Pages 43-44 of Official Records of Yavapai County, said point of beginning is also South 0°30' East, 306.3 feet from the Northeast corner of the Northwest quarter of the Southeast quarter of the Southeast quarter of Section 11;

Thence along the South line of said Sharman Tract, West 207.8 feet;

Thence South 02°05' West, 57.1 feet;

Thence South 25°01' East, 106.06 feet;

Thence North 63°10' East, 185.3 feet to a point on the West line of the Simonsgaard Tract, as described in Book 318, Page 404 of Official Records;

Thence along said West line, North 00°30' West, 70.0 feet to the POINT OF BEGINNING.

Exhibit C - The Site Plan

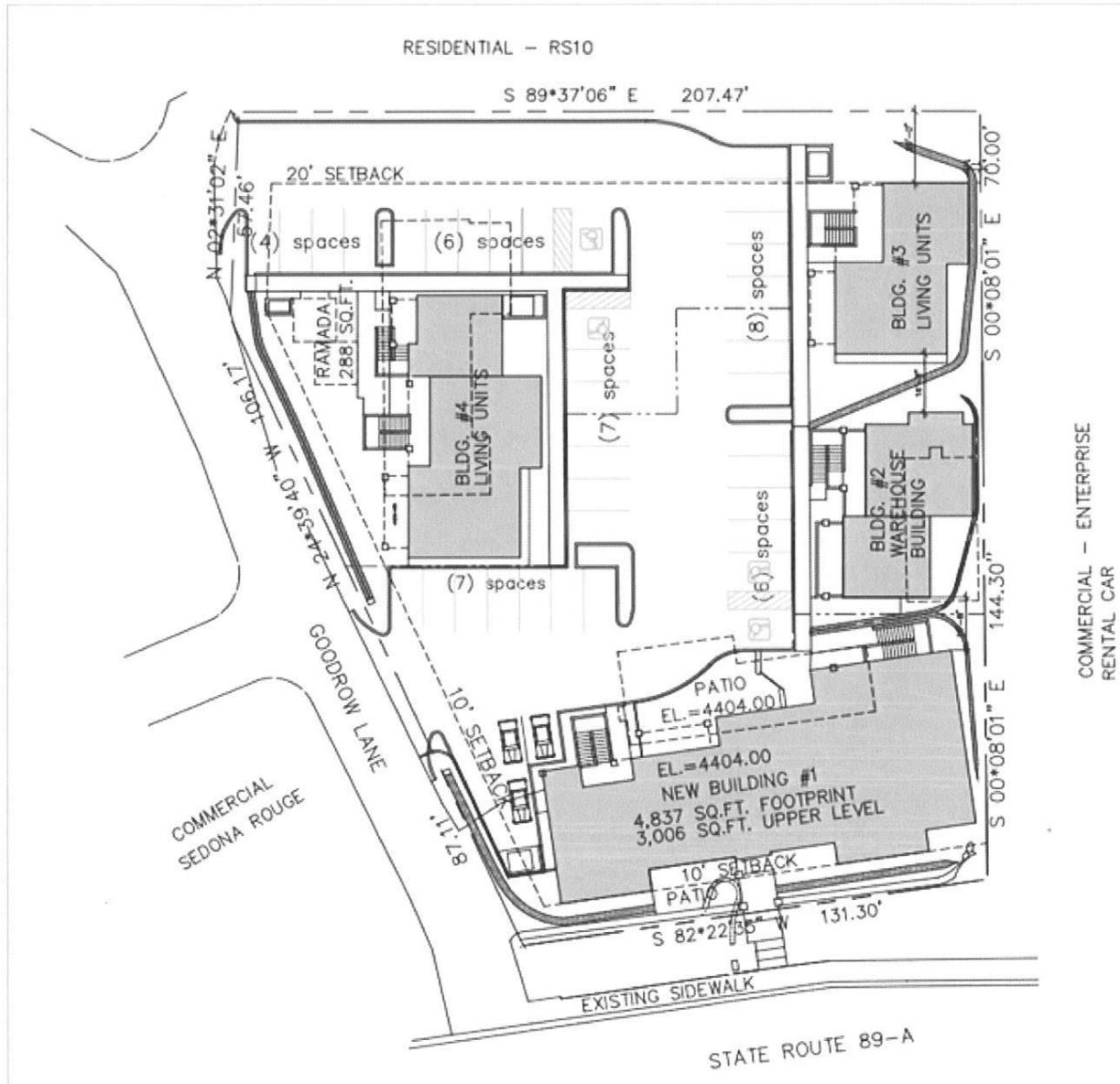


Exhibit D - The Site Plan with designated shared parking

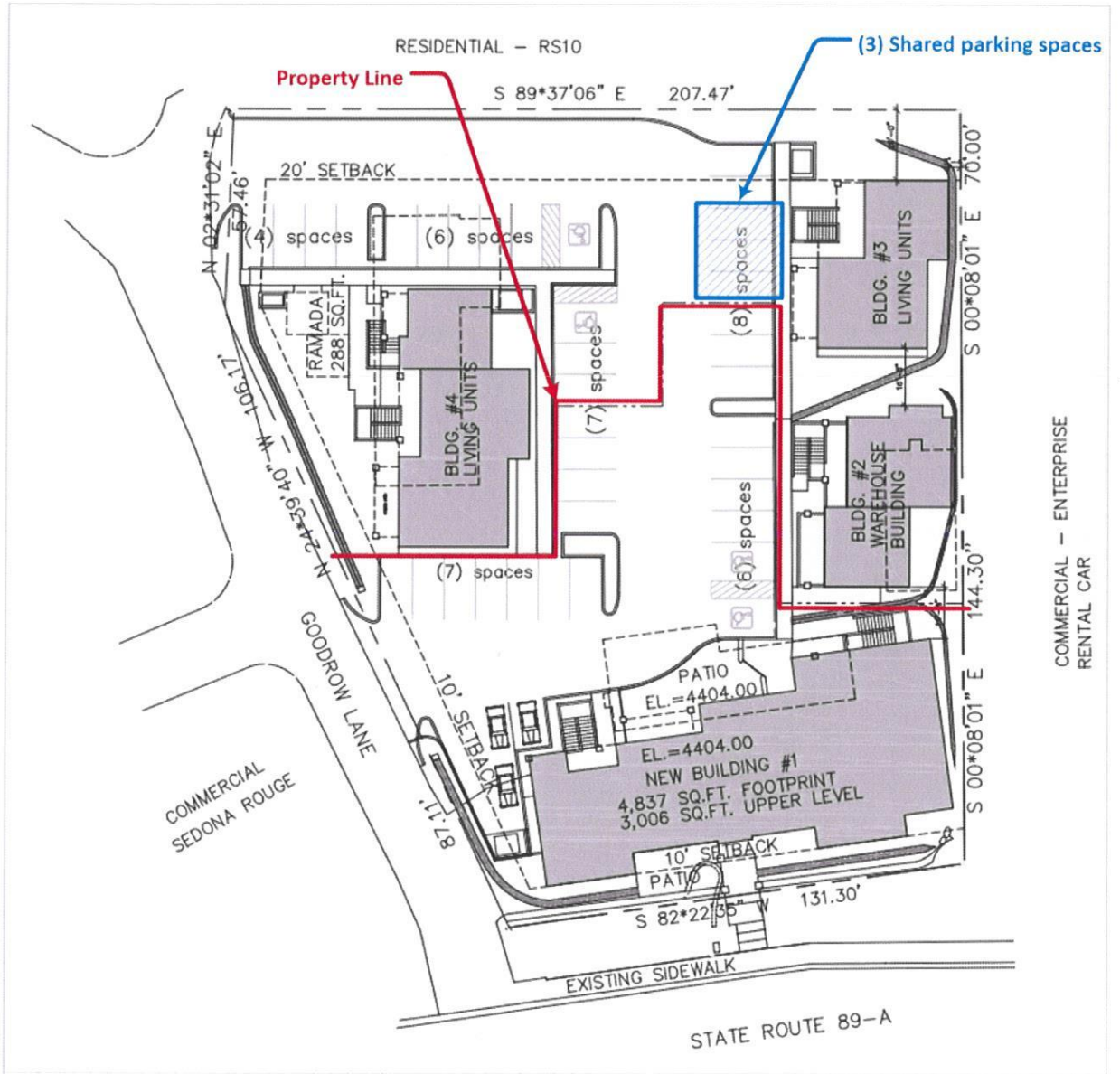


Exhibit E - Traffic Impact Statement – Sefton Eng – 11-01-2023



Traffic Impact
Statement 1-11-23.p



Luke Sefton PE, CFM
Timothy Huskett, P.E., CFM
Dugan McDonald, R.L.S.
Clint Gillespie, R.L.S.
Sam Musser, Planner

January 11, 2023

RE: Alkemista Café & Bar – 2140 State Route 89A
 Traffic Impact Statement

A summary of the trip generation for the proposed development of Alkemista Café & Bar development has been provided within Table 1. The proposed development is located at 2140 State Route 89A, northeast of the intersection of Goodrow Lane and State Route 89A. More specifically APN 408-24-070A & 408-24-070C within Section 11, Township 17 North, Range 5 East of the Gila & Salt River Base Meridian, within the City of Sedona, Yavapai County, Arizona. Access will be off Goodrow Lane.

The Institute of Transportation Engineers (ITE) Trip Generation Rate 9th Edition was used to obtain the trip generation rates for the proposed development based on a 4,756 square feet building containing 4,008 square feet for a Brewing, Roasting and Tasting space and 748 square feet for a Coffee and Tasting space, 1,302 square feet Storage/Warehouse Building and 14 Apartment Dwelling Units. These estimates were calculated for the Average Weekday, AM Peak Hour, and PM Peak Hour using the ITE Land Use Codes 220, 936, and 925 as shown in Table 1.

Due to limited weekday trip generation data available for land use codes 925 and 936, it was assumed the weekday trip generation would be approximately ten times the evening peak hour trip generation.

Table 1 – Trip Generation Summary

Land Use	ITE Code	Size/Rate	Morning Peak Hour			Evening Peak Hour			Weekday Total
			In	Out	Total	In	Out	Total	
Proposed Use									
Brewery-Tap Room	925	4,008 SF	-	-	-	30	15	45	450
Café-Coffee Shop	936	748 SF	41	40	81	15	15	30	300
Apartment	220	14 D.U.	1	6	7	6	3	9	93
Total Proposed Trips			42	46	88	51	33	84	843

Based on the trip generation calculations the proposed development is not anticipated to generate more than 100 trips during the AM and PM peak hours, therefore a comprehensive Traffic Impact Analysis may not be warranted per Arizona Department of Transportation standards.



Luke Sefton PE, CFM
Timothy Huskett, P.E., CFM
Dugan McDonald, R.L.S.
Clint Gillespie, R.L.S.
Sam Musser, Planner

If you have any questions, please contact me at (928) 202-3999 or email me at ls@sefengco.com.

Sincerely,



Luke A. Sefton, P.E., CFM
Principle Engineer

Attachment:

40 Stutz Bearcat Dr., Sedona, Arizona 86336 ~Phone: (928) 202-3999
Email: info@sefengco.com ~ www.SeftonEngineeringCompany.com

In affiliation with:

Heritage Land Surveying & Mapping, Inc. with office in Sedona, Camp Verde & Colorado