

**Summary Minutes**  
**City of Sedona**  
**Planning & Zoning Commission Work Session**  
**Vultee Conference Room, 102 Roadrunner Drive, Sedona, AZ**  
**Thursday, February 27, 2014 - 3:30 p.m.**

**1. VERIFICATION OF NOTICE**

Chair Losoff confirmed the meeting had been properly noticed.

**2. CALL TO ORDER AND ROLL CALL. (5 minutes; 3:30 – 3:35)**

Chair Losoff called the work session to order at 3:30 p.m.

**Roll Call:**

**Planning & Zoning Commissioners Present:** Chair Marty Losoff, Vice Chair Michael Hadley and Commissioners, John Currivan, Scott Jablow, Kathy Levin and Norm Taylor. Commissioner Eric Brandt was absent.

**Staff Present:** Ray Cota, Karen Daines, Audree Juhlin, Tabatha Miller, Charles Mosley, Rachel Murdock and Ron Ramsey

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

There were no announcements.

**4. REGULAR BUSINESS**

- a. Presentation/discussion of the first round Capital Improvement Program (CIP) requests for FY15-20, in order to solicit comments and input from the Planning and Zoning Commission on CIP project priorities and alignment with overall City development objectives. Staff: Karen Daines, Assistant City Manager (1 hour)**

Ray Cota, Police Chief; Rachel Murdock, Parks & Recreation Manager; Charles Mosley, Public Works Director; Tabatha Miller, Finance Director and Karen Daines, Assistant City Manager joined the Commission for the discussion and introduced themselves.

**Presentation:** Karen Daines explained that staff wanted to present the first draft of the Fiscal Year 2015 – 2020 Capital Improvement Program (CIP), which is a multi-year spending plan for major capital infrastructure, such as acquisition of large assets, construction projects for the City, etc., that cost a minimum of \$50,000 with a useful life of at least five years. Staff has compiled the project requests looking at the capital infrastructure needs of the City through the next six years. It is not yet a funded plan; these are requests that are felt to be the highest priority items either through master plans, staff's personal expertise, City Council-generated projects or community-generated projects.

Karen explained that during the last two years, staff did a 10-year CIP, but realized that 10 years isn't a realistic timeframe for forecasting, so staff is proposing to scale it back to a six-year plan. Additionally, staff is attempting to show only funded items the first three years of the plan, because in the past, only year one was shown as funded. Year one is the year that the City Council actually adopts as the new budget and the rest is just a plan; however, the community saw projects in years two, three and later and thought those things were going to occur.

Karen indicated that the City has finite resources to put toward capital needs; a reserve has been built up, but there isn't much new money being put into that each year. We have started to get back into doing capital projects that were suspended during the economic downturn and spending those reserves, so we are forecasting that within the next couple of years, those

monies will be spent; therefore, we are trying to do a three-year funded plan and only show projects in the first three years that we have money for.

Karen restated that the information is not a balanced plan; these are requests. Therefore, we have to determine the highest priorities for funding and that is why staff is here. P&Z is one reviewing body and we have a Budget Committee that will also provide input. There also will be a general public meeting for input. The packet includes a narrative about the CIP and the process, timing, etc., plus the actual projects. First, there are summary sheets where the projects are broken out into eight different program areas to show the timeframe, where the projects fall and the total dollar cost. In the detail sheets that follow, there is a description of the project, a project justification, the breakout showing how much is for land acquisition, design, construction, etc., plus operational impacts. For example, we don't want to open a new recreation center if we haven't analyzed the ability to fund staff, utilities, maintenance and operational costs. There is also a categorization number of one, two or three. One is the critical health and safety items, two is perhaps a legal mandate, ADEQ requirement, etc., and three is the quality of life items.

Karen indicated that a work group or the Budget Committee will look at more objective prioritization mechanisms, to tie a scoring to each project to help determine the highest priorities for the community with finite resources. This plan is on the website and people have been invited to provide input. Staff will go through the process of trying to tie the funding to the projects, then a plan will be brought back to the Commission that will be the City Manager's recommendation that will go to the City Council on May 1st, and that plan will be a funded plan in the first three years, so a lot of what you see in the first three years will get pushed, because of a lack of available funding.

Karen explained that a City Council work session is planned for the end of March and staff will talk to the Council about debt financing, with the understanding that the City has mostly been doing pay-as-you-go plans. We save the money and then to do the project, but that isn't always realistic for a community of this size and debt is a reasonable and normal way for cities to fund long-term assets, and that may add opportunities for additional projects into the out years.

#### **Commission's Questions/Comments:**

- Question about what staff is looking for from the Commission and what would be most helpful to staff. Karen explained that staff is looking to the Commission to provide feedback on the Plan, so as you look at the list of projects, which do you think are more important relative to others; however, no formal action is required.
- Comment that since this is in rough draft and there will be a lot of changes, the best the Commission can do, without going through all of the detail, is give a general overview of our thoughts, and there may be some ideas about planning and how this CIP fits with some of the projects the Commission has seen and the Community Plan, etc.
- Comment that Information Technology didn't have anything listed, but IT is extremely important. Karen explained that the threshold for inclusion in the CIP is \$50,000 with a useful life of 5 years, so many technology things don't hit that threshold and the useful life for some software isn't even 5 years. A lot of things are cloud or subscriptions for software products, so that has been a shift. It doesn't mean that there won't be major projects, like the CAD in PD.
- Question about putting a park in the Chapel Area versus West Sedona, etc. Rachel Murdock explained that it didn't say the Chapel Area specifically in the Master Plan, it said "Distributing of City parks equitably", plus both parks are in West Sedona. It doesn't mean it has to stay there, but it can't be in West Sedona, and it mentioned that we needed another neighborhood park, which is why staff was looking at that area.
- Question about whether or not any potential parcels have been identified, and Rachel indicated no. Karen Daines also explained that many projects in the draft have been in

there for several years and Council knows about them. The proposed neighborhood park is a brand new project this year, so this is the year to get the community's feedback on that.

- Comment that it is good to look at the various funding mechanisms with Council, so things aren't just closed out because we can't afford it. Karen explained that the Commission can communicate that to Council directly, if not through staff, and noted that last summer a work session was held with Council and improvement districts mainly for drainage issues and bond financing were discussed, but there was really no tolerance for a secondary property tax to fund a G.O. Bond issue, and the suggestion to raise the sales tax one-half percent to fund capital projects also died. There is very little tolerance in the community for figuring out how to generate new revenue. Next month, staff will discuss taking existing resources and trying to free some of that up, and that would be a debt service payment, so maybe we can't come up with \$10 million, but we could come up with \$500,000 per year, if we paid that over 25 years, and it would be only for projects that have a useful life of 25 years.
- Question about things that have to be redone on a longer timeframe, such as repaving a street, and preventing things from just popping up and impacting projections. Karen explained that many cities have a Facilities Master Plan to show what is needed, and then they try to amortize them as level as they can; however, Sedona hasn't historically done a great job of that. Vehicle replacement is an example, but Public Works tries to look at things in a little longer term, even in the Operating Budget.
- Comment that the summary is a helpful spreadsheet, but there is confusion between a category and a priority, for example, on page 9, that item is in Category 3, but on page 11, there is no category and the item is Priority 3, and in the discussion, it says the categories are helpful in setting the priorities, so a suggestion would be to decide whether we are going to have categories or priorities. Additionally, add a column on the summary sheet for the priority. Karen Daines explained that on page 11 where it says Priority 3, it is a typo. Two years ago, these were priorities and they were changed to categories, because they aren't priorities; there are many Category One items that aren't funded, so it wasn't fair to continue to represent those as priorities. The categories don't tie directly to priorities; they may be one factor, so if a project is in Category One, it may give that item a little more weight. For a prioritization mechanism, she is talking about the development of a tool that considers the category, but also the availability of funding, etc. If something has a dedicated funding source, it will probably move higher in the priorities. Legal mandates will be another category that will carry a little higher priority. Feasibility of getting something done is another consideration. We're putting together a citizens' group to help develop an objective prioritization mechanism.
- Question as to whether or not every project should have a category, and Karen replied yes.
- Suggestion to have a column that shows the category.
- Question as to whether or not every project will have a priority. Karen explained that none of them are prioritized now, because we don't have that mechanism and the category column was actually removed from the summary, because it didn't seem meaningful. People want to tie Category One, Two or Three to priorities, so we didn't want to confuse people. Perhaps we shouldn't keep them on there, until we have a prioritization.
- Question as to whether or not there will be some discussion on the final draft, and Karen indicated no, because the final draft will be done within one to two months and time is needed to determine the prioritization mechanism.
- Comment that there are a lot of projects for drainage and flood control, and to catch the water north of 89A is the better way to alleviate the flood control downstream. A couple of hundred yards north of 89A, it is very rough terrain and a large retention basin there could catch a lot of the water. To rebuild that flood control through Tlaquepaque seems to be a huge undertaking, and we really want to recharge the land, because we want the least amount of water going into the brook.
- Question as to if the City could fund rain barrels for residents to catch water coming off of roofs to be used for watering landscaping. Charles Mosley explained that the issue of capturing water in the forest area north of 89A was discussed last year, and staff received

authorization from the Council to look into that. SEC Engineering was hired and we are looking at that now. We always have to consider how much can be gathered by that method, and then we compare that to the amount that we still have to manage to reduce flooding. At this point, it appears that even if we maximize what we can do in that area, we still find a deficit, so it is good to keep those costs in there, because it may go to a pipe or a retention basin, but the costs may be similar. It is too preliminary at this time to declare that we are going to do a basin; however, the costs shown are probably pretty reasonable. Additionally regarding the rain barrels, a lot of times that is related to water conservation and the City doesn't manage the water. Also, their impact on rainfall is relatively small. The amount of water that comes off of a roof is tremendous and you have overflow, which we still have to deal with in the storm drain system. The rain barrels are a nice idea and we could do it if it was a Council priority, but we haven't been told that it is.

- Question as to whether or not children are required to take the school bus. Another Commissioner stated no, at which time the comment was made that the sidewalks are then a good idea, although a gravel shoulder would be just as good, to reduce the amount of pavement unless they are going to ride bicycles.
- Comment that a shoulder is needed on Brewer Road; it is really dangerous to walk with your back to traffic. On one side there is no place to walk and the shoulder on the other side varies in width.
- Comment indicating that is the charm of old Sedona, because that is an old road
- Comment that the idea is the input of one person and as a Commission, we aren't suggesting that. Charles Mosley pointed out that in the Community Plan, there is the idea of safe pedestrian access from the neighborhoods to the commercial areas; however, the competing idea regarding sidewalks and some drainages is the concept of retaining the rural character along the streets of Sedona, but that is why you see a lot of the sidewalks from the northern area down to 89A.
- Comment that a shoulder doesn't necessarily take away from the rural character. The gutter along the edge of that road is undermining the pavement, so there is more than one reason for a shoulder.
- Question regarding what is going on at Back O' Beyond where they have a water crossing, and Charles Mosley explained that there are actually three low water crossings and when we have monsoon rains, the neighborhoods get trapped for days, so they have requested that the City look into providing culverts so they can get out. The Council indicated that it was a condition that was known when people bought their homes, and it didn't rise to a priority to be fixed.
- Comment that we shouldn't be developing anything at the wastewater site other than a nature preserve. It is wrong to think of recreation there; it goes against the Community Plan and we are trying to make the town more walkable. If we start to build on land between Cottonwood and Sedona, we can't argue against Cottonwood building out, and to start to erode the separation between towns is a very bad idea.
- Comment that if the new Community Plan is approved, it directly speaks to the Wastewater Treatment Plant, and this coincides with that. It doesn't say what to build, but it talks about effluent management and doing things out there that are ecologically balanced.
- Comment that this has to do with plan authorization more than new amenities.
- Comment that the Parks & Rec. Survey showed that there was little interest in more ball fields; this is mostly operations for the plant. Karen Daines indicated that staff may need to change the narrative a little, because the intention of that project is for a consultant's study to look at potential land uses. The City Council directed staff to move forward with the optimization plan at the treatment plant, which would free up 200 acres. Once we know which 200 acres, this project would have someone take a look at possible future land uses. There are no preconceived ideas about what those might be. Additionally, the project used to have a title about a multipurpose facility, but that has been changed to just possible land uses. The title was changed but the description wasn't, so that sentence will be removed.

- Comment that the Commissioner would love to see a park in the Chapel Area; however, the money should be spent more on drainage. We don't need to spend \$1.7 million; the park should be put off so it could go for drainage.
- Question as to whether or not the merchants in Uptown were against the Uptown parking meters, and Karen Daines indicated yes and explained that is a project that was in the 2012 Fiscal Year budget. When the outreach to the merchants began, they were vehemently opposed to the installation of parking meters, but from there the City brought in the parking consultant, who did the 2005 study that recommended meters, to determine if the meters still made sense. The merchants' argument was that the economy had changed so much the meters could devastate their businesses. That consultant held to the opinion that not only are parking meters not going to hurt their businesses, but as long as it is priced reasonably, meters actually help the merchants, with the logic that the couple with two small children in the Land Rover, after several hours of driving, will pay \$1.00 per hour to be outside the business they want to patronize instead of trying to find off-street free parking, and it actually helps price segregate who is willing to pay, which are the type of people the merchants want right outside of their business as long as you offer good free parking opportunities that are easy to find and easily accessible. We weren't really doing that, so it was decided to hold off on meters until we felt more comfortable that the off-street opportunities were good alternatives. We have done a bunch of public-private parking agreements and added several hundred public spaces throughout Uptown. The meters were deferred for two years to let other things be done, and we still believe that is an essential component to an overall parking management strategy; therefore, once we do these other things, this is the next step.
- Question regarding the shooting range improvements being for other city departments and whether or not that is other city's Police Departments. Ray Cota explained that is at full build out if the facility is expanded for classrooms and restrooms, then it would be usable by all City departments for training, etc., but that isn't included in the current cost estimate, which are for the most essential improvements. The shooting range is out by the treatment plant, not in the city limits.
- Question as to whether or not the range is shared with Cottonwood, and Ray Cota explained that through an agreement with Arizona Police Officer Standards and Training (POST) Board, we have to provide access to neighboring agencies and probably 80% of the daytime use is law enforcement.
- Question regarding talk about a changeover from SFD to Cottonwood dispatch and how proposed improvements would be carried over a new system should that occur. Ray Cota explained that is an unknown, the study that Cottonwood funded about two years ago, which Sedona participated in, was a three phase study. First, they looked at the feasibility of a regional communication center, so the study looked at everybody's call loads, personnel, etc., and the study said yes, in a perfect world a regional facility works. Then, it looked at how a regional center would work and what it would look like, etc., and when the study got to that level of detail, the discussions started as to who would bring dollars to the program. Cottonwood was hoping that the City of Sedona would be a significant capital partner in the project for in excess of \$3 million, and we felt that was beyond our funding reach at that point in time, so we waited for the study to be finalized, and Cottonwood decided to move forward on the construction on their own, and they came up with a calls for service-based rate structure that was about 50-some dollars per call, so we would end up spending just as much as we spend now. Therefore, the Cottonwood approach doesn't seem to be cost effective right now, and it didn't even include a radio component.
- Question regarding whether or not any requested upgrade would work if it went to Cottonwood. Ray Cota indicated that the Fire Chief of SFD has no idea in terms of what they will be doing with the center in the future, and they own the basic infrastructure, so whether or not that will ever be part of the Cottonwood facility, he has no idea.
- Comment that regarding the Chapel Area sidewalk, the preference would be to not have a sidewalk, but that probably is needed for the bus loads of people, so is it a safety issue that requires spending over \$1 million, when that money could be used for drainage. Charles

Mosley explained that it does come about because of the tourists and residents have expressed concerns on several occasions.

- Comment that if sidewalks are tied to drainage great, and if not, as much money as possible should be used for drainage.
- Comment that again that is not a consensus and the Commission is not saying Public Works should do that.
- Question as to why the Back O' Beyond project isn't higher up; if people can't get out for three days that is a problem, but is that a private road? Charles Mosley indicated no, the road is not private, the Back O' Beyond Road that goes by the trailhead is public, but in the Back O' Beyond Ranch, the nearer one, that is all private. It is really the concept that they have known about that situation for years and they chose to live there. Also, there are other drainage problems, so even if the City wanted to do it, it is way down on the list.
- Comment that the new format is liked as opposed to prior years; it is easier to understand and it would be nice to see it when they are categorized on the summary sheet.
- Comment that in years past, the Commission was asked to participate in commenting on the priorities or categories, or in commenting on whether or not it was an appropriate category, although he doesn't feel qualified to make that determination. Staff understands all of these things; however, it does seem like the Commission was asked before.
- Comment that the Commission was also asked to comment on whether or not each item conforms to the Community Plan. Audree Juhlin indicated yes, that is true.
- Question regarding what the Commission is supposed to do to help staff; after reading the whole thing, the descriptions and justifications of each project are very good. Karen Daines explained that it is a little different this year than what the Commission's role will be next year, and that has to do with the Community Plan, because most of these projects have been around for quite a while, and even for the new projects, the existing Community Plan is so broad that there is probably nothing in here that doesn't conform to the current Community Plan. Things will be different when we have the new Community Plan adopted, and there will be projects directly and indirectly tied to that, so we will need to pay more attention to marrying the CIP with the new Community Plan. This year it hasn't been adopted and it is premature to assume anything. Since we have to start our process in December, the Community Plan hasn't played the same role in the development of the CIP this year. Compared to what you were used to in the past, in terms of directly tying that to the new Community Plan, this year, the Commission is really more of the public input process. Even the personal opinions being provided are being documented, just like staff will document all of the public's comments; however if the Commission as a body has any feedback that you want to move forward, that would be documented in a different way.
- Comment that the work that went into this is appreciated and it is easy to understand.
- Suggestion that where there is historical text, it might help the next reviewing body to put that in the present; for example on page 37 where it talks about drainage improvements around Ranger and Brewer, all of those things have happened and they were pre-179 improvements, and then everything that follows is "projection talk" rather than "current speak". There was confusion about the scope of the project and the "history-telling" in that.
- Comment that regarding the Schnebly Uptown Parking Lot nothing is described, except it is a placeholder, but something must have drawn staff's attention to create a placeholder. The Schnebly home is just a foundation and there are Iris planted in that area. Charles Mosley indicated that in the project specification, it talks about previous improvements. There are a lot of tiles that are deteriorating and missing, so it doesn't look like an inviting place. We may want to put in a theme that is more inviting for a sitting area, such as a game table or chessboard. Karen Daines added that the narrative can be expanded more to be clearer, and Charles Mosley indicated that part of the idea was to have a landscape architect competition to decide what should be there, and as the City gets more art in public places money, we would do that.
- Comment that park amenities for families and the number of areas where those are suggested are strongly supported.

- Comment in support of new neighborhood sidewalks to promote walkability, which is a theme in the new Community Plan, as well as getting people to services and between West Sedona School and the Sedona West Subdivision.
- Comment to endorse the expansion at Jordan Historical Park for offices, archives and exhibits. They keep getting more donations and they don't have a proper way to store them, plus their offices need to come out of the residence, so they can tell the story of the Jordan homestead.
- Comment in support of the Forest Service Ranger Station site, which has a placeholder for master planning and improvements.
- Comment about wanting more explanation on the nature of the improvements at Ranger and Brewer; however, there has already been some discussion on that.
- Comment regarding disappointment that there is nothing to enhance tourists' experience other than parking meters and improved parking. Ideas previously have been submitted to improve the tourists' experience, because other than the red rocks and hiking, there are a lot of things that could be done. We also don't have a central park where residents and tourists can mingle and that should be a higher priority than a Chapel Area park. We also don't have any access to the creek. Karen Daines explained that we do have projects for that, including a project for Uptown to improve the pedestrian access from the municipal lot and Wayside with sidewalks, lighting and ADA accessibility through Wayside, including an elevator, which is a huge thing for tourists. Another thing is that the City is going to contribute to additional destination marketing and part of that will be for product development. A committee has been created to determine what product development means; it is enhancing the tourists' experience, and maybe that is physical infrastructure or expansion of events, etc. One of the things in the Ranger Station property discussions has been an expansion of the Heart of Sedona concept, partnering with other groups to make that a central community gathering space, and the creekside property is not dead. In conjunction with the Council's vote on the U.S. Forest Service Ranger Station property, staff also was directed to look at additional opportunities to pursue that creekside park access and we are in the process of doing that now.
- Comment that is good to hear, but it isn't in the CIP and the park on Brewer Road is miniscule; it is not going to make a nice central park by itself.
- Comment regarding the Police Department items in that there are some things we take for granted and one is that this is a safe town, and when we say we want a more walkable community, we take for granted that people can walk safely, and nothing should happen that causes that level of confidence to deteriorate, so a plug would be for anything that the Police need in the way of things that affect law enforcement. For example, the radio enhancement and the shooting range improvements are appropriate for Category One, so staff should take into account that those things should not be allowed to slip in Sedona.
- Comment that since we don't have priorities and Community Plan tie-ins, staff is hearing a lot of individual or personal comments. Some of the consensus seemed to include having a column on the summary page showing the category, perhaps instead of the project number. Additionally, the Commission would like to see the priorities and if an overall consensus is wanted, the Commission would have to be presented with some priorities. Karen Daines asked if it would be helpful to have some matrix or methodology for ranking and scoring projects, and then have staff score them and give that to the Commission to see if the Commission concurred, or would the Commission rather have the prioritization mechanism and scoring criteria, and then the Commission go through and score them.
- Comment that staff should present them with the priorities and the Commission should review them for a tie-in with the new Community Plan, etc., but not for the Commission to prioritize them. Karen Daines then explained that one of the ways that will be done will be when the Commission has the version of this information that is funded, which means that based on community input, resources available, state mandates, etc., staff has said that these are the priorities for this year, year two and year three. Those three years will be prioritized based on funding. The out years won't be, because we haven't balanced those and they haven't competed for dollars, but at that point, you may have an easier time

saying that a project in year two is a higher priority than a project in year one, and staff may then say that is only because we have this outside source of funding, etc.

- Comment that in future years the Commission wants to see a definite tie to the Community Plan, and maybe even work with the Commission to come up with some form of funding mechanisms, although we don't want to shut out ideas when we can't afford them. We should identify the projects, prioritize them, and then see how we can pay for them.
- Question about whether or not it will be clear to the Commission as to where the funding is coming from. Karen Daines explained that the summary pages don't indicate the funding source, but for every project, there is a column in the detail that will show where the funding is coming from. Sometimes you will see construction and 50% of outside sources are grants and 50% are from the general fund, and that means that we probably funded it because there is another pot of money that we need to match, so we are leveraging that. When staff comes back, the funding sources will be filled out, because it will be balanced for at least the first three years.

Chair Losoff thanked staff for the presentation, and Ron Ramsey added that in the News Report for the City's website, the public is invited to participate in both Commission meetings and Council meetings, so if you can make a note in the record that it is open for public comment.

*Chair Losoff opened the public comment period indicating that if any member of the public would like to speak, questions or comments would be entertained. Having no requests to speak, the public comment period was closed.*

#### **5. FUTURE MEETING DATES AND AGENDA ITEMS**

- a. **Tuesday, March 4, 2014 5:30 pm (Regular)**
- b. **Thursday, March 13, 2014 3:30 pm (Work Session)**
- c. **Tuesday, March 18, 2014 5:30 pm (Regular)**
- d. **Thursday, March 27, 2014 3:30 pm (Work Session)**

Audree Juhlin indicated that March 4<sup>th</sup> and March 13<sup>th</sup> are cancelled. On March 18<sup>th</sup>, site visits are scheduled for 3:00 p.m., to go to Sedona Rouge and Tlaquepaque North, and then at 5:30 p.m., there will be a work session on both of those projects. March 27<sup>th</sup> is tentatively scheduled for the CIP to come back to the Commission.

#### **6. EXECUTIVE SESSION**

**If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Planning and Zoning Commission may hold an Executive Session that is not open to the public for the following purposes:**

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

No Executive Session was held.

#### **7. ADJOURNMENT**

Chair Losoff called for adjournment at 4:56 p.m., without objection.

I certify that the above is a true and correct summary of the work session of the Planning & Zoning Commission held on February 27, 2014.

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Donna A. S. Puckett, *Administrative Assistant*

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Date