

Summary Minutes
City of Sedona
Planning & Zoning Commission Meeting
City Council Chambers, Sedona City Hall, Sedona, AZ
Thursday, January 3, 2013 - 3:30 p.m.

(15 minutes 3:30 - 3:45 pm for agenda items 1 - 4)

- 1. Verification of Notice, Call to Order, Pledge of Allegiance and Roll Call**
Chairman Losoff called the meeting to order at 3:33 p.m.

Roll Call:

Planning & Zoning Commissioners: Chairman Marty Losoff and Commissioners Eric Brandt, Michael Hadley, Scott Jablow, Geoffrey Messer and Norm Taylor

Staff: Andy Dickey, Audree Juhlin, Cari Meyer, David Peck, Donna Puckett and Ron Ramsey

- 2. Commission/Staff announcements and summary of current events by Chairman/staff.**

Chairman Losoff indicated that the Commission attended a site visit to a couple of the sites in question today.

There were no other announcements.

- 3. Public Forum – for items not listed on the agenda within the jurisdiction of the Planning and Zoning Commission – limit of three minutes per presentation. (Note that the Commission may not discuss or make any decisions on any matter brought forward by a member of the public).**

Chairman Losoff opened the public forum and having no requests to speak, closed the public forum.

- 4. Approval of the minutes of the following meetings: September 27, 2012 (WS) and October 2, 2012 (R)**

MOTION: *Commissioner Hadley moved to approve the minutes of September 27, 2012 and October 2, 2012. Commissioner Messer seconded the motion. VOTE: Motion carried six (6) for and zero (0) opposed.*

- 5. Consideration of the following requests through public hearing procedures: (90 minutes, 3:45 – 5:15 pm)**

- a. Discussion/possible action regarding a request for a Conditional Use Permit for Sedona Community Farmer's Market. The applicant is proposing to operate a winter season outdoor farmer's market in the parking lot at Wells Fargo Bank, located at 2201 W State Route 89A. The subject property is currently zoned C-1 (General Commercial) and is approximately 1.84 acres. A general description of the area affected includes but is not limited to the southeast corner of the intersection of West State Route 89A and Shelby Drive. The subject property is further identified as Assessor's Parcel Number 408-24-026K. Applicant: Institute for Sustainable Living, Inc.; dba Sedona Community Farmer's Market. Case Number: CUP2012-03**

Presentation by Cari Meyer:

Cari explained this is an application for a Conditional Use Permit submitted by Sedona Community Farmer's Market to operate a seasonal farmer's market at the Wells Fargo Bank property. Cari pointed out the location on a vicinity map and identified the location of the bank, parking area and drive-thru teller area on an aerial view of the property. Cari also explained

that the applicant has been operating at various locations throughout Sedona under Conditional Use Permits and Temporary Use Permits for approximately four years. The previous Conditional Use Permits at the airport, Relics Restaurant and Tlaquepaque are currently active and will expire in 2015 or 2016; however, the applicant is only using the Conditional Use Permit at Tlaquepaque at this time, which was originally approved for summer and winter seasons, but the applicant was unable to come to an agreement with the managers at Tlaquepaque for the winter season, so she is hoping to operate in the summer at Tlaquepaque and in the winter at Wells Fargo.

Cari indicated that the existing building is about 4,700 sq. ft., but it wouldn't be used by the farmer's market, since the bank is closed on Sundays, when she is proposing to operate the market. The property has approximately 250 ft. of frontage along SR 89A with two driveways and there is also a driveway off of Shelby Road, which provides access to the signalized intersection. There are 47 parking spaces, including two handicapped parking spaces on site.

Cari explained that the proposal is for a winter season farmer's market, which would run from November through May, and the farmer's market would operate on Sundays from 12:00 p.m. to 4:00 p.m., with set-up beginning at 10:00 a.m. and take-down concluding at 5:30 p.m. There would be 31 vendor tents, with vendor parking behind the tents, so they would not be using any of the 47 striped parking spaces available.

Cari showed the proposed site plan and pointed out the available parking on the north and west sides of the building, plus the vendor cars and booths on the east side of the building, with the drive-thru area blocked, to prevent cars from trying to go through that area, and the Fire Department approved the plan for emergency access purposes.

Cari explained that the vendors would apply through the Sedona Community Farmer's Market and sales tax would be collected on non-perishable items. Farmer's markets are required to provide restrooms, and there isn't a restroom on site, since the bank is closed. At the time the Staff Report was prepared, there wasn't an agreement between the applicant and the Plaza West Owners' Association for use of the restroom at the Java Love Cafe; however, she has now acquired approval to use that restroom through the end of this season, and a new restaurant is being proposed for Angel's Restaurant and that property and business owner have stated that when that business opens, they would allow the farmer's market to use their restaurant, and that is the lot directly to the west of that site. A Condition of Approval has also been included that would require the applicant to provide restrooms and obtain property owner and business owner approval, and without providing restrooms, the market would not be allowed to operate.

Cari indicated that the Land Development Code does not have any current standard for parking for farmer's markets, but staff found a standard of 1.25 parking spaces per vendor booth that other cities have used, and using that standard, 39 parking spaces would be required and 47 are provided on site. No parking would be allowed on neighboring properties without the business and property owner's permission.

Cari again pointed out the access off of SR 89A and Shelby and indicated that there is a Verde Lynx stop directly in front of the bank for northbound trips and one in front of Safeway for southbound trips. The applicant will provide for trash and recycling to be removed at the end of each market, and she is also requesting to display one banner, and one directional parking sign at each driveway entrance for each market.

Cari then indicated that property owners within 500 ft. were notified by both the City and the applicant and the Plaza West Owners' Association had some concerns about unauthorized use of their parking lot and restrooms, and the applicant has worked diligently with that Association to come to an agreement, and they were added to her insurance policy to address their

concerns about wear and tear on their parking lot, because they were concerned that people would still inadvertently use it.

Cari indicated that there was also a comment from the owner of Relics Restaurant, who is currently trying to use the Conditional Use Permit obtained by this applicant to run his own farmer's market, so he was concerned about the number of farmer's markets and whether both would be feasible. We also received support from one of the condo property owners at Plaza West and from the property owner and new business owner at the former Angel's Restaurant.

Cari explained that comments from the reviewing agencies were minimal. The Engineering Department stipulated that no signs can be placed in the right-of-ways and the Fire District indicated their standard conditions for all Conditional Use Permits, and since the applicant has been operating, they just indicated that the same conditions still apply, which mainly relate to emergency access and fire extinguishers.

Cari summarized that the farmer's market has been in operation with minimal complaints for approximately four years at various locations, and when there has been a complaint, the applicant has been diligent about addressing those and meeting with individual property owners and citizens to work out solutions. This site is a central location and is accessible to residents and visitors of West Sedona, and there is access to a signalized intersection and Verde Lynx stops. The farmer's market provides fresh produce and supports regional farmers, and it would utilize a commercial property, when the primary business is closed, making this site viable seven days a week, during the times the farmer's market is operating. There is a lot of community support for the farmer's market and the applicant has been operating at this site under a Temporary Use Permit since the middle of November, which has allowed her to work out many of the issues that arose before the approval of a Conditional Use Permit. We don't always have the opportunity to see how something will function before getting to this process, and that has allowed some site plan changes and some concerns of the neighbors to be addressed.

Cari pointed out that there are a couple of weaknesses with this application, one being that there is no permanent restroom available on site, which is a requirement from the County Health Department for farmer's markets, and even though the neighboring property owner and new business owner have stated that they are supportive and would allow the use of their restrooms, there is no guarantee, and we can't require a neighboring property to continue to provide restrooms. Additionally, even if properly conditioned, there is still the potential for the unauthorized use of neighboring properties, which could lead to some enforcement problems for the City.

Cari indicated that right before the meeting, the applicant submitted a letter from Wells Fargo Bank saying that they are in support of a five-year Conditional Use Permit; however, since she is not the property owner, that may not be guaranteed, and there is some concern about the number of Conditional Use Permits the applicant has applied for and whether this site will work better than some of the others, and that is something that the applicant may be able to address.

Cari then stated that with all of that said, staff believes this request complies with ordinance and reviewing agency requirements, it is consistent with the Community Plan, and it meets the findings for Conditional Use Permits and the requirements for open-air businesses; however, because of some of the uncertainties, especially with the restrooms and the site location, staff is supportive of a two-year Conditional Use Permit, with the possibility to renew, rather than a five-year Conditional Use Permit, which was approved for these uses in the past. Therefore, staff's recommendation would be that based on compliance with all ordinance requirements and satisfaction of the Conditional Use Permit findings of the Land Development Code, staff recommends approval of case number CUP2012-03, subject to all applicable ordinance requirements and the attached Conditions of Approval.

Commission's Questions of Staff:

Commissioner Brandt asked Cari to elaborate on why there is a problem with too many Conditional Use Permits and Cari explained that it is just that this is the fourth one the applicant has applied for and the average stay, except for the one still being used at Tlaquepaque, has been around two years, and when the applicant applied for each of those permits, she believed those were good locations, but something happened that caused her to move, so staff is concerned that since the Conditional Use Permits run with the land, each property owner could, like the property owner at Relics is doing, decide to use that Conditional Use Permit and operate under it. By limiting the number of years allowed, we are allowing the possibility of renewal, but at the end of two years, staff believes she will know whether she is going to stay in this location or move to a new location, and if she does, that would not create another active Conditional Use Permit not being used or being used by someone else.

Commissioner Brandt then stated it is too many potential farmer's markets, because anybody could go into those other locations and do a farmer's market. Cari stated that is right, but explained that they would have to operate under the Conditions of Approval and according to the original site plan. The Commissioner then added that we could have four of them.

Commissioner Brandt then asked where the restrooms are going to be and Cari explained that currently the Plaza West Owners' Association has indicated they will allow the use of the Java Love Cafe restrooms until the end of this farmer's market season. Then the new business owner and property owner at the former Angel's Restaurant have said they would allow the use of their restrooms in the following seasons.

Chairman Losoff indicated that another issue regarding so many applications is that if he understands correctly, as a not-for-profit, there are no fees involved, so each time an application comes in there is staff time, the Commission's time, etc., and and at some point in time, people raise the issue of how many more times do we create this without the applicant having some expense involved. He is not saying that is a right or wrong argument, it is just out there.

Commissioner Hadley indicated his question was also about the multiple CUPs existing and asked if it is staff's position to recommend two years, because of the concern about those multiple CUPs and Cari explained that it is the history that they have been used for approximately two years, and then the applicant has moved to a new location, so in this situation we wouldn't have another CUP not being used or possibly creating . . ., Commissioner Hadley then indicated that if the CUP goes with the property owner, he assumes the Airport Authority owns the one at the airport, so has there been any indication that they would open a farmer's market there. Cari indicated that she hasn't heard of that, but it is a possibility, until the CUP expires. The Commissioner then indicated that the applicant still holds the CUP at Tlaquepaque as a summer farmer's market and Cari agreed and added that it was originally approved for summer and winter. The Commissioner indicated that he understands that the problems with the winter market were such that she had to find a new location, and then he also understands the background at Relics and why it maybe wasn't the best location, so his only concern is the restroom facilities at this point and the parking bleeding off into Plaza West, and he knows of no way to control or condition that, but people can't drive from the Wells Fargo site directly into Plaza West; they have to go back out onto SR 89A, so that is all he has right now.

Commissioner Messer indicated he was going to ask about porta-potties, but Sunday is not a great day to have them dropped off and picked up. Cari indicated that the applicant checked into that and they would have to be dropped off on Friday and picked up on Monday, and Wells Fargo Bank wouldn't give permission for that.

Commissioner Jablow expressed concern about the multiple locations and noted that the applicant has a good reputation about having good natural locally-grown produce, but in the

case of Relics, they are going to come up with their own farmer's market and we don't know what they will be selling. They could just be using the existing CUP and sell whatever they want. Cari clarified that there is a Condition . . . , Chairman Losoff interjected that they would have to abide by the Conditions of Approval set forth in the original CUP, and Cari added that they are limited to no more than 10% of non-food items.

Commissioner Jablow then indicated that as he recalled, at the work session, that was one of the issues as to why this applicant left the Relics site, because Relics wanted to sell things that didn't comply with the CUP and this applicant wanted to do the right thing and left there to make sure the quality was a good quality, but the more this continues, we are dropping more seeds for farmer's markets, and he has a problem with that, even with the two-year limitation. He also has a problem with the restroom situation. We have paperwork indicating that until April, people will have to go over 300 ft. to use a restroom, but is it realistic to expect people to do that? He doesn't know, but it is an issue for him.

Cari explained that staff has been told by the applicant that the majority of the people using the restrooms are the vendors, because the customers typically don't stay long enough to need to use the restroom. Audree Juhlin then added that the County Health Department indicated that location is sufficient to satisfy their requirements, so they were okay with that location. Commissioner Jablow stated okay, that is what was important to him, and he will reserve any other questions until after the applicant speaks.

Commissioner Taylor asked if the farmer's market added Wells Fargo Bank and Plaza West onto their insurance policy and Cari indicated yes. The Commissioner indicated that he saw that Plaza West wanted that as a condition and Wells Fargo is asking for that. Cari noted that the applicant can address that. Commissioner Taylor then asked if it is a \$1 million policy or who determines that. Cari explained that it is somewhat standard and what is required for all Temporary Use Permits, so that was something she was required to do.

Presentation by Katrin Themlitz:

Ms. Themlitz explained that she has been the founder, director and organizer of the Sedona Community Farmer's Market since 2009 and the mission of the market is to be a regional producers' market that operates for growers and producers of agricultural and related products. The main purpose of the market is to support local small and medium-sized independent growers, nurture the entrepreneurial spirit of small-sized food providers, farmers and producers of food and provide citizens with a local alternative to corporate and globalized food production. The market connects growers with consumers directly and encourages people, both urban and rural, to grow more of their own food. A secondary purpose is to provide an outlet for small-scaled producers of value-added food products, farm or food-related local artisans, and community and sustainable agricultural groups. Last but not least, the market provides a community gathering space for residents and visitors alike, in a relaxed educational and fun environment.

Ms. Themlitz indicated that their market is the only one in Northern Arizona that is open year-around and they are lucky, because they don't shovel snow in this area, and it has actually led many growers in Northern Arizona to think about extending their season. She was informed this year that the Prescott Farmer's Market, which is the oldest market in Northern Arizona and has been in existence for about 18 years, has extended their season by about six weeks, so we are setting a trend and other markets are following. It is a good thing to become more of a sustainable food-producing community.

Ms. Themlitz pointed out that they are unique as a market in Northern Arizona, as they do not allow the reselling of products. If you go to the Phoenix area, you will see a lot of reselling from California and Mexico, and we don't allow that, and all of the market managers in Northern Arizona work together to enforce that. Customers can learn where their food comes from and the event is very well supported in the community, and the work of the market goes well beyond

the four-hour weekly event. They are the first market to work with the Department of Agriculture and the University of Arizona, Yuma County Extension, to offer U.S. Department of Agriculture-sponsored education on good agricultural practices and good handling practices in Northern Arizona for growers. The three-day training was not only the first of its kind, but also offered free of charge to the local community in an effort to create a baseline of standards for the local growing community. This initiative has been very successful and we now have an agricultural coach available that is an employee of the Department of Agriculture, not as enforcement, but is available free of charge to local growers to work out standard operating procedures for their farm operation, and that is the first step to becoming a certified approved food source, which allows you to become a legal supplier of local produce to restaurants.

Ms. Themlitz indicated that she has been invited to speak to the global sustainability class at Northern Arizona University on community-based sustainable agriculture in Northern Arizona, due to the fact that she does this year-around, she is in a unique position to share information and create networks in this area. The local Health Inspector acknowledged recently that their market reach is far above and beyond other existing markets in Arizona on education, local and federal policies and policy trends, bringing the first Good Handling and Good Agricultural Practice Program to Northern Arizona and participating in forums on recent federal food bills like S-510, which has made the FDA the head of our food system in the U.S.

The market has built extensive local and regional partnerships that keep expanding and deepening around the topic of hunger and healthy food that is GMO-free, pesticide-free and the topic of creating a local food hub, which is something that the Cities of Clarkdale and Cottonwood have made a priority on their agendas.

Chairman Losoff asked Ms. Themlitz if she could address the issues that the Commission talked about and Ms. Themlitz stated yes, she can go to that right now. The goal at this time is to stabilize the market long-term, and while she enjoys seeing everyone here, she would like to not come back for a long time, so she is proposing a five-year permit, and she would like to address the concern about the multiple permits. First, it is really important to minimize the number of farmer's markets in a town. If you look at Flagstaff with a population of 68,000 people, there is one farmer's market and it is very successful. All of the farmers in the region go to that market and we share a lot of the growers, so there are not enough growers to do multiple farmer's markets, and she doesn't think that would happen, even if the permits exist, because the farmers don't have the time and there aren't enough farmers in number, and she doesn't foresee that changing significantly in the next five years.

Ms. Themlitz added that the farmers have been loyal to her and they have become like a family. They are together once a week for four hours and that is more time than most people spend with their own families, so it is a tight-knit network and we help each other, so there is a loyalty there and she doesn't think it is possible to split that up, and it has been proven with the Relics venue that that has not happened, even though they heavily solicited the vendors to start their own competing market after the market went to Tlaquepaque for the summer season.

Ms. Themlitz then stated that she would love for there to be only one permit, but the problem is that geographically, this town is split into three parts and there isn't a real downtown, which is typically where a farmer's market is held. The airport was very central; however, they weren't granted a sign at the bottom of the road, so she wasn't able to successfully operate that permit. We have talked about the Relics market; it is a good location and overall it was successful there; however, there were some issues with the property owners that she doesn't want to go into at this time. The Tlaquepaque permit is a winner for a summer venue, and they will continue to go back there on Friday mornings, and to understand, they all share the same growers in Northern Arizona, so there are about nine venues in Northern Arizona that the growers go to and you see the same people at all of those venues. The grower's priority is to go to the larger cities first, because that is where the larger revenue is and Sedona is number seven in terms of their potential revenue, so it is an important fact to consider, when you are

afraid of having multiple farmer's markets. She would urge for there to be only one farmer's market, because even in Prescott, there is only one market, and people have tried to start other markets, but they failed miserably. It is very difficult to keep the network and momentum going and to focus the public, and if we want a more sustainable food chain and to help these growers, that is something to keep in mind.

Commission's Questions of the Applicant:

Commissioner Jablow referenced comments submitted by Tina Allegrezza and asked if the applicant was aware of that document. Ms. Themlitz indicated no, that was not included in the Staff Report. The Commissioner indicated that it brings up some interesting questions that should be answered. The writer asked different questions and indicated that it seemed that the farmer's market is flying under the non-profit organization of Cornucopia. Ms. Themlitz stated that is not correct; she founded her own non-profit organization called the Institute for Sustainable Living in 2010, and it was founded as part of a requirement set forth by the City in the CUP for the airport.

The Commissioner then noted that it also questions the sales tax to the City and it is quite lengthy . . . , Ms. Themlitz interjected that when the market was at the airport, Tina had her own motivation. She also tried to start a competing farmer's market; she heavily solicited Ms. Themlitz's vendors. It has brought so many people out and together that other businesses have agendas hoping to start a market in front of their business, in order to bring more business to their existing business, and she has been very careful to build their own identity and keep the agendas of other businesses to a minimum, so they can establish their own identity, which is much needed for the local growers in the community.

The Chairman opened the public comment period at this time.

David Warr, Sedona, AZ: Indicated that he is one of the co-creators of Chocolatree Organic Oasis and the issue that seems to be at hand is that the recommendation for this is going to be for two years or five years, so as a business owner, he wants to speak to the importance of being able to plan ahead, especially in a market that deals with farmers who plant seeds that have seasonal growing that requires planning years in advance, in order to decide where you will be marketing your products. As a business owner in Sedona, he can't plan ahead and make sense business-wise with only a two-year agenda in front of him. They deal with fresh produce and gardening products on a regular basis and two years doesn't make it for them. If he knew that he had to change his venue or the way he does business every two years, he would suffer financially and probably couldn't do business in this city. Somebody like Katrin who has had a track record of being successful in marketplace after marketplace, should be taken into account, to give her that five years conditional use, especially if he understands correctly that she is mandated to uphold the conditions literally on a week-by-week basis, so there is a drop-dead issue with her anyway, with some of the conditions of the permit, so he would strongly recommend allowing her to go the five years and allow the farmers that are going to be participating in the market to know they have a five-year agenda that they can plan on in Sedona.

Freddy Munōz, Camp Verde, AZ: Distributed seeds from his pesticide and chemical-free farm in Camp Verde to the Commissioners and indicated that the seeds represent sustainable living for their families and neighbors and they are symbols of what can be done in backyards. He is here to talk about sustainable living and the quality of food. The people in Sedona are here for the quality of life and along with that goes the quality of food. The reason why we have such a success at the farmer's market is because people are looking for this, and that is why New Frontiers does a heck of a business, because people want that good food and they are willing to pay that extra dollar for them. Four years ago, when the farmer's market started, he was servicing maybe 30 or 40 people in a four-hour period, now he is servicing 300 people in a three our four-hour period, and that is just him -- one vendor. He also wanted to say something about the farmer's market and the farmer's availability, there is only a small nucleus of farmers

in the Camp Verde, Paulden and Chino Valley area that is within mileage to get to the markets; the rest of the big farmers are in Phoenix, Peoria and Glendale and they aren't going to drive 150 miles to come here and take a chance in our market, so there is only a definitive number of farmers here that you are going to draw from. You aren't going to have a problem with farmer's markets popping up here and there. A lot of people don't want to go through that, so he suggests that we continue on this, like she said, this is a place where people come and socialize, and the people come and they support us, and we need the Commission's support. We know we have a good product and we want to keep bringing it to the Sedona area.

Having no additional requests to speak, Chairman Losoff closed the public comment period.

Summary Discussion:

Commissioner Jablow indicated that the concept of the farmer's market is exceptional and it is not even a question here of what you are producing and the growers you have. He has a problem with this being the third or fourth application that has had fees waived for you in the past, and he would recommend that they no longer be waived in the future. He also has a concern about the Relics location and possibly other places using the permits. Somewhere along the line, this has to stop, so those are his only concerns. As far as the quality of the market, he has patronized the market in the past and he has been up to the airport mesa many times. The farmers are wonderful and the products they sell are wonderful; that is not the issue. We need to look at these smaller issues and go with that.

Commissioner Messer stated in the words of Monty Python, "And now for something completely different". He is not concerned about other markets popping up for several reasons. He knows that Wells Fargo is an entrepreneurial corporation, but he doubts that they want to get into slinging vegetables and he doesn't believe if the farmers want to be here . . . , it doesn't behoove them to go over to Relics, as well as splitting up and creating divisiveness in the community. This is the type of thing we have to support and the kind of thing that brings the community together. It is the wave of the future environmentally to grow and produce stuff locally and keep it locally. He also agrees with the gentleman's thing about two years versus five years; we should extend it to five years and approve it.

Commissioner Hadley indicated that he pretty much agrees with Commissioner Messer. His initial concerns were the restrooms and he thinks we have got that handled. If the Health Department is satisfied, then he is satisfied. With the multiple CUPs out there, he thinks we can discount the airport entirely. It was a problem with signage and that is why it didn't work. Katrin still holds the CUP at Tlaquepaque and that will continue, so the only issue is Relics and as a believer in the free market, he doesn't see a problem with having two possibilities. It sounds like the growers are all very loyal to Katrin's market, so he is supportive in that too. He also wonders about the two year time and if maybe we shouldn't consider something longer than that.

Audree Juhlin clarified that the Java Love restroom use is only for this season, not the whole duration of the Conditional Use Permit, until the restaurant next door opens up, and that is the one that we aren't sure there is a guarantee that it will work. Commissioner Hadley asked if the problem is that the Health Department may not approve it and Audree explained that the Health Department would approve the former Angel Restaurant's restroom use; it is that staff is concerned that once the vendors start using the restroom, the owner may change her mind in the future and determine that it is no longer an appropriate use for her business.

Commissioner Hadley then asked what if they withdraw that approval and Audree Juhlin explained that we then have no restrooms available on the site. The Commissioner then asked if it would have to come back to the Commission for some resolution or what would happen. Audree indicated that what we wanted to do . . . , Chairman Losoff interrupted to say, "Let's hear from the applicant on that" and asked the applicant what would happen in that case.

Ms. Themlitz stated that in that case, she would be forced to pay the premium fee to get a porta-potty delivered just for Sunday. It is not something that she would really like to do, but that is something she would be forced to do at that point and she is ready to do at that point. The Chairman noted that otherwise the permit would be withdrawn, because that is one of the conditions. Audree Juhlin agreed that would be one of the conditions.

Ms. Themlitz indicated that they are only there for seven months out of the year, so a two-year permit only gives them operation for fourteen months and that is not very long, so that was one of her arguments to ask the Commission to consider a longer permit, and for the same reason that David Warr mentioned. The other thing that she would ask the Commission to consider is to have the permit be tied to the regulation of the market and rules of the market, and she wonders if it is possible to have that the permit may only be operated by her market organization or her representative, but she doesn't know if that contradicts the issue that the permit runs with the land, because we have a lot of conditions that tie the permit to certain parts of the regulations; one of them being no reselling and one being no crafts, so can we extend that to include a longer list, because she would be okay with it. What she is afraid of is other markets starting that mislead the public, because they aren't following the strict regulations and procedures she has, to ensure that the market is traceable, etc.

Chairman Losoff asked Ron Ramsey if there is any way to restrict this kind of use to an individual versus the property and Ron Ramsey stated no; our City Code says that the Conditional Use Permit runs with the land. He thinks the check and balance that would occur, however, is that each of these permits have been quite detailed and as the applicant has stated, very few people would be willing to comply with those conditions in a competing market.

Chairman Losoff then stated that he is supportive of the farmer's market. He has been there several times and his granddaughter loved the little goats, but his overall concern is not so much with the hygiene. He has been to a lot of farmer's markets where you had to walk blocks to find some convenience, but his biggest issue is the four times around the block kind of thing that has been mentioned before, and each time there has been no fees involved. He thinks the two-year recommendation from staff is appropriate in this case, since that coincides with the other CUP that expires in 2015, and if we brought them all together in two years, that would give a better opportunity to do something citywide for a citywide farmer's market, because at that point, our Community Plan should be finished, and he would hope that the Community Plan will address this kind of issue and come up with a good major site for a farmer's market. Right now, the applicant is doing her best to find an appropriate place and the places are okay, but they aren't ideal and he is hoping maybe in two years, when the Plan is developed, it will speak to something of this nature, so we can have a true center for the community, which could include something like a community farmer's market.

Audree Juhlin clarified that regarding the fee issue; the waiving of the fees for the Conditional Use Permit is not a given; the Director of Community Development makes a recommendation to the City Manager who has the final say on waiving those fees. In this case, based on the number of fees we have waived in the past for this applicant, he has indicated to staff and the applicant that he is not any longer willing to waive those fees, so that is not a consideration in the future.

Chairman Losoff noted that there has been a lot of discussion and there have been a lot of similar arguments in the past on this project. Staff has recommended approval based on the ordinance requirements, satisfaction of the Conditional Use Permit and the two year extension. Audree then added the other reason for the two-year timeframe, is that when staff was meeting originally with the applicant about the farmer's market in this location, it is really limited to the number of vendors and parking spaces, because of the site, and in our initial conversations with the applicant, she wants to grow the market and this site does not allow for growth. It is limited to the 31 vendors and parking is limited to what is on site, so it doesn't allow for that growth that the applicant would like to see happen.

Chairman Losoff then asked if there is a motion and Commissioner Hadley noted that if we move to approve, then we can discuss it.

MOTION: Commissioner Jablow moved to approve case number CUP 2012-03 based on compliance with all ordinance requirements and satisfaction of the Conditional Use Permit findings and applicable Land Development Code requirements, and the conditions as outlined by the Staff Report. Commissioner Hadley seconded the motion.

Commissioner Brandt stated that he is in favor of the motion.

Commissioner Hadley stated that he is also in favor, he just questions the two-year time. He doesn't know if staff would be agreeable to three years; it might give her a little more time to get better established before another site might come along. Cari Meyer referenced the Staff Report and indicated that she had listed the expiration date of the other CUPs, and the three years would actually put it a little more in line with the other CUPs, as the Chairman stated earlier, if that is the direction the Commission wants to go.

Commissioner Hadley then stated that he is in favor of three years and Commissioner Messer concurred with three years. Commissioner Jablow and Commissioner Taylor then stated that they also agree.

The Chairman then indicated he would ask for a vote on the motion; however, Commissioner Hadley asked if the motion had to be modified, because if we say as conditioned in the Staff Report, it says two years.

Audree Juhlin agreed and explained that the maker and second of the motion need to express agreement to amend the motion to the three year term. Commissioner Jablow, the maker of the motion, indicated that he would like to amend his motion with the three-year stipulation, and Commissioner Hadley, the second, agreed to the amendment.

AMENDED MOTION: Commissioner Jablow moved to approve case number CUP 2012-03 based on compliance with all ordinance requirements and satisfaction of the Conditional Use Permit findings and applicable Land Development Code requirements, and the conditions as outlined by the Staff Report, except the Conditional Use Permit approval shall be valid for a period of three (3) years. Commissioner Hadley seconded the amended motion. VOTE: Amended motion carried six (6) for and zero (0) opposed.

- b. Discussion/possible action regarding a request for Conceptual Zone Change to C-1 (General Commercial District) and Conceptual Development Review for Lisa Dahl's Mariposa. The applicant is proposing a zone change, renovation and expansion of an existing building, and associated site improvements, to accommodate a new restaurant, located at 700 W State Route 89A. The subject property consists of 2 parcels, is currently zoned OP (Office Professional), and is approximately 2.33 acres. A general description of the area affected includes but is not necessarily limited to the area on the northern side of West State Route 89A across from Rolling Hills Road and the Rolling Hills Estates Subdivision. The subject property is further identified as Assessor's Parcel Numbers 401-46-124A & 401-46-124B. Applicant: Michael Stevenson. Case Number: ZC2012-02; DEV2012-02.**

Presentation by Cari Meyer:

Cari indicated this is the Conceptual Review for an application for a Zone Change and a Development Review. She then identified the location on a vicinity map and described the elevation on an aerial map of the property. Cari noted that the property is surrounded by the National Forest and the highway, across from the Rolling Hills subdivision. The property is currently two separate parcels that the applicant is proposing to combine.

Cari indicated that the applicant met with staff in early 2012 and originally wanted to discuss a renovation to allow the building to be used as an office, in conformance with the current zoning, and a staff-level review was approved for a renovation and small expansion in June of 2012, that would have made it available for offices; however, the applicant met with staff again in August to discuss the possibility of developing it as a restaurant, which would include the expansion of the existing footprint and a zone change, since restaurants are not an allowed use in the Office Professional zone.

Cari noted that the site is identified as a gateway and pointed out that there are two driveways off of SR 89A, with one on each parcel, and the applicant installed a deceleration lane on the eastern parcel during the recent ADOT work on SR 89A. The applicant had stated that no matter what he did with the property that was required, so he did the work while ADOT was doing other work along the highway. The total area of the two parcels is about 2.25 acres and the current building is 3,224 sq. ft. and is currently vacant. Additionally, there are currently paved and unpaved areas on the rest of the site.

Cari explained that the development proposal is to rezone from OP to C-1 and the Development Review is to renovate and expand the existing building for a 4,900 sq. ft. restaurant and approximately 2,600 sq. ft. of outdoor dining space. Additionally, they are proposing a public scenic overlook to keep public access to the views available and a connection to the trails in the Coconino National Forest.

Cari referenced the site plan and indicated that the building and all additions to the building will remain on the western parcel, and the rest of the site would be paved with permeable pavers to allow water infiltration. The north green area would remain open space to preserve the views for the restaurant and become the public scenic vista outlook. The National Forest connection is on the northeast side and it is the natural place for that connection on the site, as the site levels off.

Cari indicated that regarding the proposed zone change from OP to C-1, the only difference in the development standards is that OP requires a rear setback and General Commercial does not, unless it is adjacent to residential. The only differences are the uses allowed in a C-1 zone versus and OP zone and the zone change would be conditional based on the site plan, so the site plan would stay the same, although the uses inside the building could change.

Cari pointed out that at the work session and in staff's comments, there was concern about the 73 uses currently allowed by right in the C-1 zone, so the applicant agreed to enter into a Development Agreement with the City to limit the uses, and the applicant will discuss in detail what that process was and what uses they are limiting it to, but they limited the C-1 allowable uses to 22 uses by right and four uses with a Conditional Use Permit, which is significantly less, and they eliminated many of the uses that they felt would not be appropriate for that site, in collaboration with staff.

Cari explained that some of the proposed community benefits in conjunction with the zone change are controlled access to the National Forest, the scenic vista overlook and the increase of tax revenue. They are also proposing to reuse many of the materials on site and they are coordinating parking and access areas, minimizing the lot coverage and consolidating parcels.

Cari indicated that regarding the Development Review application to renovate and expand the existing building for a total of 4,900 sq. ft. inside and 2,600 sq. ft. outside, they are proposing a lot coverage of only 5%, which is well below the allowed 25% that either the OP or C-1 zones would allow. A maximum building height of 22 ft. is proposed, so no alternate standards would be used, and the maximum proposed LRV is 28%, while the Land Development Code allows up to 38%. They also are proposing multiple materials, including stucco, metal, copper, Sedona Red moss rock, wooded beams, timbers and wrought iron.

Cari then referenced the elevations they have submitted that show the view from the proposed parking lot, the proposed view from the north showing what the Casa Contenta subdivision would look down on, the south elevation from SR 89A that minimizes the amount of glass to address some of the concerns from property owners across SR 89A, and the west elevation for the service entrance.

Cari referenced the proposed materials that were submitted and Audree showed the sample board to the Commissioners and the audience. Cari then explained that the primary access is being proposed at the east end of the site, where the applicant installed the deceleration lane, which would be emphasized through signage, and the west entrance would be de-emphasized and used as a service entrance.

Cari indicated that 78 parking spaces are provided that would be paved with permeable surfaces and pavers to allow water to infiltrate through the parking lot to reduce runoff, and 62 parking spaces would be required based on the Land Development Code requirement for restaurants. The extra parking spaces would be available for use of the scenic outlook and trailhead, and the applicant has suggested the possibility of enclosing the outdoor dining area, which may require additional parking, so their goal is to develop all of the parking now, so there is no break in the design of that with the pavers, and have that available if they want to develop the project in the future. Any future development would need to come back to the Commission.

Cari noted that the site plan also shows a possible area for a septic wastewater on-site system, but they are still hoping to be able to connect to the City's sewer system; however, that is unknown at this time. Cari then explained that there are a number of items that they don't need to provide at this stage of the review, such as landscaping, signage and outdoor lighting, but they have showed landscaped areas on the plan and they have begun formulating general landscape plans. There would be a monument sign at the east entrance, and in response to some neighborhood comments, they are not proposing any lighting poles, by lighting the parking and outdoor areas with low bollards that would comply with the City's Lighting Ordinance.

Cari explained that all of the mechanical equipment would be located on the west side of the building, ground-mounted and fully screened in a way that is integrated into the building design. The applicant and the City contacted property owners within 500 ft. and the applicant also contacted the HOAs of Rolling Hills, Casa Contenta and Les Springs and held an open house on November 18th and 40 people attended. The applicant will be required to complete another citizen outreach at the next stage of the project, and both the restaurateur and the engineer have placed this on their websites, and they used social media to get the word out about the project. From working at the City, news of the project has spread by word-of-mouth, so the public is aware and the applicant has submitted a comprehensive Citizen Participation Report, which was included in the Staff Report.

Cari indicated that some of the main comments and concerns indicated that this will be a positive addition to the community and the restaurant is viewed as a good use for the site; however, there were some concerns about obstruction of views, especially from the owners directly across SR 89A and the applicant has been working with them to ensure that all views are protected. The landscaping and lighting was also a concern and one of the HOAs did not want to see pole lighting on the site. There was also a concern about the increase in traffic and increase in the intensity of the use and safety. Noise also was a concern, and then at the work session, the Commission voiced a concern about uses other than a restaurant. It seemed to be a general consensus that a restaurant would be a good use, but that requires a rezoning, so there were concerns about the other uses. There were also concerns about the extent of the citizen outreach; however, staff believes that the applicant has done what is required and more, and they will be going through a citizen outreach again. There were also some comments that the land should be left as open space; however, the property owner is permitted to develop the

property and he is preserving quite a bit of open space and public access for the site, so staff believes that is a positive for this application.

Cari indicated that regarding Community Plan considerations, this is a Special Planning Area on the Future Land Use Map and the main concern is future development of the site under C-1 allowed uses; however, the Community Plan states that these items are the stated needs and benefits for this area, and staff believes that this plan addresses nearly all of the options. The low traffic generators was a concern, because a restaurant does have the potential to be a more intense use; however, they are only doing about 5% lot coverage, the size of the restaurant is limited by the amount of parking required, and in the Letter of Intent, the applicant provided a comparison of this proposal versus development of even an office park at maximum build-out and found that with the 5% lot coverage of the restaurant, it is very comparable.

Cari added that the height and design of the building is single-family residential in scale and they have provided pedestrian paths through the site. Additionally, there is minimal building and paving coverage and quite a bit of buffering from the highway through the berming, and the applicant will be adding to that through landscaping, plus the two properties are being consolidated into one property and the applicant is providing controlled access to the National Forest to eliminate some social trails.

Cari referenced the reviewing agency comments and indicated that if the applicant moves forward with the enclosure of the outdoor dining area, they would be subject to the Art in Public Places requirement, but currently, they don't meet that threshold. The Building Safety Division had some concern about their reuse of timbers, but many of those concerns will be addressed at the Building Permit stage. Additionally, the Engineering Department and Fire District each had comments and all of their comments have been provided to the applicant and they have met with each of the agencies and are working to satisfy all of their requirements.

Cari explained that the purpose of the Conceptual Review is to give the Commission and the public an opportunity to become familiar with the proposal and provide comments at the conceptual stage, in addition to affording the applicant an opportunity to become aware of major issues before more detailed plans for a comprehensive Development Review are formed. The applicant also has a presentation.

Audree Juhlin added that a document that staff and the applicant have been working on was not included in the packet, so that has been distributed to the Commission and we will get into the details of the document, when the applicant presents. Also, comments that staff received through the Chairman have been distributed.

Chairman Losoff noted that there are two parts to this request; one is the Zone Change and the other is the Conceptual Review for the specific project. A zone change is very significant and it isn't something we take lightly, and a zone change affects us all, not only today, but in years to come. In particular, this site is a major site for Sedona so what goes there is very important for all of us, and as we talk about rezoning, we have to keep in mind the location, the Community Plan and all the things we talk about that goes into a project with a zone change. In the last couple of months, this is the third rezoning application we have received, and as we go forward there may be a couple more. Also, we are involved in a Community Plan revision and it may not be completed for another 1½ to 2 years, and that doesn't mean we have to stop everything, but we have to consider the full range of anything we are talking about today.

Commission's Questions of Staff:

Commissioner Taylor asked about the additional zoning; he didn't think you could condition a C-1 zone, in other words, approve a project based on if the restaurant moves in three to five years from now, the property can only be used for specific purposes and not what is spelled out in the C-1 zone. It seems that if it can be conditioned that way, that means we have to consider

all of those items that the applicant is suggesting on that site, so to him it is looking for litigation downstream, and on those grounds, he is really against changing the existing zoning to C-1.

Audree explained that we aren't doing a conditional rezoning, as she believes the Commissioner is thinking we are doing. We are proposing to change the site to a C-1 use and as part of that approval, the site plan, the Development Review piece, is what is binding and that is the condition, not the C-1. The use will be a C-1 use, so any of those C-1 uses in that column of 73 would be able to go into that building, but the building cannot change based on what is approved in the future, all of the C-1 uses could be used. What the applicant is proposing is to enter into a Development Agreement with the City that would voluntarily limit those uses that could be allowed on the property, and the Legal Department has been working with staff, and they are comfortable with the Development Agreement in that the applicant is voluntarily limiting their allowed uses.

Commissioner Taylor asked if he is hearing that the building and the parking lot is forever and Audree Juhlin stated that unless it comes back to the Commission, it would have to remain as approved in the Design Review phase and as approved in the site plan. The Commissioner then asked, if the restaurant should disappear in the future and the owner of the land wants to put a different use on that property and that use won't fit into the building, staff is saying it has to come back to Planning & Zoning and Audree stated absolutely, yes. Commissioner Taylor then asked if Planning & Zoning can turn it down on the basis that it is approved only for that building and parking lot. Audree indicated that she would let Ron Ramsey get into the legal parameters of the questions the Commissioner is asking.

Chairman Losoff explained that the Commission's major concern with this project was that the project as a restaurant would probably be beneficial; however, it is currently zoned Office Professional, which has its designated uses, and if it is rezoned to C-1, it opens up more uses for the property and could subject the City to something that none of us would be happy with, but having said that, it doesn't mean the current OP zoning couldn't do the same thing, because there are some things in OP that could be in that building that we wouldn't be happy with either, so if we rezone it and if the applicant agrees with some of these limitations, it could give us some ability to control what goes in there.

Ron Ramsey indicated that being a little detailed on the question of to what extent would you be able. as a Commission or perhaps as the Council. to control additional uses once this project is completed and the C-1 zoning vests, and first, if that occurs under just a straight C-1, our codes require that someone making major changes, such as adding square footage, shifting the parking lot, etc., go forth under a Design Review, which the Commission has done many times, and that gets into some of the details like the setbacks, building heights, and the construction materials, etc.; however, it doesn't impair the ability of the use itself. The other thing that the Commission and Council would have is the ability to look at the potential new use in terms of what is compatible with the Community Plan, which is still being developed, so those two tools are still there. If this project owner decides to assist the Commission's decision-making by saying that they agree in a Development Agreement context, which is a separate statute that allows, in most cases, a Development Agreement to be applied when you have a major subdivision going in and you have phased construction, etc., and we have had several of those projects on the board in the last couple of years that have now become dormant and they are very typical for a detailed Development Agreement; however, the Development Agreement statute is broad enough to say that a property owner or applicant can agree to confine the property to certain uses under the terms and conditions of a Development Agreement, so if that is true and it becomes part of this application, then that would limit the number of uses. The three columns you were given to review show that it would be reducing quite a bit of the potential uses from the general C-1 down to what would be under the Development Agreement.

Commissioner Messer asked what if Mr. Stevenson decides to sell the building, is the next owner bound by the agreement that Mr. Stevenson made to get the C-1 or does it revert back

to C-1 and all 71 of its forms. Ron Ramsey indicated that is an open question, because it involves what would be the binding effect of the Development Agreement, and he is assuming that we go through the Development Agreement, we reach the terms and it gets recorded, and Development Agreements are an integral part of the property itself, they attach to the land, but he has never seen a Development Agreement go beyond just the terms and conditions of phased development of major projects, so he hasn't seen it in this context of trying to commit the future uses as well as control what will be built in the current project, so he is not sure exactly how binding that may or may not be. He hasn't seen any decisions on that.

The Chairman asked if Audree Juhlin had anything to say on that being binding to any future owners if they decide to sell. Audree Juhlin indicated that in her conversations with Ron Ramsey and Mike Goimarac, typically our Development Agreements are legally binding and we've never been challenged, so from her understanding, we don't have any reason to believe otherwise. Chairman Losoff asked if in this case, the applicant would also sign a waiver for the state, and Audree indicated that is right and asked if the Commission wanted to get into this piece, since we are talking about it now. The Chairman stated yes, because it is something that is a key factor in approving the project. He thinks the Design Review can wait a little bit; the issue is rezoning, so anything you want to add would be important.

Audree Juhlin indicated that she would explain what the applicant has put together in the color-coded chart. She then explained that in the left column is the uses that apply to the OP zone, The Chairman commented that if nothing changes any of those uses could go in there and Audree indicated that is correct, any of those uses could now go onto the site, but would probably need Development Review unless it was a minor renovation. The Chairman then said so it is still subject to our Planning & Zoning requirements and codes, etc., but basically they are allowable and Audree said that is right.

Audree then explained that the yellow color indicates those uses that are identical in both the OP zoning and C-1 zoning districts, so they highlighted in OP those uses that are already in a C-1 zoning category. The middle category is those uses that are allowed in the C-1 category, and the 73 uses continue onto the back side of the handout. The yellow is marking the ones that are similar to the OP, and the red highlights those uses that are not conducive to that site in the applicant's opinion, so they are saying the ones in red are not uses . . . , the Chairman interrupted to say, "So the applicant doesn't want an arcade up there", and Audree indicated no, they do not and in this list, they are saying that the uses in yellow are more appropriate and the red-highlighted uses are not appropriate for this site. The third column is the applicant's proposed uses that they feel would be appropriate for the site, and again, the yellow indicates uses that are identical to what they can already do in the OP zoning district and the green are the ones that they are keeping in the C-1 district. In the red for instance, they are saying that amusement arcades are not appropriate and . . . , Chairman Losoff interjected that he didn't want to go through each one, but staff can see if there are specific questions from the Commissioners. Audree then continued to explain that in the last column are the uses the applicant feels are more appropriate, and what staff wants to get from the Commission is what uses the Commission feels are appropriate. Does the Commission agree with this list, disagree with the list or agree with the concept of moving forward with the Development Agreement that restricts the uses like this. Then, staff can work more with the applicant and Legal Department to create the Development Agreement that would need City Council approval.

Audree indicated that in the Development Agreement, going back to Commissioner Taylor's original question, we would basically say that the applicant is waiving Proposition 207 rights, and we would want it to say that the applicant is voluntarily agreeing to limit the uses on the property to these specific uses, and we could put in another condition that says the applicant needs to come back to the Commission for review based on whatever it is.

The Chairman asked if the applicant has agreed to that and Audree explained that staff hasn't talked to the applicant about that piece yet, but if there are changes to the site plan, we can nail

it down in the Development Agreement to say that the applicant needs to come back to the Commission for review and possible approval. Chairman Losoff then indicated that he applauds staff, this is a very nice presentation, putting side-by-side these uses in OP versus C-1 versus their restricted C-1, and it is a nice visual.

Commissioner Jablow asked if the changes in the uses go with the owner or the land and Audree indicated that it goes with the land.

Commissioner Hadley indicated that, as a Commission, we can't put these kinds of restrictions on the property, and he then asked Ron Ramsey if the applicant voluntarily does it, then it is okay and Ron stated that is correct. On a straight rezoning, the Commission does the recommendation and the Council has the final approval, so in your recommendation in considering it going from OP to C-1, you could mirror what is going on with the Development Agreement and say the Commission's recommendation is that you grant this zone change subject to the terms and conditions of the Development Agreement, but the Commission can't give a C-1, but not give a C-1.

Commissioner Messer indicated that it goes with the land, and asked if that means that a future buyer of that land gives up their 207 rights too and Audree stated that the future buyer is hopefully aware. Commissioner Messer then commented that it is a disclosure thing on the sale and Chairman Losoff noted that the applicant had stated in the work session that some people wouldn't voluntarily do this, because they would feel that it would restrict their ability to sell the land or devalue the land, while some people say it improves the value, but it does go with the land. Audree added that the applicant is basically agreeing with everything that is being said by the Commission, because they recognize the importance of this site with the high visibility and scenic views, and they feel the need to protect it as well, which is why they came forward with this idea.

Chairman Losoff asked how we came up with the OP designation years ago and Audree explained that when the City incorporated in 1988, we inherited Coconino County's zoning districts. The Chairman then commented that if we ever look at some of the zoning categories there would be some modifications, but that is for another day.

Commissioner Hadley indicated that regarding the zone change, that answers his concerns. He can support the change to C-1 with the voluntary restrictions; that is very good.

Commissioner Brandt asked staff to elaborate on the parking for the scenic overlook and how that works with the potential expansion. Cari explained the proposed location of the scenic overlook and the trailhead. She then explained that the currently proposed restaurant requires 62 parking spaces and identified the two parking areas that have 78 parking spaces, which provides an additional 16 spaces. Cari indicated that the applicant isn't proposing to restrict any of those spaces; however with the way the site is designed, the parking on one end will fill first for the restaurant and the trailhead spaces will fill from the other end, and that will leave the extra 16 spaces for the scenic overlook as well. The Commissioner then stated that at this time there is nothing suggesting that a portion of the parking has to be dedicated to the overlook and Cari indicated that is correct.

Commissioner Brandt then asked about the mention of a future building location shown on the site plan and Mike Raber clarified that has been removed.

Chairman Losoff recessed the meeting at 5:10 p.m. and reconvened the meeting at 5:18 p.m.

Presentation by Luke Sefton, Applicant's Agent and Engineer with SEC, and Matt Dougan, Architectural Designer, Sedona, Arizona:

Luke Sefton indicated that he has been in the area for many years and SEC has been here for almost 40 years, and M.J. Stevenson is the property owner. Luke then introduced the team,

including Matt Dougan, the architectural designer who works with Brent Maupin, the architect of record and an engineer, and Phil Morris who grew up in this area and has done a lot of homes.

Luke explained that he put the zoning upfront in his presentation and the name of the restaurant is Mariposa, which means butterfly, and when you talk about art in community places, a writing by Lisa Dahl is part of the artwork in itself, as she writes of her philosophy and what she thinks of this restaurant. Luke then introduced Lisa Dahl who has been in the area for 17 years and has a couple of award-winning restaurants.

Luke indicated that when they talk about the Community Plan and Planning & Zoning, they really want to bring in the community, the owner's concept of the property, the tourism and the sense of Sedona, and they have that opportunity with this project. In working with staff, they worked through a collaborative process to consider staff's input, the public's input and the Commission's input from the work session. They recognized that there are a lot of uses, even in OP, and before Sedona was a city, a real estate office was put there and it evolved into being Office Professional.

They took this property and thought about the zoning and the best uses. They looked at OP, but some of those uses aren't appropriate here and it is the same thing with Commercial, so they went from the current 22 regular uses and seven conditional uses to C-1, with 73 regular uses and 25 conditional uses, and they are now back to 22 regular uses and four conditional uses, so they reduced that to 26 uses that are more in line for this property. Basically, they identified the best uses and the worst uses for this property and sent it to staff, and then asked staff to make a list of best and worst uses, then we went through them line-by-line to discuss what the intent of those uses was, trying to figure out what is possibly going to happen in the future, and that is how they came up with this final list.

The back column is all conditional uses, so they lined that out, and when you look at the property and the uses, there are development criteria, and those are pretty much the same. You still have 25% coverage, the same lighting things, same grading and drainage and the same landscaping, so it is going to be the same. There were a couple of minor things like the back setback, but they are on National Forest too, so that is where they are today with the zoning.

Luke then showed the site as it is today and indicated that the project was built 40 years ago, and when the City incorporated, they just kept it as OP, and they got a chance to really think about that, plus staff and the Commission has asked about that.

They also did the community review, and originally they were trying to rent the project and remodel it, and then the ADOT overlay came, rents dropped 25% for Office Professional and there are 18% vacancies, so they then got to look at this for a restaurant, and bringing in Lisa Dahl clinched the decision to make that investment of going to a restaurant.

Luke explained that the height of the building will stay about where it is now, but one corner will be raised to about 22 ft.; however, they stay well below the ridgeline at Casa Contenta. Luke then mentioned the right-turn lane that had been put in, and indicated that in the early '70s, they got a permit to build the site on there, and by the late '70s, the County closed the permit, because they never looked at it. The property has been vacant for the last six years and Mr. Stevenson purchased the property about 4½ years ago. He had a set of plans done to remodel it and that went through the staff review to remodel it into office space, but in the process of looking at rents, that would not pay for this property. Also, the City would only get the tax revenue on the rent, but as a restaurant, the City also gets tax revenue on each meal served, so there is a tremendous difference in income. With office space, they would have to expand it, because the square footage determines how the land is rented and the more office space you have, the more rent you can collect, but as a restaurant, it controls that use of the land.

Luke indicated they had some great meetings with staff and he thanked Cari Meyer, Audree Juhlin, John O'Brien and Mike Raber for their input, but the public review process provided a lot of really good constructive criticisms from the public and adjacent neighbors about their concerns, and it really changed the site and added value in preserving the site as open space and making it more community-minded.

Luke explained that a lot of their team and the owner have lived here for years, and they have all seen this as a spectacular site for Sedona and a restaurant fits with meeting everybody's collaborative goal of coming together and trying to meet all the different community needs. Luke then indicated that Matt Dougan can speak about the building design.

Matt Dougan explained that he developed the design in keeping with the City's development codes and Design Review, and they tried to minimize the impact on the lot. They are allowed up to 25% coverage on the lot, but they are presently proposing only 5% coverage, so they have done as much as possible to limit the footprint. At the site today, they showed the Commission the outline of where they would expand the northwest corner of building to add to the interior space and the area designated for the covered portion for outdoor dining or events. The design is in keeping with the natural surrounding colors and textures, while trying to keep as much of the existing footprint, because the less construction they have to do, the less impact it has on the land and neighbors from noise, light, time of construction, etc., so they are doing their best to utilize as much of the existing building as possible, which will keep the project timely and also benefit the neighbors in Rolling Hills and Casa Contenta.

In terms of finishes, they tried to stay with the natural finishes of the surrounding red rocks, so they would be using natural Sedona Red Moss rock and the stucco would be color-impregnated with the colors shown on the color board, including the natural tans and Sedona red tones. They would also stay within 28% LRV and the glass that is to be used on the building will only reflect 17% LRV, so it will be less than the paint itself. They are staying well below what they are allowed and they are striving to do that in keeping with the design development codes and also to minimize the visual impact on the land. From Casa Contenta, the residents currently see a white roof and turquoise-colored awnings, and it is very striking and evident from there. With the new design, they would have a metal roof in the Hunter Green or Juniper Green tones, so it would blend with the natural surroundings.

Going from West Sedona down the hill toward Uptown and the "Y", you will see the west elevation, and since you look into the National Forest from that direction, the color of that roofline should disappear, instead of the turquoise and white that you see at this time. They also want to keep the profile of the building as low as possible. Along the SR 89A frontage, the length of the building stayed the same at 70 ft. and there will be a 10 ft. plate, and they are currently at 12 ft. at the top of the parapet, so they are extending past what is currently there. The only portion that will become greater in height is the portion over the dining area, but the roof will be stepped back and then up from the SR 89A side, so they have what is required in Section 903.03 for height and massing as much as possible. Instead of having one continual roof mass, giving it steps in the roofline and having the roofline massed correctly is important, so you don't see one large mass from any one plane. Additionally, they are working on stepping up the roofline with the natural surroundings, so when you look in the distance, you see the mountains and they step from left to right, and he wants the design to go with that, so nothing looks out of place as much as possible.

Matt explained that the design style is to be contemporary rustic, contemporary being clean and kind of minimalistic, so there is not too much clutter in the design, and rustic in the finishes, such as rustic metal, patina copper, the green metal roof, and the stone and timbers, because these are all things that currently exist in vintage architecture around Sedona. You go into Oak Creek Canyon and see the old cabins done in stone, timbers and metal roofing, and in the current design ordinances, you see the rustic metal being used in a lot of the newer

construction, such as at ProBuild and Natural Grocers, so they want to extenuate and add to, not take away from the site.

Luke Sefton referenced the community benefits on the site and indicated that the Engineering Department asked for right-in and right-out, and they understand that ADOT will come through in the future and put in medians, and especially with the new business starting, they will ask for that to be put off, but they do recognize that at some time in the future, the City is going to come in, when ADOT puts in the medians and start closing off right-ins, right-outs.

Luke identified the location of the parking and explained that it doesn't compete with each other with the high use for the restaurant at one end and the high use for the trail at the other end, and it takes all of the collaborative effort into account with input from the Commission, staff and comments from the public.

Luke indicated that some of the community benefits include the remodel of the existing building. The owner painted it a few years ago and he had been maintaining the weeds, but when he went along the front, that started an ADOT permit, so all of those things have come up and are kind of tripping over each other. They are going to consolidate the coordinated parking for the different uses and they want to consolidate signage, plus there are the additional tax revenues. Also, service trucks can enter and continue their route without interrupting local traffic, etc.

Luke referenced weed control and explained that the Forest Service is talking about a noxious weed that is in there, but they ran into an ADOT permit issue that they can take care of, and the weed is all up and down that area. They will have vegetation and controlled access, and they met with the Forest Service to discuss a future trail. The Forest Service is concerned about the trespassing onto the National Forest, but there is a great area where people can walk at a nice gentle slope, and they can put some vegetation or fence there to control that, because people are now just walking off and you can see the creation of a trail there; however, the Forest Service wants to go through their NEPA process. Also as people walk along there, they can stop and rest at Painter's Point, and they came up with the name of Mariposa Trail Scenic Walk for the trail. He has seen people out there running or riding their bikes, so now the Mariposa Trail can come along there. Luke then pointed out the Adobe Jack Trail and Crusty Trail system and indicated that a lot of people are out there painting pictures, and when the Commission was there today, there were people trying to take a picture of the site and they drove through the site a few times, but that is okay; however with the parking, we can control that a little better and safer.

Regarding landscaping, Luke indicated that in talking with adjacent property owners, they are worried about their view, so they have designated low vegetation in that area. The driveway has to be cut down a little, but then there are areas with medium and higher vegetation, because the houses are at a higher elevation, so they were able to incorporate some of what the neighbors wanted, while taking it from a bare site to a more maintained site, and hopefully that will get rid of all of the weeds that the Forest Service doesn't want, and the vegetation will also control access to the National Forest and help mask the building,

Luke indicated that they had a future building shown, but they later found that they could extend the patio, with the thought of enclosing it in the future, which would have to come in under a separate Development Review and permit, but for now, it would be for like a Sunday brunch and not maintained as the main seating area.

Luke referenced the traffic generation and explained that when they talked about the different uses, either under OP or C-1, there are really high and low uses, in terms of traffic generation, and he just picked some of the uses. You aren't going to put a 25,000 sq. ft. restaurant, fast food restaurant or bank, which is allowed there now, but it can be used like in conjunction with a business park and you would still get a high traffic use and volume.

Luke then showed the views of Casa Contenta, and from the back of the restaurant, of Capitol Butte, Saddlerock, Wilson, Shiprock, Three Kings and Schnebly Hill, Camelhead and Snoopy Rock, and indicated that based on comments from the neighbors, the pole outdoor lighting is out and they want to be as dark sky compliant as they can be, so they will be a lot less than the City of Sedona Code.

Luke indicated that art in public places is important in Sedona and they are below the threshold, but given the level they have started on the project and what Lisa Dahl brings to the project, he thinks that the same excellence that she brings can be reflected not only outside the restaurant but in the restaurant and in that design.

Luke explained that they did a lot of community outreach; they were given a 500 ft. radius, but they wanted to recognize Casa Contenta and Les Springs, and a couple of other areas. There were notices in the paper and it is on their website and the City's website, plus Lisa Dahl put it on her website as well, and they started communication through social media. There is a lot of talk about it and people are . . ., Chairman Losoff interrupted to ask if there is anything that wasn't in Cari's report that Luke wanted to add and Luke indicated yes, there are all of the responses that they got today. He is not an attorney, but he has dealt with them and dealt with them with the City, and they have come back to have those modified and had to go through that process, and the City does enforce those, and those have changed ownership. They have dealt with multiple generations of owners and had to comply with those agreements. Luke then thanked everyone for their input.

Commission's Questions of the Applicant's Agent:

Commissioner Taylor indicated that he doesn't think it is a good idea to change the zone; it should be left Office Professional. We could be here all night talking about these selected uses for that property and somehow, he knows we heard from a lawyer, but he is still mistrustful of the whole process going downstream, so he can't really agree with the C-1 change. He also feels that the restaurant and a lot of the uses that are on the list should be in the Focused Activity Centers. If we are going to go with that concept and try to make this into a walkable town, then we really have to get those kinds of activities that generate people coming together in these locations, so he feels very strongly about that. The idea of Focused Activity Centers was kind of an afterthought, because we already had strip zoning and whoever came up with the idea, did it to get away from strip zoning, and there was no real center in this town, so they looked at where there were already places that people tend to congregate or go for business purposes, etc., and made those the Focused Activity Centers, so his position is to support them, and that means to try to get restaurants into those centers. He knows the view is nice, and we all live with the view and do a lot of our dining at night, and part of the year, it is dark at night, and when we do dine, we dine together. It is lovely to drive into a restaurant and have this beautiful view, etc., but when you set at the table and dine, you are with the people you are with, and that is where your attention is, that and the food, so that is how he feels about that one. Then on the location being isolated from the rest of the town somewhat, it is along a stretch of highway that cars are driving up to 50 mph, 40 mph for sure, and this piece of property is along a graded highway, upgrade or downgrade depending on how you want to look at it, and on a curve. There is no barrier in the center, although there are some people who would like to see the center lane planted and he is one of them, but ADOT has to do it, and ADOT won't do it until three people die, and there won't be money anyway to do it, so he doesn't see them being able to enforce what the Engineers have said, as far as right-in and right-out; he doesn't see that as supportable.

Commissioner Taylor then indicated that his last thought is that the Commission should send this to the City Council and ask them, on behalf of the City, if they won't buy this property. He feels they should buy this property and before we act on this proposal, we should give them the opportunity or force them to take the opportunity to look at this property, in view of the Community Plan that is under development now, and say yes or no. If they say no, then it comes back to the Commission.

Chairman Losoff indicated that this is a Conceptual hearing, so concepts are very important and the Commissioner laid out some nice concepts there, but this is not a detailed presentation, it is conceptual and first we want to conceptually rezone it, and if we do, then is this what we want?

Commissioner Brandt noted that he doesn't have any questions at this time, but he would like to hear the public speak before the Commission comments on the project further. Commissioner Hadley agreed and indicated that since the purpose tonight is to give the applicant some feedback on what the Commission thinks of this, he will just say that he thinks it is a great project and he supports the zone change and the design. He had some concerns about light control on the site and a few other things, but they have been addressed well, so he can tell the applicant that at this point, he is in favor.

Chairman Losoff stated that at this point, he conceptually likes the project, but has some concerns with the rezoning issues that we can discuss later. At this point, if there are no further questions of the applicant, he will open it to the public.

Chairman Losoff opened the public comment period.

M. Taylor, Sedona, AZ: Indicated this is a very important issue to her; she is one of the lucky ones that live right across in Rolling Hills Estates. She moved to the area four years ago and bought her house three years ago. She is 52 years old and with the economy and the way things change, she decided to make the move from California to Arizona, because she thought it would be a good change for her, and one of the reasons she held out for Rolling Hills was that the area is so nice and particularly quiet. It took her 2½ years to sell her house in California and one of the reasons she left was because the area was getting overrun by commercial use of Marijuana, and she wanted to come to a nice clean area where it was quiet. She has spent three years fixing her house and she is very concerned, because when ADOT worked on the road, she knows that a lot had to be done to have the road done, but in conjunction with that, when they tore up the driveway and repositioned it to the lot in question, all of a sudden she started hearing loud noises in the evening, and she realized it was from the bulldozers and workers that were working in the evening hours, and she didn't realize until then that the noise totally echoes into her house. She had problems trying to sleep during that time and when she addressed this with the owner during their open house, he said that one of the ways they would control the noise would be to put bushes in, but she doesn't know how that will control noise where she lives. The other problem is that it is already difficult to get in and out of Rolling Hills Estates and there is only one driveway into that area. She realized when she bought her house about the commercial property across the street and she specifically asked the real estate person how it was zoned and she was told Professional. She understands that something will go in there and larger things can go in there, but her concern is that the rezoning . . . , she grew up in Southern California and her parents bought a house that had an undeveloped area behind them and a similar thing happened. Somebody bought the land and had it rezoned to Commercial, and over the years, even though there was an agreement with the person who originally bought it to keep considering the residential area around it, that property was sold and a huge mall went in behind them. The thing with her is that she hasn't had her house very long and she won't be in a position to just turn around and sell her property, if it becomes very noisy or she can't get in and out of the house very well, so it is a great concern right now. The other issue is that there are many people in the area where she lives that aren't full-time residents, a lot of them live out-of-state or out of the country, and they have no addresses for them to be contacted, and this is going through so quickly, she is not sure they have been contacted. She then asked if there are a series of meetings; she doesn't know how many more of these there will be or how long it takes.

Max Licher, Sedona, AZ: Indicated that he is here to speak in support of this project and the rezone. It was mentioned earlier that we inherited much of our zoning from the County's zoning designations that we had and many of our existing zoning designations are actually somewhat

in conflict with the goals, visions and intent of the Community Plan. We are in the midst of the re-envisioning of one now and there is as much opportunity to look at a rezone as an improvement of the Plan as opposed to a detraction of the Plan. He has lived here close to 30 years and looked at this parcel the entire time, thinking it is one of the key parcels and it should have a very positive, active use on it. One that serves the visitors; it is in one of the best vista points. In the past, we thought a lot about it potentially being a visitors' center site as a way of orienting people to Sedona, and if you look at it in the big perspective, as opposed to it just being vacant, to actually have that location be a place where people, both visitors and residents, can enjoy it for an extended period of time. He knows that his own habits in terms of dining out in town have drifted more towards the places that offer outdoor dining where there are views, and people hunger for that and it is a wonderful opportunity for that. You also have people who have run great businesses here and will do a really good job. In terms of the Focused Activity Center idea, he supports that in general, and this is not exactly in a location like that, but just a few hundred yards up the highway there is a site for a future hotel and that is where George Moore's current trailhead and vista point are, so when a hotel goes in there, it is easy walking distance. Up at north Airport Road, the hotels that are there are also within a fairly easy walking distance and those sorts of things at least speak to a vision where more visitors could easily walk to dinner from those locations. The architecture looks good from everything he has seen and it would be an improvement over what we have there.

Bob Kops, Sedona, AZ: Indicated that he lives in Rolling Hills and has been a resident there for about 13 years and a resident of Sedona for approximately 16 years. For the past seven or eight years, that site has been a complete eyesore, and anything, especially this restaurant, would not only behoove this City, but the local residents. He heard a concern about construction, but he didn't hear too much about construction complaints when they were putting up the Hyatt, and Ms. Dahl has two existing businesses here. If you looked at those two businesses, the employees she employs, the revenues that are generated to the City because of the two existing businesses, and if you look at them, they are exquisite. He looked at this design and was at awe, not only does he commend Ms. Dahl and Mr. Stevenson for their outreach, they have extended themselves to everyone, and he has never seen this. He is from back east, as you can tell, and they don't do this back east, but he believes that this project is going to be awesome. He is not familiar with a Focused Activity Center; he is sure there is a lot around here, but he really believes in his heart that this restaurant will not only benefit the local residents, but also the tourists that come to this town. It is really going to be magnificent.

Sandy Moriarty, Sedona, AZ: Indicated that she has been here for 41 years, so she has driven by that place many times and she couldn't agree more with the previous speaker, and especially with Max. Max said pretty much most of what she would have said had he not spoken, so she won't say it again, but she will reiterate that this probably would be the best use for the property, other than, as Commissioner Taylor said, if the City would buy it, but she is not going to wait for that to happen. In the meantime, it can be a nice restaurant that both residents and visitors can enjoy and she can't think of a better use for that property. Along with the concerns about it being commercial, she really believes that the Development Agreement can deal with that, and it should serve as a reminder to this Commission and the City Council, along with the Goldenstein property rezoning, that perhaps you need to look at the Zoning Code, because it just doesn't seem right that we should be concerned about what might happen in the future, when something gets rezoned every time. Maybe we can come up with a better fit; we did inherit it not only from Coconino County, but also from Yavapai County. We inherited two Zoning Codes and they didn't always agree, so she would like to see the Commission consider taking a good hard look at the Zoning Code in the future, and maybe making some more realistic classifications. She knows they can't be too narrow, but maybe restaurants belong with commercial, lodging or something -- that is for the Commission to decide and recommend, but she does approve of this project and would like to encourage the Commission to support it.

Stephen Huff, Sedona, AZ: Indicated that he is the President of the HOA for Casa Contenta, and the Board of Casa Contenta and many of its residents have attended the open houses and had discussions at their board meetings, and they did have some concerns that have all been answered. This property has been of great interest to them, because they all look down on it and it is a great part of their view. They have to tell the Commission that the comments they have received at Casa Contenta are all positive. After the questions were answered, they have received no negative comments and they can't think of a better purpose for this or a better use for this land than what is being proposed.

Tom Gilomen, Sedona, AZ: Indicated that he is a commercial property owner and a restaurant owner, and first, Lisa Dahl is an outstanding restaurant operator and the design done on this property is really fantastic. His concern is twofold, number one the location of the property; it is magnificent, but it is also on the top of a hill, on a curve, that when you are driving west in the evening, you have the sun glare and problems getting in and out, and to put a restaurant in, and it will be one of the biggest restaurants in Sedona, it will certainly be the busiest restaurant in Sedona, you will have traffic going in and out of it from 11:00 a.m. to 11:00 p.m., 365 days a year, so you can't argue with the design or with Lisa's ability, but you can say, "Is that a location for the busiest restaurant in Sedona on that particular highway stretch, which is 40 mph?" No lights; the new lights that were installed stopped before we ever got there, because people didn't expect that to be a commercial area. The second thing he wants to point out is you can rezone something without necessarily going to the highest and best use. Restaurants basically have the highest traffic you are going to find, other than maybe a grocery store. This restaurant can seat 350 or 400 people, when you add the outside seating and that is a lot of people coming in and out for what amounts to 68 parking spaces. Where do those people go when they pull into the restaurant and can't find a parking space? They are going to come back on the highway. It is not like in Uptown where if you can't park in the restaurant's parking lot, you park next door; there is no next door, so he commends the design and Lisa is a great operator, but when you look at all of the possible uses that this location could possibly be, he thinks before you jump to the one that has got the highest traffic impact, look at alternative uses.

The Chairman noted for the record that one card is from Sally Young who indicated that she has no need to speak and she is in favor of the application. There is also a card from Don Piper who also says he doesn't need to speak and is also in favor of the application.

Having no additional requests to speak, the Chairman closed the public comment period.

Summary Discussion:

The Chairman reminded the Commissioners that this is a two-part conceptual review; one on the rezoning and the other on the actual review of the restaurant. He then asked the Commissioners to stick with the rezoning.

Commissioner Brandt indicated that he sees a lot of the benefits and detriments that have been spoken of tonight, and is trying to get caught up with the idea of the rezoning, as to by right what is there and what is being asked, as far as a limited amount of commercial activities that are being proposed by the applicant. He looked at the OP district and saw that one of the uses is private clubs and lodge, similar to the Elks Club is what that would suggest, and that is not that much different than a restaurant, if the Elks decided this was the best place for them, so in that aspect, it doesn't seem to be that much of a different proposal with a change in use. He agrees with the notion of it being more of a public space; it is a good spot for an orientation as Max suggested, and if we can make sure that the public uses being proposed are done in the best possible way, so it follows-through not just as an amenity for the restaurant, but as an amenity for the City, that goes a long way to making this a good proposal, and that would include a sign, and maybe it is a different name than the restaurant so it appears to be a separate entity. The big thing for him seems to be to make sure that the parking is hidden, so it isn't a sea of cars and the way it is laid out now, it preserves as much open space as possible,

but perhaps there needs to be more space within the parking spaces themselves for vegetation. The vegetation along the highway does a lot to screen it, but within the spaces themselves, it needs more screening. Along with that, the vegetation on this includes a thought of it being contiguous with the open space, but what if the City was to buy it, because of the way it sticks out into the forest, perhaps the landscape plan would just have everything be the same plants and trees that are in the forest adjacent, so no exotics, and everything would be indigenous to be as natural as possible. He still needs to think about the impacts of the traffic with the subdivision across the street, so he needs to get a little more comfortable with that, but does "any potential conflicts" mean that the median is actually put in at this time? Is that part of it? Mike Raber stated no and the Commissioner stated he is . . . , Chairman Losoff interrupted to say that we aren't going to make any decisions today, so we are still giving the applicant conceptual ideas and thoughts. Commissioner Brandt then stated exactly, so if we can formulate this in more of a concrete notion, great, but if not, we will just be taking notes for ourselves, and in general, he is in favor of the project.

Commissioner Brandt then stated that in the spirit of the applicant providing restrictions on the uses, he thinks there are additional restrictions that could be placed on this; for instance, the notion of private clubs should be deleted, because of wanting this to be more of a public-oriented space, and the notion of it becoming single-family, if someone wanted to buy it as a private residence. Cari Meyer explained that single-family is only allowed in conjunction with commercial uses and the Commissioner noted that is still a possibility. Cari then clarified that someone couldn't buy it and build a house and nothing else.

Chairman Losoff indicated that he thinks there will be a chance before the Commission's next meeting to review this suggested C-1 list with restrictions, assuming we go in that direction, and look at the green areas that have been added to see if we want to make modifications. Commissioner Brandt agreed and stated that in addition to that, to delete the things left over in yellow that aren't necessarily a public space. He doesn't consider a financial institution as a public space, so he would delete things like that.

Commissioner Hadley explained that what they have done with the site is very commendable; he likes the trailhead, the artist's point, the pathway that wraps around and everything appeals to him. The only concern he has, and he doesn't think it has been addressed yet, is whether there is any plan to keep entertainment noise down. He didn't see that anywhere in the Staff Report or the applicant's presentation, but it has come up in conversations that he has had with other people, so he thinks for the next hearing, if the applicant would address that, it would be very beneficial.

Chairman Losoff noted that we heard about noise and traffic from the public speakers, so those should probably be addressed at the next meeting. The Chairman then asked staff to comment about the process, since one of the public speakers asked about the process. Cari Meyer explained that this is the last item we have scheduled for the Conceptual Review, so after tonight, based on the Commission's direction and comments, the applicant will go back and their next submittal will be for final action, and that is when the applicant will be required to have the complete set of plans, including landscaping, lighting, etc., and they will also be required to complete a Traffic Impact Analysis, so all of those documents will be submitted to staff, according to the deadline schedule, and at that time, we will repeat this process for final action. At the end of that, if the Commission approves it, the Commission would actually be approving the Development Review and recommending action on the Zone Change to the City Council, so the next step is contingent on how quickly the applicant can get all of the other documents together. It could be one to three months before they submit, and then it is another two month process from when they submit.

Chairman Losoff then stated this is the Conceptual Review and we are giving the applicant ideas on how to modify or improve on both the Zoning and Development Review issue, and after that, it comes back to the Commission for possibly another work session, and then a

public hearing, and at that point a decision will be made, and whatever decision is made on the zoning part will go to the City Council, and at each step along the way, there are appeal processes, so if members of the public or the applicant doesn't like it, there are steps to appeal.

Commissioner Hadley asked if the next public hearing is on both the Zone Change and the Development Review at the same time and Cari stated yes, they will be heard together, but the Commission will vote on them separately. Chairman Losoff added that the Commission will move it forward as efficiently as the Commission can, unless there are complications, but his goal would be to move them forward at the same time.

Commissioner Messer stated that he is in favor of the zoning change, but he has two issues. One, given the sensitivity of the area, he really would like to know what kind of plan we have for parking lot drainage of gas, oil, etc., and he would like to see that is being handled up to EPA standards, so it isn't going down into Crucifixion Wash and out. Also, Tom Gilomen had a really good point; he has been here 17 years and coming up SR 89A at 8:00 o'clock in the summer is dangerous. The sun is blinding and he has almost hit bikers, so it is prudent to have a sign on the back side of their sign warning patrons to use extreme caution and that people coming up the road are being blinded and can't see them well.

Commissioner Jablow indicated that some of his concerns had already been answered, and the only thing that he has remaining is, and he loves the plan and thinks it is going to be great for the City if it is passed, but traffic was brought up by one of the public speakers and aside from Commissioner Messer mentioning the sun, it is true, there are no street lights there, not that he is looking to see street lights there, but it is a dangerous area at night time. For the next hearing, if the Commission can see some traffic study about what is being done to protect the traveling public; that could be a very dangerous area. It is on the turn and the sun is blinding, and he doesn't want us to create a hazard where currently none exists.

Commissioner Taylor stated that when people dine, they drink, so you might think about that. The reason he feels we should force the City to consider purchasing the property is because looking into the future of the City and how the Plan for the City may evolve, and assuming that people involved now and in the future, and the Council, can really make some good things happen, and a lot of things need to happen to make it a really fine place and a successful City for the future, but his reason is because first, he would like to see the open space between Uptown and the "Y" area and West Sedona protected as open space as much as possible, as it is now, and it has some positive impact on this City, but also if the City owns that property, we don't know what future planners may want to do, but he would suspect that there are few places in town where they might want to acquire some forest land, and this gives them a piece of property that they could return to the forest, making it forest land forever, and keeping that open space and picking up a corner here and there for a parking garage maybe or some C-3 zoning, if we wanted to change where C-3 zoning is now, located in the very heart of our town, to C-1. C-3 zoning is the heart of our town between Basha's and Safeway, and that is the place where community facilities and high-density housing should be located. There is a lot of open space in there and a lot of kind of dumpy old buildings . . . , Chairman Losoff asked the Commissioner to relate it to the project space itself. Commissioner Taylor then stated that he is trying to explain why he thinks the City should acquire that land and it is important enough to make his speech about it. They should acquire it and the Commission should give them the opportunity, and if they say no, then he is in favor of the restaurant. If the City doesn't want to acquire it, then so be it and the restaurant is as good as anything else there and maybe better. He doesn't know, but that is the way he feels it should be and he actually prepared a motion that we could vote on to send this to the City Council and let them decide once and for all.

Chairman Losoff indicated that he is not sure legally; it is not on the agenda, so he doesn't think we could legally make a motion tonight to give direction to the City to buy any property. We could put it on a future agenda if we wanted to, so we will come back to that when we talk about future meetings, but tonight, we are limited to this project. Commissioner Taylor then

stated that it should be put on a future agenda and it should take place soon, so these people aren't doing work that is down the tubes if the Council should decide to act.

Chairman Losoff indicated that Mr. Sefton wanted to comment on the traffic and Luke Sefton stated that on the City taking it over as open space . . . , Chairman Losoff interjected that Mr. Sefton should talk about the traffic issues, and Mr. Sefton indicated that as you come through West Sedona, you do have the sun in your eyes at different times in the year, but this is a long stretch and there is open visibility that you don't have anywhere else in Sedona. It is on a curve, but it far exceeds ADOT's standards . . . , Chairman Losoff interrupted to ask if he has a solution or recommendation and Mr. Sefton stated no, he is just putting that out and now he has lost his thought. Chairman Losoff indicated that the issue is out there and we have to deal with it; he doesn't think we can change the sun, but in any case back to the issue at hand.

The Chairman indicated that the applicant has heard the issues and for the next meeting, we want to talk about noise and the issue that raises, and what if anything can be done to limit the impact on surrounding residents. We talked about traffic, and not just the sun, but the whole issue of traffic, because that is a key area and he knows a traffic impact chart was shown, but maybe there could be some detailed information. Cari added that is one of the required items. The Chairman then noted the issue about the parking lot drainage, etc., because that is a significant issue for any parking lot, particularly that one with the forest below it.

Chairman Losoff then commented that we have not heard specifically from the owner or developer about the okay on waivers for the State Proposition 207 and if the owner is okay with that. Mr. Sefton stated that they are working through that and they worked through the list to come up with this. He and the owner met with staff and went through that, and part of this is if we agree to this, there has to be an agreement with that. The Chairman indicated that speaking for himself, if we are rezoning something, that would be a significant issue in making a decision. Mr. Sefton stated that (audio unclear) get to a win-win solution for everybody and really look at the uses for this project and . . . , the Chairman interrupted to say that the Commission is going to see that declaration by the next meeting, and also for the next meeting, he will ask the Commissioners to look at this list and see, although he is not assuming that the Commission is going to approve it or disapprove it at this point, but from what he is hearing with maybe one exception, it looks like we will move forward on the concept of what you brought forward. He thinks the conceptual drawings are fine from the review perspective and having a restaurant there looks good. Every time he drives by there, someone comments what a great place for a restaurant, so it has to be successful, he thinks. Having said that, the Chairman asked the Commissioners to review the list of the Commercial district with restrictions to see if there are things the Commission wants to eliminate, add or modify and get that back within a week.

Audree Juhlin suggested putting this on the agenda for the next meeting in February to give the Commission time to review the list, the OP and the C-1, and put your thoughts together on the recommended uses for the restricted list, and then discuss it. Chairman Losoff asked about doing it in the January 31st meeting and Audree Juhlin stated that could be done, recognizing that it would just be what the Commission would recommend, because the Development Agreement is voluntary on the part of the applicant, and they are still a couple of months out before the Commission sees it again, so there is not a big rush to get the list done.

Chairman Losoff stated that the Commission should come to the meeting on the 31st with suggested modifications to the Commercial district list with restrictions, so the applicant will have a chance to react to it, and for that meeting, we also want to discuss the noise and traffic to see what we have on that.

Commissioner Jablow asked what time that meeting would be and Audree Juhlin indicated it would be a Thursday meeting at 3:30 p.m. Chairman Losoff noted the added issue of the parking lot spill-off for that meeting, and then stated that the Commission isn't going to make a

decision today and you heard from the Commission that for the most part there is a consensus that we like the concept of both the Development Review and the rezoning with restrictions. His specific issue would be the restrictions, and if we can't agree to reasonable restrictions, he would not necessarily be in favor of the rezoning, but we are moving forward and he likes what he sees.

Cari indicated she was thinking that we should make sure no clarification was needed about what the Commission wants for the work session, and the Chairman summarized issues about noise abatement, issues regarding traffic on SR 89A, issues about entering the existing the property, and what you are doing for the surface of the parking lot to absorb the oil, etc. Cari then noted that those will be conceptual, kind of like this, because they won't have time . . . , Chairman Losoff interrupted to say that he heard Lisa was going to bring butterflies to the Commission's next meeting. Cari then continued to say that they won't have time to finish all of the technical studies by that time, just so the Commission is clear.

Luke Sefton thanked the Commission and stated that the next step is to go through and do all those studies and the plans, if this is an idea that the City wants to move forward with. They aren't going to make a huge investment in the next step and then get a whole change to it. Chairman Losoff stated that if it was going to be something other than what we're thinking, we wouldn't ask you to do all of that, but from what he is hearing from the Commissioners, the majority consensus is that we like the concept and it is a go at this point, for the next step anyway. Mr. Sefton indicated that he appreciates that. Chairman Losoff then continued to say that the Commission is not approving it today and saying that everything is perfect, but we like the concept.

Chairman Losoff recessed the meeting at 6:37 p.m. and reconvened the meeting at 6:45 p.m.

6. **Discussion regarding the following agenda item for the regularly scheduled meeting of Tuesday, February 5, 2013: (30 minutes, 5:15 – 5:45 pm)**
 - a. **Discussion regarding a request for Development Review approval for an 8-unit apartment complex located at 140 Navajo Drive. The property is currently vacant and zoned RM-1 (Medium Density Multifamily Residential District). A general description of the area affected includes but is not necessarily limited to the area at the northeastern terminus of Navajo Drive. The property is approximately 1 acre and is further identified as Assessor's Parcel Number 408-24-496C. Applicant: Simno Holding, LLC (Chris Tortorello). Case Number: DEV2012-01.**

Commissioner Brandt indicated that he needed to ask if he has a Conflict of Interest in this matter, because two months or so ago, a friend of his who is an adjoining neighbor that he has also done some consulting work for started to ask him questions about landscaping and the easement through this property, and he was intending to hire the Commissioner as a consultant to help him with his interest; however, he (Commissioner Brandt) told him that wasn't necessary. Anything that he was asking would be open to either the City or the applicant and they were great questions, so he didn't need representation in other words, but Commissioner Brandt wanted to air that and see if anybody thinks he has a Conflict of Interest, because of that at this point in time, with a friend owning adjoining property. Audree Juhlin indicated that she doesn't believe that is a Conflict of Interest, but she will double check that for the next meeting, since this is only a conceptual work session, but she feels that it is not.

Presentation by Cari Meyer:

Cari indicated that this is a Development Review application for an 8-unit apartment complex named the Bella Sedona Apartments, and she also wanted to point out that there was a miscommunication between her and the applicant about the site visit earlier. If she had been clearer in her communication, he would have been there and he is willing to meet Commissioners on the site at a future date, if you want that, so we can schedule that.

Cari showed a vicinity map and aerial photo of the property and indicated it is located at 140 Navajo Drive with about 20 ft. of street frontage surrounded by residential zoning to the north and east, and commercial zoning to the south. It is a vacant lot with the drainage easement on the southern border of the site and the applicant first met with staff in September of 2012 to discuss the 8-unit apartment complex. The application was submitted to meet the deadline for today's public hearing; however, the number of comments generated caused a number of revisions that were not submitted in time to distribute them to the Commission before the work session on November 29th, and because of those changes, the Commission had requested that this item be scheduled as a work session item today before advancing to the public hearing.

It is currently zoned RM-1, which allows eight units per acre, and it is a one-acre site, so the units being proposed is what is allowed by the current zoning, and there is a significant slope to the property with the southern end being the lowest and rising to the north. In the revised Letter of Intent submitted, they are now proposing that the units be done in two phases with all of the site work and first 4-unit apartment building to be done in the first phase, and then the second 4-unit apartment building to be done in the second phase, and that will be reflected in the Conditions of Approval. Typically Development Reviews are good for one year, but with the proposed phasing, we may allow additional time.

Cari explained that the maximum proposed height is under 22 ft., so no alternate standards need to be applied and the proposed lot coverage is proposed to be 17.9%, which is under the 25% allowed. The FAR is about .3, which is below the .5 allowed and the proposal meets all City minimum standards for lighting, landscaping, etc., so they are not requesting any exceptions.

Cari then showed the proposed site plan and indicated that there are two 4-unit buildings with two-car carports on the first level and two-bedroom, one bath units on the second level, and they have been designed to minimize the cut and fill needed to build the units. The proposed floor plans are two-bedroom, one bath with approximately 950 sq. ft. per unit and they have a 100 sq. ft. patio, plus a two-car carport and 100 sq. ft. of storage on the lower level, and each unit has a washer and dryer included.

Regarding the elevations, Cari indicated that both the floor plans and elevations both meet the massing requirements of the Land Development Code. Cari then referenced the materials board and indicated that they are proposing two stucco colors with the parapet and columns being one color and the main body of the apartments being another color. There is also some wood-beam trim and wrought railings across the front of the building.

Cari explained that the grading will be minimized by the design of the units, and there will be a common dumpster and three visitor parking spaces, in addition to two-covered spaces per unit, and based on the parking standards in the Land Development Code, eight two-bedroom apartments would require 19 spaces, which is what they are providing.

Cari indicated that as proposed, the landscaping meets minimum landscaping requirements and all areas north of the apartments will be left as naturally vegetated, and one thing that the Commission brought up at the last work session was exploring the option of adding additional plantings on the southern property boundary to screen it from neighboring properties; however, with the drainage easement there, the Engineering Department will not allow any trees to be planted there, and there is an email from David Peck stating that; however, the applicant is proposing large shrubs that the Landscape Architect has said will provide the screening to the same effect that some trees would.

Cari then stated that they are also proposing the majority be native trees and shrubs, as required. There is a drawing in the Landscaping Plan and, because of the slope of the property, the size of plants they are planting and the difference in grade will do a pretty good

job of screening almost the entire development, with the exception of some of the tops of the roofs, and that screening was a concern the Commission brought up at the last work session.

Cari indicated that as far as compliance with the Design Review Manual, the original proposal was one stucco color with small accents and staff requested additional colors and materials, so they amended their proposal to include two stucco colors, and then specified some of the other accents they are using, such as the wood and wrought iron railing. They are also proposing to limit the number of different materials, in an attempt to keep construction costs low, so they can rent these units, not necessarily as deed-restricted affordable, but still at an affordable price, and to make the project financially feasible, the applicant is attempting to limit some of the architectural features.

Cari pointed out that the City and the Housing Commission has recognized that apartment rentals is a need that the City has and because he is meeting a recognized need, since our apartment rentals is 4% of our housing stock, which is very low compared to many other cities, and obviously while eight units isn't going to fulfill the entire need, it is meeting some of that need, so staff is supportive of the design as submitted; however, staff would propose a Condition of Approval that because of that, these properties could not be subdivided and sold as individual units. They would need to stay rentals, unless he came back and changed the design of the units.

Cari indicated that as far as their participation, property owners within 500 ft. were notified by the City and the applicant held an open house on site on November 14th. Two people came to the open house and their main concerns were about the potential drainage issues from the development of the site. They were concerned, because prior to the installation of the new drainage improvements that the Public Works Department did along the drainage easement, there was significant flooding issues on the property and there hasn't been a major flooding event since the improvements were finished, so they were concerned about the potential for increased flooding; however in addition to the City's work, the applicant hired the same engineer that did that work, to do drainage work for the property, so that satisfied their concerns at this point, and those were the only comments received regarding this project.

Cari reported that the Engineering Department commented about drainage, the drainage easement and the placement of utilities, and the Fire District commented primarily about the fire safety features that would be required for an apartment building, and staff had a meeting with the applicant and those departments to discuss those issues.

Cari again explained this is a work session as requested by the Commission and the public hearing is tentatively being scheduled for the Commission's February 5th meeting.

Commission's Questions of Staff:

Commissioner Jablow indicated that a lot was said about drainage issues, and the Commissioner asked David Peck for his opinion on the drainage with the way it stands now. David Peck referenced the aerial view and explained that on the center north part of the parcel, there is a valley that collects water from above, and according to the Drainage Report, that only collects about 1.9 acres of area drainage, so even in the 100-year flood event, it would only contribute six cubic feet per second, which could easily be handled in about an 18" diameter pipe, and one of the plans shows that they are planning to make a diversion channel to carry that water to the west side of the project and around the buildings, and then tie it into a culvert that will go into the existing system that the City has installed. Then, there is a small portion that will come around to the east side of the project and come down to an existing ditch that runs within the City's easement and drops into our system at the catch basin about half way through the property. They will also, as part of the Buildings and Drainage Report, need to show that this project, post construction, will not create more runoff that what it has been doing as a natural vacant lot, so they are proposing to provide detention pipes underground for the

runoff that comes off of the buildings and detain the water in a large event, and then meter it out slowly after the event.

Commissioner Jablow then asked if David is satisfied with all that is being done and David indicated so far; it is just conceptual now, so we will want them to design the channel and pipe that will carry the portion down the center for the 100-year storm. Right now, they are not showing any sizing; it is just conceptual at this point. The Commissioner then indicated that after taking a site tour today, you can't help but see that with the area and the pitch in the ground, drainage is a big issue there. David indicated that his guess is that once it is developed, it will actually be a better situation than what is there now, because the flows will be channeled to where they need to go to get into the City's structure.

Chairman Losoff referenced the property's closeness to where the flooding issues occurred and indicated that it would be important to have this information for the next meeting, so you are satisfied and the Commission can see the specifics of what will be done to control the drainage. David explained that what was happening in the past was Phase I of the Harmony-Windsong project was complete on the east side of the property, and there were trash racks that caught debris, and sometimes things would plug up and water could overflow. Harmony Phase III has been completed now, so that situation doesn't even exist anymore. The pipe has been carried up from that channel. Chairman Losoff repeated that he wanted to make sure all of that has been addressed at the next meeting, so it is not just a condition, but an actual happening.

Audree Juhlin indicated that Cari talked about the Design Review and the minimal design being proposed, and clarified that staff was supportive of it because of the apartment complex and the need for apartments in the community, which is true, because less than 4% of our housing stock is apartments, but when staff made that statement about supporting the minimal design standards, it was with the understanding that we would have guaranteed affordable housing rental units through the deed restriction, but as the Commission is aware from our last meeting with the applicant, they withdrew that proposal to dedicate the units as affordable housing, so while staff still absolutely supports the need for affordable housing, we would probably not be as willing to give up some of the design standards, as we were in exchange for restricted rents.

Presentation by Dan Surber, Architect, and Chris Tortorello, Applicant, Sedona, AZ:

Dan Surber indicated they went through the nuts and bolts and they meet the Design Review Standards. The design came about from the drainage easement, access to the property and the slope of the site, which dictated where to put the buildings and how to situate them, so they can cut into the hill, make it a two-level unit with parking below and the unit above. The lot coverage is 18% and the building ratio is .3, so they are well below the minimum standards. The required parking is 19 spaces and they have 19, and regarding the horizontal design, the parapets came about because they have a slope behind and they wanted to minimize the impact as far as the height, so they kept the parapets and deck rails on a horizontal design concept, where they aren't throwing up a big pitched roof that would block views.

Dan added that the Landscape Plan clearly shows that they are above the dentist building and the masonry supply yard next to it, and they have a wall that has some good height to it and there is a restriction for about 12 ft, where they can't do any planting in the drainage easement, but as soon as they are out of there, they will put some evergreen bushes that will get some height and buffer that side.

Dan indicated that they have talked about the multi-use rental units being a big need for Sedona; it is only 4% of the stock, so this will add to that stock. They looked at affordable units and ran the numbers as far as the market rate and the size of them, and they are going to be affordable units anyway in what they are going to get for rent, so they are falling into the equation and range for affordable units, but he doesn't know if Chris wants to talk about restricting this to apartments for the full term and that they are affordable.

Chris Tortorello apologized for not being at the site today and indicated that regarding the issue about the landscaping, if you look at the top diagram and have that buffer, the wall and shrubs will significantly shield the building, so he doesn't think that is necessarily a concern anymore. It is not that they can't plant in there at all; they just can't plant trees, because of the root depth, which might interfere with the culvert. The second topic he wanted to talk about is that as far as affordable housing goes, that would have saved a lot of money on the project, like \$10,000 or \$17,000 a unit and he was willing to do that, but not for 50 years. He didn't want to pass it on to his kids as something that expires after his life expectancy, so he wanted to negotiate that and it didn't seem that it was going to make sense to do that, because the going rental rates for units of this size is within and even under the current market rate for affordable housing, which is \$1,300 or \$1,400 per month, and these won't rent for that much, so he just took that out of the scenario, and that could change, but anybody that has been in Sedona as long as he has, which is 16 years, knows that rental rates haven't climbed much. Maybe now in recent history they have a little bit, but a house was renting for \$1,200 or \$1,300 about 15 years ago and you can still find houses renting for that amount, so the problem with affordable housing is that there just isn't enough of it; it is not necessarily that it is not affordable.

Chris indicated that as far as the design in scaling back on what might be the use of stone, etc., if they get into all of those elements, they are going to make the project unaffordable and not buildable. Today, a lot of developers are looking to buy existing apartment buildings, rather than build them from scratch, because the construction costs keep rising -- everything is going up, so he wanted to make this affordable, in the affordable context, and not bankrupt himself in doing it and not be able to have it pencil out. It is a great spot for apartments and next to an existing apartment complex.

Commission's Questions of the Applicant:

Chairman Losoff indicated that Cari had mentioned that initially the applicant was going to build everything, but now they are going to hold off and just build one section, and Chris stated that in the Letter of Intent, it stipulated something like two years, but he really only needs to do maybe six months in-between, if need be. He would like to have that option, so he can complete what he starts and see what is happening with the economy, etc. It is purely from a numbers thing that he is asking to do that in two phases.

Chairman Losoff then asked Audree Juhlin if she is okay with what is going on, since it originally came in as affordable housing, and if staff might modify the recommendation, since it has changed. Audree Juhlin explained that when staff initially met with the applicant, it was agreed that it is important to keep the construction costs down to ensure affordability, and they were talking about deed restricting them and dedicating them as affordable units, and she felt that was enough of a benefit to accept the minimal design standards that they were bringing forward, with the understanding that those units would be affordable and far less than market rate, but when they penciled it out based on the calculations that the Housing Policy uses, the number was significantly higher, as the applicant has stated, so if they were willing on their own to restrict it to \$700 or whatever is more affordable and under the market rate, then that would make it easier to support the minimal design standards, but they are meeting the minimal design standards.

Commissioner Messer indicated that he had to leave and just wanted to say that they are meeting the minimal standards, so by law we are compelled to approve it. Hopefully, these guys can micromanage some design review stuff out of them, but if not, so be it. This is an investment property for this guy and people are renting them and moving on and buying a house, and moving someplace else. He is not bound by anything to make it look pretty for us. He hopes the applicant does, because you can tell just by looking at the side view, it is what it is, a rental property, and it is within his right.

Audree explained that the Housing Commission feels strongly that when we do get affordable apartments in place, they need to make a statement that affordable housing can look good; it

doesn't have to be the bare bones perception that people have stereotyped for that kind of housing, so she is coming from both perspectives. Commissioner Messer indicated that as a guy who builds, to put up moss rock is expensive and it takes a lot of labor and time, and a lot of money. It doesn't just throw itself up, and as much as we appreciate all of those accents, they are quite expensive.

Note: Commissioner Messer left the meeting at 7:15 p.m.

Chairman Losoff indicated that the job of the Commission is to make sure the applicant meets the standards, but our bigger job is to go beyond minimum standards and not to make projects affordable for developers. We want to make sure that developers meet our requirements; if they can afford it fine and if they can't, so be it. He is not saying that is the case with this project, but overall, we have certain standards to approve, and the Housing Commission is right on. We've all seen housing developments that are affordable housing that are not very appealing, but we have also seen some, in fact a couple of years ago, students showed the Commission some affordable housing units that were really very attractive and done with minimal construction issues, so it can be done, and we don't want to minimize the issue.

Commissioner Jablow agreed with the Chairman on the fact that our standards aren't to make it easy for the developer. We have a standard in Sedona that buildings should look attractive and he keeps hearing from staff minimum standards, and yes, it meets the minimum standards, but this application is questionable to him; he isn't happy with it at all. The applicant states that the rents are going to be affordable, and the Commissioner then asked the applicant to explain what his rents are going to be.

Chris stated that basically it is what the market will allow and Commissioner Jablow then interjected that is not affordable; that is market rate. Chris then stated that the definition of affordable housing, when you do the math on the current rate, is \$1,300 to \$1,400 a month and Commissioner Jablow repeated that is market rate. Chris stated that is his point, it is already below that standard. Commissioner Jablow stated that, again, everything you are doing is minimum -- minimum standards and market rate is not affordable to some people. You have a neighbor to the west that we saw today that is a nice complex and there were 56 apartments to the west and their rates are half of what your application is. He believes the number bantered about was \$750. Audree indicated that they average between the high \$600s to \$800 range, and the Commissioner stated to him that is affordable. Chris then asked staff what size that is for, since these are almost 1,000 sq. ft., and Audree indicated the other units are a little smaller than that. Chris then added that the units would also have two-car parking, a washer and dryer inside, and Dan Surber added about 100 sq. ft. of storage room.

Commissioner Jablow then stated that he canvassed the real estate market for the first work session with Foothills Properties and asked about their rates, and you can get a basic rental for \$750 and that is the regular market rate. If you want a townhouse, you will pay \$1,250, and even for a full house with full amenities, you can get pool, spa, weight room, etc., for \$1,200 to \$1,300 and that is factual. You can call them yourself and ask.

Chris indicated that he knows them very well and he talked with them too and that sounds a little different than what he heard, but he doesn't really know. Chairman Losoff asked Commissioner Jablow where he is going with this and the Commissioner stated that the fact is that he thinks that because the applicant wants to build the project on the cheap, it doesn't mean that as a City, we should have it looking cheap in that neighborhood; we deserve better, and if that is the project you want to give us . . .

Chris explained that with all due respect, he has been building here for 16 years and he uses synthetic stucco, granite counters, Wood Joint cabinetry, and what he is doing is not on the cheap. He guarantees that; maybe the design from your perspective doesn't look like some of the other buildings here, but he can assure you he doesn't build on the cheap. Commissioner

Jablow stated that Chris had stated that he did. The outside looks like that is what you are giving us, but maybe the inside is beautiful, and in your Letter of Intent on Section L, it says, "Offers a stately entrance and creates an inviting approach upon entering these apartments", and the Commissioner then asked for the applicant to explain what a "stately entrance is" and where it is.

Chris referenced the Landscaping Plan and indicated the stone sign is there, the trees are there. It is not like going to some apartment complexes that exist, and some of those units you mentioned that you can get for \$750 are not 1,000 sq. ft. and they are not new. To build new today is expensive and he understands that is not the Commissioner's concern. Commissioner Jablow stated that he agrees and it is his concern; he means you as an investor. Chairman Losoff asked if the issue is that from an overall point-of-view for the work session, Commissioner Jablow would like to see the building materials be more than just minimum and the Commissioner stated yes and he would like to see a real "stately entrance".

Commissioner Taylor stated that as an architect, he doesn't care about the stately entrance. The Commissioner then asked if in any way in this construction the applicant is shortchanging acoustic privacy and Dan Surber stated no, there will be . . . Commissioner Taylor interrupted to ask if there is a double wall between the divided floor, etc. Dan indicated that they will be alternated and have sound insulation and . . . Commissioner Taylor again interrupted to say he sees that in apartments as one of the really important features. Dan Surber indicated he agreed and the Commissioner indicated that a lot of stuff can be cheap in an apartment, maybe granite counters aren't needed, but you do need that privacy. Chris added that there is nothing below or above and the Commissioner stated he knows; it is between the dividing walls.

Commissioner Brandt asked Audree if there would be a restriction against having these be converted to condos and Audree indicated that staff is recommending, as part of the review process, that the Commission consider the condition that restricts the apartments from being converted to condos. Commissioner Brandt then asked the applicant about that and Chris indicated that he didn't know much about that stipulation until recently and hasn't had much time to process that, but he guesses that it means they remain apartments. It sounds like it is kind of being restricted in a way that affordable housing might have that stipulation or Condition of Approval. That is what it sounded like to him, but he hasn't thought about that much. The Commissioner then stated that instead of them being second homes and vacant, they stay in the rental pool, which would be really beneficial.

Cari explained that really came about as staff was reviewing it and deciding whether or not staff would support this design, because the justification given was that these would be adding to the rental stock, so the thinking behind that proposed condition was that if we're approving this design that meets the standards, but maybe not in the same way of some of the other projects in that it doesn't offer some of the enhancements that other projects do, but if the justification is that they are adding to the rental stock, then it needs to remain in the rental stock, because he is getting kind of a benefit for having the rentals.

Chris stated that if they are looking at minimum standards; it says clearly in the design review that these are minimum standards, so if that was going to apply when it was affordable housing, he thinks the fact that this would be restricted to apartments is bringing it back into that arena to some degree. He is just making a point that it is being restricted, yet it is not affordable housing, even though it is guaranteeing it to be apartments for the duration.

Chairman Losoff noted that it could also be argued that taking affordable housing out, because at this point, it is not affordable housing; it is or isn't, and he thinks we have agreed it is not, regardless of whatever, you say you are not going to put it up as affordable housing in accordance with our Housing Commission and other standards. It is going to be normal rental. Chris stated yes, and the Chairman continued to say that the City does need more rentals, so if we could protect the number of rentals going forward, he thinks it is to our benefit to do so, and

if that means keeping it from being condos in the future, that is an important thing for the Commission to discuss.

Chris asked if he in fact agreed to that, the Commission would approve it today and Audree pointed out that the Commission can't approve it today. Commissioner Brandt indicated that you look at it in a different light, as far as the benefit of the City compared to what the proposal is, so he thinks the minimum standards for the City of Sedona are written really good to make buildings have a rich look, regardless, with a lot of shadow and indents, and the architect's followed through on that, but it is a lot more streamlined than some of the other projects the Commission has seen. He went to the site and got to about where the top of the building is compared to the trees behind units 7 and 8, to see what you could see from there, because whatever you see will see the top of this building, so whereas he thinks the two individual buildings taken as a single unit is well designed, the two of them being in the row and aligned, makes it seem that it is going to be a big wall of one solid color across there. If there is anything you can do within the design development to adjust that, it would be appreciated. He doesn't know what, but he notices that there is almost 10 ft. of fall in the west building, from east to west, whereas there is only a couple of feet on the other building, so perhaps that could be considered. He knows the drainage has to come back behind and there is the height code to follow, but the other thing would be to just continue the landscaping for the benefit of the residential neighborhood, since there was a gap that was left open. The rest of it seems to be well landscaped and that is important to consider for how it fits in and the feel of it as far as just having stone, etc.

Chairman Losoff asked which one they would build first and Chris indicated units 1 - 4, as you come in.

Commissioner Hadley indicated that he pretty much agrees with what Commissioner Brandt said; it does meet the minimum standards, and you proposed two stucco colors, but where would those be. Dan explained that they would be within the units as far as the massing, so a parapet that is out in front would be one color and the parapet that is back in the entry area is going to be another color. The Commissioner then confirmed that those taller masses would be a different color than the forward masses and indicated that he agrees with that and it would carry down below that roof at the entry as well, so you are seeing a deeper color. Dan Surber indicated that is right. Commissioner Hadley then indicated that all sounds good and asked if there is anything that could be done with the central area between the two. You've got three heights or four really. Dan then pointed out the masses that are out in front and set back, and the Commissioner noted that the elevation looks flat, but there is really a lot of lateral movement in it. Dan indicated that is going to cause shadows and shades, and the massing will give it some character also.

Commissioner Hadley indicated that he didn't want to cause a lot of work, but asked how much trouble it would be to do a quick sketched perspective showing that, rather than the flat. Dan indicated he could do it. The Commissioner indicated that he understood what Dan is doing and he likes the deeper color on those masses in the back; that is good. It is just the center part that kind of bothers him, so food for thought. Other than that, he had concerns about the drainage, but David answered that, and he had concerns about the landscaping between the first phase and the professional building, but he thinks what is being proposed is okay, so he is pretty good.

The Chairman opened the public comment period at this time.

Sandy Moriarty, Sedona, AZ: As the Commission knows, she is on the Housing Commission, but she is not speaking for the Housing Commission, she is speaking only for herself, so her concern is more that it stays in the rental pool and does not get condominiumized, because there have been a lot of apartments go that route, and that is one reason we don't have very many. Cottonwood has something like 44% apartments and we have 4%, so we really do need

apartments, and the size alone will restrict it somewhat on the rents, so she is not as concerned about the outside. She thinks Commissioner Taylor brought up a great point about the walls inside, and that is more important to quality. Frankly, who looks at the outside of any building for very long, nobody really, not even your neighbors, so that does not concern her, although the steps they have taken with the different colors and the massing, the Commission seems to think will help and she would agree; you are the professionals, so she is more concerned that it stays in the rental pool.

Having no more requests to speak, the public comment period closed.

Chairman Losoff indicated that is a good summary and one of our key issues, and making the building look less straight and boxy with the color or landscaping, etc. There were some good suggestions from Commissioners Brandt and Hadley, and the applicant has heard what the Commission is thinking. It is frustrating for the Commission, because we talk about minimum standards and as Commissioner Messer said, we have to adhere to those, but anything a developer can do to go beyond it is certainly great for the Commission and the City.

Commissioner Hadley stated that the minimum standards are far and away above what a lot of places require, so even though it is minimum, it is still good. He would just like to see a little architectural and color articulation, and then he thinks he is fine with it.

Audree Juhlin wanted to clarify that when staff made the commitment to support the minimal standards, it was with the deed restrictions, but she isn't saying that staff doesn't support what is being proposed, she is saying that statement was made to commit to the deed restrictions, but to the point that Commissioner Brandt brought up about asking the applicant to ensure that they are not converted to condos, which helps ensure that they are somewhat affordable by the nature of being a rental unit.

Chairman Losoff indicated that regardless of whether they are affordable or not affordable, we just need more apartments and size will limit the rent. Audree Juhlin then stated that she agrees with both Commissioners Brandt and Hadley's comments, because those are some good changes that could beef it up at little cost.

Commissioner Brandt then noticed that on the Grading Plan it has one building at 24 and the other building at 23 and 22 at the other end, so it appears that there could almost be 2' of change and we are almost there.

Commissioner Jablow indicated that if the applicant can consider going along with Commissioners Brandt and Hadley's suggestions, he thinks that would soothe his concerns dramatically and staying in the rental pool is paramount to everything else; that is a big consideration. He also would like to remind the Commissioners to look at this diagram again and remember that they are not garage doors, they are carports and he feels that will take away a little of the look and if that is not important to the professionals here, he can understand that, but to him, he would like to see garage doors. It adds to the expense, but it would make it look a little cleaner and nicer in his opinion, and if the applicant considers some of the suggestions made, it would go a long way in helping him be more comfortable with this.

Chairman Losoff asked the applicant if he had enough information from the Commission and Chris stated yes, thank you.

- 7. Discussion/possible action regarding future meeting dates and agenda items: (10 minutes 5:45 – 5:55 pm)**
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| Thursday, January 10, 2013 | – 3:30 p.m. – Work session |
| Tuesday, January 15, 2013 | – 5:30 p.m. – Regular |
| Thursday, January 31, 2013 | – 3:30 p.m. – Work session |
| Tuesday, February 5, 2013 | – 5:30 p.m. – Regular |

Audree Juhlin indicated that the January 10th work session and January 15th regular meeting are canceled and the next meeting will be January 31st, and we talked about some items to be on the agenda related to Mariposa, so that item will be included for a work session discussion only, and Commissioner Taylor asked to agendaize whether or not the Commission wants to support a recommendation for the City Council to purchase that property, if that is something the Commission wants on that agenda for discussion and possible action.

Commissioner Hadley asked how that would work and if the Commission would just recommend to the City Council that they buy the property. Commissioner Taylor indicated that the Commission would make a motion that the City Council take up the possibility of buying the property, and if they say no, it comes back to the Planning & Zoning Commission. Chairman Losoff indicated that it can be put on the agenda and we discuss it and vote on whether or not we want to make that recommendation to the City Council. Audree Juhlin explained that the recommendation would be for the City Council to consider the possibility of purchasing it; it is not that you are saying purchase it, it is just to consider purchasing it. Commissioner Jablow pointed out that the Community Plan had discussed possibly other areas to purchase in the future for the String of Pearls, and then asked if that land had ever been considered as a possibility. Chairman Losoff explained that we can't discuss that now and that is a major issue, but we will put it on the agenda.

Audree Juhlin then referenced the February 5th meeting and Cari indicated that the Bella Sedona Apartment project will be agendaized for action, and we can also schedule a brief work session to look at some of their changes at the January 31st meeting. Audree Juhlin added that she would recommend that we do that on the 31st; however, the agenda is getting rather large. The City Manager's office would like to put the Capital Improvement Projects before the Commission for your review and comments, and that is the date they are shooting for, so that may be a long meeting and she can possibly bring in some food if the Commission is okay with that. The other issue is that the City Council is trying to decide what dates they are going to meet jointly with the Commissions, and they haven't finalized the date, but she believes the 5th is one of the dates they are considering to meet with this Commission. If you have any thought about having it on a work session date versus a public hearing date she can convey that to the City Clerk's office.

Chairman Losoff indicated that the Commission could probably give consideration, for example, we had three significant discussions today, and we are canceling the meeting on the 15th, so going forward, we could have put one of them today on the 15th, even though that is for long-range planning. Cari explained that when the applicant submits their projects, staff gives them a hearing date, and we can move it, but we try to stick to that as much as possible, but staff can look at that.

Chairman Losoff indicated that staff could talk to the applicant and explain that the meetings are bunched up and ask to move it. Cari indicated that she understood that with the Community Plan things happening, the long-range meetings will begin to be full as well.

8. Adjournment (5:55 pm)

Chairman Losoff called for adjournment at 7:42 p.m., without objection.

I certify that the above is a true and correct summary of the meeting of the Planning & Zoning Commission held on January 3, 2013.

Donna A. S. Puckett, *Recording Secretary*

Date