

Summary Minutes
City of Sedona
Planning & Zoning Commission Meeting
City Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Tuesday, December 15, 2015 - 5:30 p.m.

1. VERIFICATION OF NOTICE

Chair Losoff verified the meeting had been properly noticed.

2. CALL TO ORDER, PLEDGE OF ALLEGIANCE, & ROLL CALL

The Chair called the meeting to order, led the Pledge of Allegiance and requested roll call.

Roll Call:

Planning & Zoning Commissioners Present: Chair Marty Losoff, Vice Chair Kathy Levin and Commissioners Randy Barcus, Eric Brandt, Avrum Cohen, Larry Klein and Gerhard Mayer.

Staff Present: Warren Campbell, Audree Juhlin, Matt Kessler, Adam Langford, Donna Puckett, Mike Raber and Ron Ramsey

Councilor(s) Present: Mayor Sandy Moriarty, Vice Mayor Mark DiNunzio and Councilors Angela LeFevre, John Martinez and Jessica Williamson.

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

Audree Juhlin announced that CVS picked up their Building Permit last week, so construction should begin anytime in the future. The Chair added that Chipotle and Manzanita Market are open and Audree confirmed that is correct.

Commissioner Mayer stated that they just got an agreement on the Climate Change Conference in Paris, so hopefully we signed on he guesses, but who knows what comes after.

4. APPROVAL OF THE FOLLOWING MINUTES:

a. December 1, 2015 (R)

The Chair indicated that he would entertain a motion for approval.

MOTION: *Commissioner Cohen so moved. Commissioner Klein seconded the motion.*
VOTE: *Motion carried, six (6) for, zero (0) opposed and one (1) abstention. (Vice Chair Levin abstained, because she was not present at that meeting.)*

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

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

6. Discussion regarding an ordinance amending the Sedona Land Development Code Article 9, Section 918, Accessory Dwelling Units (ADU), to add clarity in the regulations and remove perceived impediments to the establishment of long-term rental accessory dwelling units.

The Chair indicated that the ordinance was approved several years ago after a lot of discussion, and we said it would come back after a period of time to see if any revisions could be made and how we could improve it.

Presentation, Warren Campbell: Warren explained that we are holding a work session with the anticipation of a final review January 5th on the ADU Amendments. The ordinance was adopted in 2010 and in February of this year some amendments were made to remove a sunset clause to allow it to remain in effect. During that time period, there were several issues raised by P&Z, the public and staff, and upon adoption of the ordinance by the City Council, direction was given for staff to address those concerns and issues.

Warren defined an ADU as being best described as typically a smaller secondary unit on a property. The concept is that it may be attached, within the unit or a separated unit that would be made available and potentially more affordable, because of size, to the work force that we are targeting as the occupants of the units. The goal of the regulations was again to provide for rental housing for workforce individuals. Pages 3 and 4 of the memorandum identify the issues raised, and in April of this year a work group was convened to discuss the ADU regulations.

Warren indicated that Attachment C is a copy of the memorandum that was provided to the work group, and with regard to the proposed amendments in general, there is quite a few grammatical clean-up type of corrections, but probably six topics that we should focus on today as follows:

- Sections 918.03D and 918.06D that both address a concern and clarity around the types of individuals and number of individuals who can reside on a site, with regard to clarifying the definition of "family".
- Section 918.04I removes the minimum size requirement for an ADU and we put a flat maximum size in for clarity and equity across properties.
- Section 918.07G (on pages 4 and 5 of the memorandum) was removed as it was redundant.
- Section 918.08B regarding sewer fees, and there was quite a bit of conversation around this and the concern that the fees may be a limiting factor in the creation of ADUs, but there were no changes made to this section as there is already a reduction in the sewer fees of one-half, and it was felt that the infrastructure to provide wastewater services is a fixed cost and in many cases, the ADUs are a rental income-producing property and the City does provide some financing options for individuals who choose to do an ADU, so the decision was made not to reduce the sewer fees by any more than the 50% already reduced.
- Section 918.11 that spoke to a yearly reporting was deleted, because it was felt that it was not necessary after the initial adoption, when a lot of concerns were raised in 2010 regarding the potential proliferation of ADUs. We have not seen that; we currently have 19 approved, we prepare reports to the Commissions and Council upon request, and there is a limit in the ordinance on the number and we won't exceed that, so it was felt that it was not necessary to prepare a yearly report of the rate that we are adding them to the inventory.
- Section 918.12 regarding the growth cap -- increases the growth cap by one from 88 to 89, and this is based on better information that was gathered through the Community Plan process in terms of projecting 1% of the maximum number of units at build-out, and we struck a number of paragraphs and went with some citations to the Community Plan that spoke to some of the goals around that, so we could cite another document to address the same language.

Warren explained that staff is looking for feedback and the Commission will be making a recommendation to the City Council, and staff is anticipating asking for that recommendation on January 5th.

Commission's Questions and Comments:

Commissioner Klein asked why minimum size requirements were being removed, and Audree Juhlin explained that a lot of discussion went into that decision. One of the primary factors in that decision was the trend to go smaller. We have had a number of ADUs that required a waiver, because their size was smaller than the limit provided in the ordinance, and the work group felt that you could have a very small livable space, and they didn't want to restrict the ability for future ADUs to be included if they had all of the components -- a living space, bedroom, kitchen facilities and restroom facilities, so as long as those basic components were met, they felt that the minimum size was not important. The Commissioner then asked if you could get everything in 150 sq. ft. that

would be okay, and Audree indicated yes. Commissioner Klein then commented that is kind of small; he wouldn't want to live in it.

Commissioner Klein then referenced the issue of the sewer fees and indicated that he didn't know if it would be appropriate or involve changing the Land Development Code, but we discussed that if one of the biggest problems with ADUs is the Sewer Capacity Fee of \$4,000 and some odd dollars, he knows the possibility of the City using some of the Housing Fund to help subsidize the cost of the sewer fee was raised. He then asked if there had been any discussion about that, and Audree indicated it was discussed at length with the working group and with the City Manager's Office staff. If we went in that direction, we would want to look at it as a loan program that is payable back to the City, because as mentioned, this is an income-producing property and something that is not allowed by right, and you have the ability to rent at whatever rental rate you want without restrictions, so we are allowing the ability to produce income, and waiving that fee or paying it through a grant of in lieu funds seemed to be giving them money for something they were already going to make money on.

The Commissioner then asked about situations where someone wants an ADU for an elderly parent; they may not be renting it to the parent, so if they are not getting any rent, what if the sewer would prevent them from doing that? Audree explained that could be the case today, but who is to say what is going to happen with that unit in the years to come. It is granting the ability for the ADU to be rented on a long-term basis and it can change. We've seen that with the existing ADUs, when you have an existing situation where it is a caretaker, but in two years, it becomes a rental property. There is no guarantee without a deed restriction that says there is not going to be rent on that, but nonetheless, the impact to the sewer system remains the same whether or not rent is charged; the capacity is still being realized by its use in residential.

Commissioner Klein stated that there are 19 ADUs currently approved; three were added in 2015 and none in 2014. If you are adding even three a year, at that rate it is going to be 23 years before you reach the 89 figure, and it seems that there should be some way to help people achieve this by getting a reduction in the sewer fee.

Commissioner Cohen indicated that regarding the sewer fees, he disagreed with Commissioner Klein for the simple reason that if there are more additions to the sewer system, somebody has to pay for what happens, so the rest of the community would be paying for the addition, so he disagrees about the sewer fee and would like a small sewer fee, but there ought to be a fee, and he is in favor of the ADUs, but one of his concerns has to do with the conditions for the ADU. On page 3 of 6 in the handout regarding disabilities residing in a group-licensed facility, that is an ADU, so his question is if that means that if there is such an ADU built next to Commissioner Klein's house or Vice Chair Levin's house, and they are going to turn it into a nursing home or a home of that sort -- there was such a case about one and a half or two years ago, so is that permissible under our current zoning. He thinks that it says here that it is permissible. Audree Juhlin asked for clarification as to which section the Commissioner was referring to, and he indicated that it was under Occupancy, Additional Issues Identified on page 3 of 6. Vice Chair Levin added that it is 918.12. Commissioner Cohen then stated that it says, "Occupancy code requires single-family meet the definition A . . .", no problem, "B. One or more unrelated persons with disabilities residing in a group home licensed by the State of Arizona. Group home must maintain current license, qualifies . . .", so this is saying that for the purpose of the definition, a family may include a reasonable number of staff persons, and all of a sudden you have an institution in that ADU; you don't just have a less expensive housing option for teachers, fire people and police. He then asked if he is reading that correctly.

Audree Juhlin stated that she is not reading where he was reading; we are modifying the ADU ordinance to say it is not. Do not look in Article 2 definitions for "family". The definition for "family" as it relates to ADUs is going to be specific to this Article, which basically says, "Shall not exceed four unrelated adults with or without minor children", so the other two options, including B. for the group home is not applicable in this case. The Commissioner then repeated that it is not applicable

for the ADU and it will so state. Audree explained that it deleted the reference to the definition of family as described in Article 2 of the Land Development Code; that is being struck.

Commissioner Cohen then indicated that the number of children is not listed, so four adults could live in the small unit, and they could have as many children that are part of that unrelated group as possible; there are no restrictions in this document. He then asked if that is the purpose. Audree explained that there are no restrictions on the number of children, because we do not regulate the number of children a family can have. The Commissioner asked what if there are eight or ten; it is quite possible with four unrelated adults and each one can have a couple of kids, then all of a sudden you have another group home. He just raises that question as a concern.

The Commissioner then referenced page 5 of 6 where it says that ADUs are commonly revenue-generating uses and revenue can be used to offset the one-time wastewater fee impacts, but there is no discussion about bed tax or sales tax, since somebody is charging for the use of their property. He then asked if there is going to be bed tax or sales tax for the City, and Audree stated no, this is treated like any other rental unit. Commissioner Cohen then stated okay, he just wanted to be sure; he agrees with that.

Commissioner Cohen referenced 918.03 in the proposed code text amendments and under 918.04, he then asked why we are dropping, "ADUs must meet all zoning and building code requirements except as otherwise provided in this section", and Warren explained that it also appears a little later. The Commissioner then stated that we then aren't dropping the idea, it is someplace else, and Warren indicated that it was redundant. Audree stated that it is in item F, and Vice Chair Levin agreed and read, "ADUs shall meet all building code requirements, including . . .": Chair Losoff interrupted to say that they were just cleaning up some rhetoric, and Warren added that it is at the top of page 3 of 10.

Commissioner Cohen then asked to go to 918.04D - manufactured homes, etc. A manufactured home is not necessarily a mobile home, and there is no condition; we took mobile homes out of there. He then asked if that is the intent, and Warren indicated yes, and explained that he got a long lesson on all of these terms from our Building Official, and the term "mobile home" ceased to be a term in 1976 by HUD. A mobile home became a "manufactured home" after 1976, so the term "mobile home" is antiquated and no longer reflective of the terms used and not the proper term to use. A "factory-built home" is different than a "manufactured home" pursuant to the Building Code, so again "manufactured home" is the proper term. The Commissioner then asked if all of the vehicles with those manufactured homes on SR 179 and SR 89A that slows down traffic can be an ADU if you park them on your property. Warren then explained that a manufactured home cannot be an ADU, but you can create an ADU on a property that has an existing manufactured home; the new ADU must meet all of these regulations.

The Commissioner then referenced item E on page 3 of 10 and read, "ADUs shall meet all Sedona Land Development Code, etc., requirements at the time of construction", and then asked if we don't want them to meet those requirements for the life of the ADU. This says he can meet them, get his permit, and six months later make changes that may not fit the code, so does that leave an opening in the interpretation? Warren indicated that staff could examine that further, but he would suggest no, because if you were to make the changes that would make you non-compliant, you would have to get Building Permits and potentially have a zoning review to do that, but we should critically think about that if there are some changes that wouldn't require those reviews, so he will note that.

Commissioner Cohen referenced page 4 of 10 regarding parking and read, "If additional parking is necessary, new parking spaces shall utilize existing curb cuts. If not possible, the Directory may allow exceptions on a case by case basis.", and stated that he is not sure if that is specific enough to guide the Director to be able to make those determinations without problems. Audree explained that condition has been in the ordinance since 2010 and we haven't had that situation arise, but it was thought that there may be times when topography or other existing conditions would prohibit the ADU if we didn't have this provision. The Commissioner then asked Audree to confer with Ron

Ramsey about it, and Audree explained that this was approved by Legal Counsel in 2010 and it has been reviewed by them again for this go-around. The Commissioner then stated okay; he just wanted to protect our department.

Commissioner Cohen referenced item C in 918.05 on page 6 of 10 in item one and read, "The ADU shall not be sold or transferred separately", and then asked if we need to add a clause that says "or separated from the primary property". Audree indicated that clarification could be added; that is the intent. The Commissioner then recalled that there had been some cases where somebody contemplated selling off a piece of their property, and Audree explained that in some instances if you had the single-family primary unit and an ADU and the lot was large enough to meet the Subdivision requirements to split the lot, staff would not deny that. It would create two separate parcels with two separate single-family units, so in that case it would meet the requirements, but we would not allow a split if it didn't meet those requirements. The Commissioner then asked if some of that language should be included in the document -- staff could think about that; he's pushing it.

Commissioner Cohen referenced page 7 of 10 in 918.06B and indicated that we had a grace period built in for the submission of applications for existing illegal accessory units, which means they broke the law in the first place. We had built in a 12-month period for submission applications for existing illegal accessory units and that is taken out, which means that illegal accessory units have got forever to apply without a penalty, so do we want to keep that -- that troubles him, because the fee waivers are built into that and the grace period just gave 12 months for fee waivers, but now we are waiving fees forever and the City needs its money.

Commissioner Barcus asked about the basis for the 1%, because he didn't read anywhere what the logic was. Audree Juhlin asked if the Commissioner is referring to the change of 88 to 89, and he stated yes. Mike Raber then explained that the 1% refers to 1% of 8,900 total dwelling units once the community is built-out, and Warren added that it was 1% because they wanted to limit the proliferation, concerns and impacts that might accompany the ADUs. The Commissioner then asked if there are limits within parts of town or could all 89 be in one neighborhood and none in the rest of Sedona or is there some allocation. Audree Juhlin explained that there are no limits; it is applied universally across the board in the community, so we did not designate one area over another nor did we say, for instance, that they couldn't be located within 1,000 ft. of another use, etc. Chair Losoff pointed out that there are some limitations imposed if there are some homeowners' association rules and regulations. Audree Juhlin explained that would be outside of our City ordinance; we do not enforce or . . . , the Chair then interjected that we then get into a he said/they said kind of thing. Audree explained that staff always tells everybody that comes in with an application that they should check with their homeowners' association to ensure what they are proposing is in alignment with those, and the Chair commented, that is the only imposed limitation. Commissioner Barcus then stated that it is conceivable that if the lot sizes were appropriate, these ADUs could be clustered in a particular neighborhood or be predominant, because it might just be simpler to do it there and Audree stated that is correct.

Commissioner Mayer indicated that in regards to the sewer fee and that this is an income property; he doesn't know if he could charge his mother-in-law rent, so how is that going to work? Is it going to work as exceptions or for his daughter or near family? Audree explained that going back to the original premise, you are now, with the approval of an ADU permit, allowed to have two separate individual dwelling units and each unit has a potential to increase and impact our wastewater treatment plant and sewer capacity, so we look at it from that perspective, regardless of if the person is living there as a family member at no cost or a caretaker in exchange for those services or as a rental unit with an associated rent charged. Regardless of money or not, the capacity and use of the units are the same. The Commissioner then indicated that could be a good excuse not to have his mother-in-law living there.

The Chair noted that when the concept first came up, we talked about these could be rental units, but we also discussed the fact that it may not be; they could be used for in-laws, children, etc., so it

wasn't necessarily mandated that these were going to be income-producing units, although that was the hope as an affordable housing alternative.

Commissioner Mayer referenced 918.07C about the existing illegal accessory units, and asked how staff identifies an illegal accessory unit. Audree stated through code complaints; we receive a complaint that a unit is being used as an ADU without proper permits or approvals, and we then investigate through code enforcement to determine if that is true or not. The Commissioner then asked if the ordinance goes retroactive and Audree stated yes. Commissioner Mayer then presented a scenario of two dwellings, one bigger one and a garage converted into an apartment or something, and they are both rental properties. He then asked how would that work if there are two different detached rental units., and Audree stated that is a scenario that we are dealing with now; we have a couple of properties in town and we are requiring them to revert back to the single-family use. You cannot have two income-producing rental units on your property, so you have to comply with the zoning regulations and only have one single-family; you can rent one, but you can't rent both. The Commissioner then asked how that would be enforced and if it is just going to be from neighbors complaining about it or if staff would have an ADU police force out there. Audree stated that we will react to complaints received, but we will not go door-to-door. The Commissioner then asked if there would be a chance that the Assessor's property assessment might be a way of finding out, and Audree stated that if the City Council wanted to direct staff to be more proactive in the enforcement of illegal units, we would look at our strategy and how to move forward with that, she couldn't say if that would be the way or not. Chair Losoff added that with what he thinks is happening we would probably need to triple or quadruple our enforcement staff to get into all of those things; there are a lot of them out there. He then asked if there also is a requirement on the two separate rental units that the property owner has to live on the premise, and Audree responded at least six months of the year.

Commissioner Mayer then referenced 918.10C on enforcement and read, "The revocation of an ADU permit will require that the property revert a single-family use. The City will then record a notice of revocation and accessory dwelling unit permit". He then asked how that would work if it is revoked and there are two buildings. You explained that one has to be a single residence with a rental unit, but what if that is an internal rental unit within the residence? Audree explained that in the case of an ADU in a single-family unit, you are going to have two kitchens; that is the determining factor, so we would, and we have required the components that equal the second kitchen be removed. The Commissioner then asked if the removal of the kitchen is it, and Audree stated correct. The Commissioner then stated that it could be a little pantry, and Audree stated yes, and you could rent the rooms individually, but you wouldn't have the ability to have two separate units. If there was a wall constructed to create that division, you would be required to undo that separation and we are working with a property owner now in that very instance.

Commissioner Brandt referenced the change of "mobile home" to "manufactured home" and asked if that would preclude a "stack-a-shack" as he calls them where there is housing built in a factory and they don't have wheels. They are shipped to the site and look like regular houses when they are done. Warren stated that as written and as proposed, you could do a factory-built home, because they have a foundation. The Commissioner then stated that he is totally in favor of ADUs; it benefits the City, but there seems to be a fatal flaw on page 3 of 6 -- Planning & Zoning Issues Identified, and it is not brought up in the revisions. He then read, "If the live-in requirement is ever declared invalid and unenforceable by a court of competent jurisdiction, no further ADU permits will be issued.", and asked if that is touching on the restriction of having to live onsite, and there is a restriction for that, but for him, there is no restriction on housing in general, other that it can't be rented for less than 12 months at a time; however, Audree clarified that it is 90 days. The Commissioner then noted that the ADUs are more restrictive, and he thinks it is better to have houses that are lived in than houses that are vacant, so the criteria is, and this goes back to 2010, and he knows it was controversial and they were ways to make this happen and appease everyone, but it says that the criteria that govern ADUs are intended to preserve the character of a single-family neighborhood, and houses that are vacant are a detriment to a neighborhood, not a benefit, so it would seem that if a person builds this and then has to go somewhere and they can't live in

their house for more than six months at a time, that it would be a benefit to the town to allow people to rent both units. Audree explained that was discussed extensively in 2007, 2008, 2009 and 2010, and then again over the past year, and the concern with having two rental units is really about the nuisances that might be created, such as the noise issues, the partying, the trash debris, parking, etc., and it was felt by many in the community, staff and working group members that if you have the property owner living onsite a lot of those issues would be mitigated, because they would not, in theory, put up with the loud night partying, etc.; there is more respect for the property if the property owner is onsite. Chair Losoff then added that came in pretty loud and strong; neighbors were against having a rental unit at all next door to them, let alone two, so an ADU was more acceptable than having two units next door; the "not in my neighborhood" kind of thing.

Audree explained that the other concern was creating truly multifamily neighborhoods instead of a single-family unit, and the provision to require the property owner to live on site six months was one of the tipping points for support in the community, so without that we didn't have support for this ordinance as we moved through the process. Chair Losoff agreed it was key.

Vice Chair Levin referenced Section 918.04 in the new I, "The following size standards are applicable for ADUs", and she would suggest that under 1, 2 and 3, you make those declarative sentences. Rather than starting with, "For new construction", start with, "The ADU shall be no larger than . . ." and the same would carry out through those three sections on standards. Also, she is not sure she understands under the new M. in that same section, when the Director has discretion regarding parking, how you would judge and under what circumstance you would determine economic feasibility for not being able to adhere to the standards. Audree explained that, for instance, if there was topography that was a hillside and it required extensive grading or excavation, we may look for other options to address parking other than the traditional way. The Commissioner then asked what that might be, and Audree stated that everything would be on a case-by-case situation, but are they able to address it through the garage, because we are saying they have to have the primary, and then address the ADU separately, but if you had a 3-car garage, could one of those be designated for the ADU unit?

The Vice Chair then asked about "or if the specific use does not warrant extra parking" in that same sentence. Audree stated that is a good question and the Vice Chair commented maybe it just needs to be struck. She then suggested losing all of the semi-colons under 918.05 and asked if it is duplicative to say under 3g - Location of proposed ADU, the entrance and outdoor space, and then also include k., Landscape Areas. Are they are one and the same, and if so, maybe you could delete one. If not, then they could remain as written, but is there a difference between outdoor space and landscape areas? Audree stated that there is, but she doesn't know that we defined outdoor space that might be the area of a BBQ or outdoor patio, which is separate from any landscaping requirements.

Vice Chair Levin then indicated the same suggestion regarding the declarative sentence in B., and she wondered if under C. in that section, under Conditions of Approval and Agreement, it reads, "The agreement shall be recorded with the county in which the property is located after final inspection of an ADU", and it is those last five words that seem to be repeated again under C.2, "The ADU shall be restricted to the approved size", and she is wondering why that sentence is even necessary if it meets the final inspection standards. Audree Juhlin agreed that it isn't necessary. The Vice Chair then suggested striking that and asked if in 918.07, it was referring to the original 2010 ADU ordinance or the revised when discussing "illegal", what is your date forward; do we reset the date for "illegal" as of the newly revised ADU ordinance? The second sentence states, "An accessory unit created prior to the effective date of the ordinance codified in this section may be recognized as lawful", so is that this revised or does that go back to the pre-dated 2010. Audree stated that it is the original date in 2010, so if they get approval, then it is considered lawful, but if they don't have the approval, then they are not, but she is not sure that this is any longer applicable, since we have removed the grace period, so we can take a relook at this. Commissioner Cohen stated that he is not in favor of removing a drop-dead period on the illegals,

and the Vice Chair then stated okay, because we would like for them to come into compliance and continue to serve as rentals; she would agree.

The Vice Chair then stated that under the new D in 918.07 that starts with, "Community Development staff shall inspect . . .", and she asked for a definition of "minimal life safety standards" and if that is an industry phrase for something the Building Inspector would do. Audree indicated that it is, and in the case of old buildings, they may no longer meet our Building Code today, so we would look at them based on the minimal life safety standards to ensure there are no issues, even though they don't meet our current building codes. Vice Chair Levin then asked if that is actually defined in the UBC and Audree indicated yes. Warren added, smoke detectors, CO detectors and Audree added egress, ingress, windows, etc., but the ceiling height might not meet the code and other things that are not of a safety nature.

Commissioner Cohen stated that he didn't notice anything in there about reactions from neighbors when an ADU request was made; he didn't see anything about neighbors getting an opportunity to reply to the City on an ADU request and asked if there is some other way that is done. Audree stated no, again since 2007, that was discussed extensively, and it was decided not to include that requirement, because 1) It would be a big deterrent, because most neighbors will object to this application if they have the opportunity, whether they agree with the ADU use or not, so . . . Chair Losoff interrupted to say there are also your property rights if you own a property and want to add something to your house. Audree then added that for any permit application on a single-family lot, we don't notify the neighbors that they are going to build a house or garage, shed, pool, etc., or a guesthouse, so we would not change what is already in place by having this additional requirement. The next question that was asked was if they notified the neighbors, what does that mean, do they have a say in its approval or is it just for their information only and what kind of expectations would we be setting with that notification.

Chair Losoff commended the Commissioners for going through it thoroughly; he was here the first time around and was not a strong advocate of this; in fact the opposite, he was kind of down on this process initially, but over the months and years, we tightened it up and made it a very good ordinance, and there was some concern that it became too strict, but for the most part, it has worked well. We have not had many complaints, and Audree clarified that we have one complaint. The Chair then noted that is not a lot considering the issues that came up. Parking came up a lot in the inception of the ordinance; if you have two offsite parking, but you have 10 people living in the unit, you could have eight cars on the street, but it was pointed out that these are public streets and there is nothing to stop that or prevent it. The other issue was the definition of "family" and what constitutes the number of people in a house, which leads him to the minimum size. If the definition of "family" is what it is, you could have 10 people in a very small area, and do we really want to promote that? Audree Juhlin explained that the IBC does talk about the number of people for a square footage, so one person per 200 sq. ft. is the standard and we do have the ability to say you are exceeding occupancy for your structure, and she confirmed that is even with the definition of "family".

The Chair then indicated that in going through the things discussed, he would see if there were some specific recommendations for staff. We had one in favor of sewer fees and one not, and he then asked if we should make a recommendation to keep sewer fees as they are or to decrease them. Vice Chair Levin stated that she supports staff's recommendations and the information they provided; Commissioner Brandt agreed. Commissioner Cohen indicated that if that is the 50% as written; he agrees with that. Commissioner Klein stated that he disagrees for situations where someone is going to have an ADU and a relative is going to live in the ADU; there should be some reduction. He is not saying that you have to waive it, but maybe the sewer fee should be cut in half of what it is now. If the main objection that people give to doing these is the sewer fees; it is shown by the fact that in the last two years you have had three of them, so if you want to encourage this, you need to look at doing something with the sewer fees. He understands the point about if you are renting, you are going to make money, but if you are going to have a relative in there, there should be something done about the sewer fees.

Chair Losoff asked Commissioner Brandt if he was okay with it, and Commissioner Brandt stated that he understands that the ADUs are half of the cost, and Vice Chair Levin agreed. Commissioner Brandt then stated if you are going to live large on your property, then you can afford a little more for sewer fees.

Commissioner Mayer indicated that he agreed with Commissioner Klein if you have a relative, like a mother-in-law living there, it shouldn't be half of the sewer fee, which you have to pay for a household of five or six or four or whatever. It shouldn't be 50%, it should be a lot less than that, and a good way to go about it is a percentage per person rather than a flat 50% of the sewer fee. If you have two people, maybe 20% or something like that, but for a single person to pay 50%, it is a little bit over the top, especially when you have your mother-in-law or daughter living in the unit.

Commissioner Barcus stated as written, and the Chair stated that it is four to two at this point, and he would be in favor of keeping it as written as well, so the consensus is not to change it. His rationalization is that it is already cut in half. The next issue was a discussion about if the residential unit and ADU are split. Commissioner Cohen explained that his concern was that it could be separated from the property and sold separately. Audree indicated that she now understands that Commissioner Cohen was looking at some of the previous items of concern and not the actual in the ordinance, and the ordinance says that you cannot sell it separately, and for any property, regardless of whether it has an ADU or guesthouse or commercial piece, you have to meet the requirements for a lot split. If you do not meet those requirements, we will not grant it, so she thinks it is covered. Chair Losoff then stated okay, so we put that one to rest.

The Chair then stated that another discussion was on the illegal units that exist and any penalties; the initial concept was to waive it for a year or so. Now, we are saying that we are going to waive it period. He then asked if there are any problems with that, and Audree clarified that it is the opposite. We are basically saying that you would no longer have a grace period and you are subject to all of the permit fees, including code enforcement fines, so there is no grace period anymore. Commissioner Cohen stated that he didn't read it that way and Commissioner Klein stated that he didn't either. Commissioner Cohen then indicated that it is not specific enough. If it reads like that, then he is cool. Audree Juhlin indicated that staff will reevaluate 918.07 to ensure it is clear and come back with some revised language at the public hearing.

The Chair then stated that they had talked about renting both, and basically, we are saying you can't do that. Audree and Vice Chair Levin agreed. The Chair then indicated that staff did a great job putting it all together and the reports were good in redlining everything to make our job easier. He appreciated the Commissioners being as thorough as they were, and once the ordinance got worked out, it worked out fine and we would like to see more, but time will tell how it develops.

Commissioner Barcus noted that this was originally adopted in 2010 and five almost six years later, what would make sense for looking at it again in five years to see how it is working, etc.? What do we think about when we should check this issue again? Audree stated that was a good point, because we do want to see more ADUs within reason added to the community, and as we move it forward to the City Council, we could have a recommendation from the Commission that says in order to ensure it is being used as desired, we have an evaluation period within whatever amount of years is appropriate. The Chair asked if the Commission wanted to suggest a number of years, and Vice Chair Levin stated no, staff will know when that is appropriate. The Chair then asked about having a sunset, because sometimes we pass things and they go on and on and times change and we just leave them on the books. Audree Juhlin explained that staff typically looks at all of the ordinances anyway to see if they are antiquated or best practices, and like with the current update of the Land Development Code, we are doing exactly that.

Commissioner Barcus indicated that he agrees with the idea, but he wouldn't use the word "sunset" but an "assessment", because what might happen is we might get 10 a year or 20 a year and want to reevaluate the cap if this is being far more successful than it has been during one of the worst construction periods in most of our adult lives.

Commissioner Mayer asked if we have an estimate of how many illegal units are actually out there, and Audree stated that staff hears anywhere from 200 and up; we don't know. The Commissioner then noted that they all have to be brought up to code and application, etc., and Audree explained that they need to have a permit approved. The Commissioner then commented that with that 89, if everybody complied, we are done, and Audree stated that staff would be before the Commission to discuss that limit.

The Chair asked if there were any other significant issues, and hearing none, he thanked staff for a thorough report and indicated that we would see staff again on this subject on January 5th for a final recommendation to the City Council.

7. Discussion /possible direction regarding the Western Gateway Community Focus Area Plan (CFAs #1 and #2)

The Chair noted that this item has been before the Commission a couple of times and will be coming back on January 19th for final review. Mike Raber then indicated that there are a couple of additional dates on the schedule. The next work session will be January 5th . . .

Chair Losoff interrupted to say that he needed to back up to the ADUs.

6. Discussion regarding an ordinance amending the Sedona Land Development Code Article 9, Section 918, Accessory Dwelling Units (ADU), to add clarity in the regulations and remove perceived impediments to the establishment of long-term rental accessory dwelling units. (Continued)

The Chair explained that he should have opened it up for the public; he didn't see any requests, but asked if anyone wanted to speak and there was no response. The Chair then closed the public comment period.

7. Discussion /possible direction regarding the Western Gateway Community Focus Area Plan (CFAs #1 and #2) (Continued)

Mike Raber pointed out that the next work session will be on January 5th, then the public hearing is scheduled on January 19th, and a Council work session is scheduled for February 10th, providing it is moved forward. The working draft will continue to be refined over the next few weeks to have a revision out by January 12th.

Presentation, Mike Raber: Mike indicated that for the expectations of today's work session, staff is hoping this draft supports the vision and direction discussed, and we are looking for feedback on the plan's organization and flow and if the plan is user-friendly and understandable, as that would be helpful for staff.

Mike indicated that first, staff wanted to look at how the draft evolved from the vision, so we will look at how the plan is organized, and then see if we have questions or comments, before we proceed to look at a cross-section across the plan by looking at a snapshot that spans our previous discussion about balance and mixed-use, and an example of how that concept is addressed from the vision part of the plan all the way through to the more detailed sections, and then we will see if there are questions and comments on that. Finally, we have an example of some of the thinking behind one of the illustrations related to viewshed, and Adam Langford and Matt Kessler will walk us through that tonight.

Mike then referenced the last work session on October 20th when we summarized the Commission's land use priorities and resulting vision as follows:

- Consensus on a real need for public spaces, public access, but recognizing that a mix of uses was important for that space to be active

- A mix of housing, conference, lodging and commercial was appropriate to attract and encourage resident and visitor interaction
- Workforce housing is a key part of the mix and lodging uses should not be isolated, but integrated with a mixed-use environment
- The Western Gateway should make a statement for those coming into the community; a sense of arrival and viewshed are important aspects
- A need for opportunities for recreation, age-in-place and assisted living are important
- Arts and education is important.

Mike noted that capsulated what staff got out of the previous work sessions, and then staff created a vision from those priorities that says, "It will be a distinct, active, walkable and vibrant place with a diversity of land uses that attracts both locals and visitors, while promoting health, wellness, arts, education and provides a diversity of housing choices, maintains sensitivity to the natural environment and creates a sense of arrival to the community." It is a mouthful, but encapsulates what we got from this process.

Mike explained that the plan was organized to first discuss existing conditions and key issues, and then give an overview of the general vision and direction for the Western Gateway followed by the plan's recommendations from more general to more specific, so this portion of the plan goes through each element from Land Use, Circulation, Environment, Sense of Place and Sense of Community, and each one looks at Community Plan goals, policies and expectations, and then the more specific CFA objectives and strategies.

Mike then noted that the Land Use section also includes a sub-section on commercial, lodging and housing again with those Community Plan goals, policies and Western Gateway objectives and strategies. The Circulation section includes sub-sections on traffic flow, pedestrian and bicycle circulation, and parking and transit. The Environmental section has subsections on the National Forest, natural open space, and green building. The Sense of Place section has discussions on visitor information, area character and design, and lastly, Sense of Community. Again, they all include the Community Plan goals and policies, and then the more specific CFA objectives and strategies.

Mike explained that following that, it gets more specific and looks at the CFA from the perspective of three character areas -- the Cultural Park, the South Side 89A and the Medical Center. Each character area includes descriptions and development criteria, so each one has a section on key land uses with development criteria for each one. The map locations show a degree of flexibility for the location of land uses, which is important in that this is not saying that we are going to have multifamily residential throughout the whole area, but it is saying that it is appropriate for somewhere within the area for those uses to occur, and that is an important aspect of this section throughout these different character areas.

Mike stated that at the end of the character area section for each of the locations is a section on development criteria that apply to all of the land uses, so it explores things like building height, parking, corridor and viewshed, etc., that could apply to any land use. At the end of the character area section is an example of how land uses could be laid out, and this does not limit the land uses to these areas, but it is an example of how the land uses could occur in each character area.

Mike then added that at the end of that section is a composite of all of those examples for each one of the character areas taken together, and the final section in the plan is the Implementation section that we will be working on that between now and the next revision. Another component will be design, which will occur in both the general section and character areas.

Mike then asked if there were any questions or comments at this point on the organization of the plan, and noted that being specific would help a great deal. He also wanted to note that a number of the slides are out of focus and dark, and it was a software conversion issue, but we will have that addressed the next time.

The Chair asked if the Commission wanted to hear from the public first; however, Mike Raber reminded the Chair that after the break, he wanted to go back through some of the detail and the Chair stated that he first wanted to answer the general questions trying not to be too detailed, but then get into the details of the presentation.

The Chair opened the public comment period.

Mary Byrd, Sedona, AZ: Ms. Byrd stated that she is the Vice Chair of the Sedona Art Museum, and she wanted to tell you who they are and make a brief statement as far as the CFA Plan. The Sedona Art Museum was incorporated in 2012. Since August of 2014, it has been a 501(c)(3) tax exempt organization under Section 170 of the IRS Code. The mission of the Sedona Art Museum is to acquire, research and curate a permanent collection of original works of art and present temporary exhibits of the highest artistic merit for the purposes of education, study and enjoyment for the public. Their Board of Trustees and committees have been working vigorously to create the Sedona Art Museum as an international designation that will become a cultural anchor for our community. They will promote the arts through educational opportunities and programs. They plan to build an exceptional fine arts museum that will be an asset for Verde Valley citizens and a destination of choice for visitors to the area. They are in favor of the Western Gateway plans to include museums and cultural venues. They feel the area in the vicinity of the Western Gateway to Sedona would be a good location for the Sedona Arts Museum. A museum fits in with the CFA objective of supporting arts-related anchors. An art museum will enhance economic development through arts and culture, which is another stated goal of the plan. Thank you for your time.

Mike Bower, Sedona, AZ: Mr. Bower stated that he participated in the Community Plan Committee, and the committee conceived of the CFA planning as a quick and visionary process designed to give individual property owners inspiration to create a whole that is greater than the sum of its parts. This CFA effort has not been quick, and they believe it has become a bit bogged down in prescriptive detail in lieu of establishing an enticing vision. They think it is a good step that you have created the Land Use Map that shows up on page 75, but what happened to the vision of establishing a sense of entry by having campus environments on each side of the roadway? Instead, this Land Use Map appears to call for strip commercial and strip hotel development. This plan states that the college won't likely expand, but that doesn't mean that we should drop the vision of having a campus of innovation or a music conservancy. This plan places commercial use right along SR 89A on the property that he represents, where they showed a campus of innovation. Relative to encouraging alternatives to automobile use, they're pleased to see the completion of a Navoti complete street linking their parcel to the Northern Arizona Health parcel, but what happened to the idea of a visitor information hub at the southwest corner of Upper Loop Road and SR 89A? The vision for that parcel in this plan seems to be strip commercial. While that is the zoning of this small parcel on the corner, they believe the CFA Plan should look at the future, where a citywide shuttle system might have a terminus turn-around at a visitor information hub on this corner. We don't see any discussion or ideas presented to encourage the high school and its grounds to become a more active community gathering place. The question then becomes what is the heart or main gathering place for this CFA? He has read the plan twice and he can't find the vision, so these are some examples of things that appear to have been overlooked relative to their two years of participation. Instead, we find prescriptive detail, such as page 47's limit of 150 lodging units on eight acres out of their 45. This confuses them, because on page 58, this plan allows for 205 units of lodging in a strip hotel vision on an isolated 7.5-acre parcel on the south side of SR 89A. He thinks there is a lot of work to be done; he applauds the work that has been done, but he hopes that if you are looking for vision and something that will really guide the private sector, you will take a long hard look at what you have in front of you. Thank You.

Michael Mongini, Legal Counsel to Mike Tennyson and SATHCUPA, LLC, owners of the Cultural Park, Flagstaff, AZ: Mr. Mongini stated that they do like the vision that has been stated here, that's a very good vision. The last draft that they received, they need to sit down with Tennyson's consultants, Mike Bower and John Sather. John was hoping to be here today, but he guesses that his flight from San Francisco got canceled, so he was unable to make it, but regarding

one item on the model that they showed of the Cultural Park, there is a green belt area that goes along the Diamond Resorts property, and they have already discussed with Diamond Resorts people how they wanted to create a public access to the trailhead and the new road for the Girdner Pit, so it doesn't go in front of a resort area, and they have not just consented to it; they even signed off on it. That area in there is kind of a sensitive area to deal with the public access to these trailheads and everything else, which is a massive public benefit. They are working to try to move this forward. He thinks on some of these detail issues on implementation that really hasn't been worked on, he would like to be able to get with staff, and Mike and I have exchanged emails about getting with staff and getting John Sather and Mike Bower to sit down with them and come up with a conceptual model that Tennyson's consultants can be in agreement on. He doesn't want to have to get through this process, and then find we have a buyer that comes in and says by the way, they need a Minor Plan Amendment or Major Plan Amendment, and we are readdressing these issues, so he would like to be able to . . . , he thinks the vision we're looking at, we're all talking the same thing. They just need to get it in a written form that will work for everybody and follows that vision. The other reason for meeting with staff is that they need to get educated on the ratios, that ratio computation that they had. He thinks he understands it, but conceptually, it seems like some of those ratios would put a massive density on the residential side, and he is not sure if that could be accommodated on the site. They do have a 2007 Plan Amendment that was gone through, and the developer at the time was the Fitch Companies, and they were hoping that that 2010 concept would be able to continue through and be consistent with the vision, so those are a couple of items that kind of . . . , he is sorry about the three minutes.

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

The Chair asked staff if there were any comments regarding what was heard from the public, and Mike Raber indicated that regarding the strip commercial issue, the plan may show as larger blocks of land use close to the highway like that, but they also have a section in the plan that deals with viewshed and the sensitivity and the highway corridor, and that is where you will see more discussion on that. We would respectfully disagree that that is strip commercial that we are trying to promote there.

Chair Losoff asked about plans to meet with the Cultural Park people to finish their plans or is that an ongoing process. Mike indicated that he has not scheduled anything. Audree added that she believed what Mr. Mongini was talking about was an email exchange between staff and him to set up a meeting in the future to discuss some of the items . . . The Chair interrupted to state, so as we progress in our discussions here that could take place moving forward, and Audree stated that would be expected. The Chair then asked about the comments on the art museum, and Mike indicated that staff is aware that there is some interest in that and within this area. The thing to remember is that we want to see the Cultural Park character area developed as one Planned Development and not broken into sections, so that is something that will be important regardless of who may be a part of that discussion. The Chair then commented that we can't be all things to all people, so we will have to be somewhat sensitive to what we can or can't accomplish. The Chair then suggested talking about some of the issues; first on the general side, Mike has asked four questions -- on vision, organization, presentation and clarity in a big picture way.

Commission's Questions and Comments:

The Chair then asked Vice Chair Levin what she thought about the vision, and the Vice Chair stated that the actual vision statement came a little late in the document to her; it could have been pushed up a little, and she thought perhaps the strategies could be added to the table until she read them. They were extensive, but it would place it all in one table. She dropped that idea, but she thought it might be good to have that all in one place, but they turned out to be longer than she anticipated. Mike Raber asked if she is talking about page 12 and the Vice Chair indicated that was right, because in her mind, it goes naturally from goals to objectives to strategies, but then it would be a fold out document. Mike Raber indicated that staff has gone around and around on that too, so if you have an idea . . . , the Vice Chair stated that it is just kind of where she wants to see it, so maybe it is a summary of the strategies. Maybe there is a way to drop that in, and then you have

the more robust discussion where you have it now. Those are the only comments she has on organization.

Chair Losoff stated that on the vision, a vision statement should roll off of your lips and not have a sentence that is so many words. It is too long for a vision statement. Also, throughout the vision statement there is talk about land uses, etc., and we spent a lot of time in the plan talking about housing, and it came up during the public discussion. He counted medical center - 40 multifamily, south side SR 89A - 88; 160 Cultural Park -- it seems to be heavy in multifamily residences, and he doesn't know if in the overall vision, and also somewhere in the plan, it talks about affordable housing is an integral part of the plan, and he is not sure we all agree with that. We all agree that affordable housing is important, but to say "integral". We'll have to come back to that sometime, but in terms of a vision, it seems to be pretty heavy in discussing multi-purpose housing, and do we really want that out here. The organization of the plan is fine, except that again 75 pages; he doesn't know if we want a CFA Plan to be 75 pages. A lot of those pages are duplications of the Community Plan, almost word for word, so he doesn't know if there is something in there that you could do to modify it. He doesn't want to get into rhetoric and all of the grammar stuff, but 75 pages are a lot. In terms of presentation, the document flows; you go from general to specific to very specific and he likes that, whether it is too specific or not specific enough is another issue, but he likes the flow. And in terms of clarity, again 75 pages seems to be a lot, and there are some crossover issues in there that he will talk about later, but overall, he thinks that the actual plan the way you described it is very good. It has come a long way from when we first started talking about it, and he likes the specifics and the way it came around to this. He questions a few of the areas in the document where you say must or should; it sounds almost dictatorial, but he couldn't find too many areas where he disagreed with those uses of words -- others might. Do we want this to be more flexible as a document or not? So overall, it is okay, but could be shortened tremendously. Remember the Community Plan before the new one had a lot of pages in it, and we spent a lot of time narrowing it down, and we could do the same here. Mike Raber asked if the Chair could be specific about where we could shorten it -- that would be really helpful. Chair Losoff stated that he didn't know if he wants to spend the time today, but maybe by email or something.

Commissioner Brandt stated that this version of the draft seems real workable. He is glad that the areas were split into three character zones, that made a lot of sense, and that is where a lot of the extra pages come from, so you don't have to keep going back and forth to what was called duplicates; it just flows within each character area,. He was amazed to see 75 pages; that is half of the total Community Plan, but there are a lot of spaces in here, a lot of area, a lot of possibilities. The organization is logical. The first read through, it is like seeing what is here, but it takes a little more time to figure out what might be missing and what might address the vision. What you are looking for right now, the questions, yeah we are on the right path; it is going to take a little more time to see what might be missing. It is the same with the clarity; overall, it seems like it is going in the right direction, but with further study, he will be able to see just how clear it is.

Commissioner Mayer indicated that he is looking at the Cultural Park land use example, and he assumes that is just an example, and he sees that the blue line is removed from that. He then asked if that is correct about the blue line on the north side of that property. The Chair recalled that in an earlier presentation, it showed restrictions on lodging. Mike Raber explained that was the Community Plan designation, which was split between basically north and south -- one has a Planned Area designation and the other is Public/Semi-Public. Commissioner Mayer agreed and asked if that had been removed. Mike then explained that we are talking about an integrated plan; this is the example, but we are talking about something that doesn't pay attention to those kinds of boundaries. The Commissioner then stated that he would like to see more meeting with the property owners, and not just the Cultural Park, that are subject to the CFA. We have to see what they want to see there, not just our vision. He is sure they have a vision and ideas of what is feasible to them in regards to the property economically as well, and he, Mike Bower and Chair Losoff were on the Community Plan Development Committee for 3½ years hashing out some good ideas. He is sure this is just a sample as indicated, but he would like to see a meeting between the property owners and the city staff to see what they see as feasible for them, and he assumes that

Mike Bower and John Sather have a pretty good idea of what is workable and what makes sense to all of the property owners, not just the Cultural Park, but he hasn't seen any representative from the other property owners subject to this whole Master Plan for the CFA.

Mike Raber explained that we have seen a presentation from the Cultural Park about some of their ideas for the site. We are aware of that and it is one of the things that we consider in looking at a plan for this area, but it is not the only thing. It is a plan for the CFA and the property may fit into that and we may not always be in total agreement with what the property owners want to see there, but it is certainly a consideration. Also, we have had representatives from some of the other properties, including the medical center. The Commissioner stated not here; however, Mike stated yes, with the Commission. We had representatives from that group at least, maybe not everybody, but we've certainly either in our public meetings or with Planning and Zoning had representatives from different properties here, but maybe not all.

Commissioner Mayer then asked if Mike Bower and John Sather's vision would fit with what is proposed in this. Mike Raber stated that there may be some aspects of it that do and some that don't, but once again, we are not considering a specific development proposal from a property owner at this time. We are working on this plan, which we are looking at as a whole for the area. The Commissioner then asked if that wouldn't restrict some of the ideas or vision they have for the property owners, and Mike indicated that is something they would have to address. The Commissioner explained he is just asking, because there seemed to be, according to Mike Bower's comment, some different ideas and visions in regard to the process and the lodging units. The Chair stated that to put it in perspective, we have two issues at hand. One is the overall CFA and then we have the Cultural Park, and they are blurred sometimes, and at a point in time, we may want to see how one fits into the other; however, Vice Chair Levin pointed out that this document addresses that.

Mike Raber then explained that we need to focus on the plan and what makes the most sense, and we've considered some of these other inputs through the process, but ultimately, we need to look at the plan as a whole, as itself, and we will then entertain development proposals following that, and it is important to keep those things distinct.

Commissioner Mayer stated that another point was made about the time in regard to getting something to the point where we say okay, this is something that makes sense to everybody -- the property owners, because they are the major part; it's their property. He then asked how much longer it is going to go on, and Mike stated that staff is at a point that we would like to move this plan forward. Audree Juhlin then reminded the Commissioner that at the beginning of the presentation, we talked about the next steps. We have January 5th and a public hearing, then the City Council is going to hear this in February, so it is moving forward.

Chair Losoff indicated that we have been advocating for a while, and he doesn't know if it has ever taken place, but given the significance of this CFA, he then asked if there has been a general meeting with everybody in one room -- Cultural Park, school, healthcare, Marriott, Park Place -- have we gotten these principle owners together to see what we are thinking about. He has been talking about that for three years, and it is hard to get everybody together, but it seems that as we put this to bed that is an important element that we could be lacking before it is finalized.

Audree Juhlin stated that we have met with individual property owners; we have had open houses and town hall meetings where everybody was invited. The magnitude of this area and having all of the property owners in one meeting to get direction is probably not the best use of time, because there are so many moving parts to this area that if you are having the Cultural Park and the medical center and high school and across the street with all of them wanting to talk, that is probably a half-day retreat at least, if not more, and she is not sure we would be able to get any productive information out of that aside from the Cultural Park who has been forthright in coming forward with what they want to see. The rest have been less willing to come forward; they have their plans that they would like to do, but they don't really want to have those discussions in the public. The Chair

then stated that he wouldn't suggest a public meeting, but the hospital is doing their own feasibility study, so why wouldn't we want to be part of that. Audree stated that staff has been and Mike has been involved in discussions with Rick Peterson of the medical center. They have been at these meetings. The Chair then asked if we couldn't have them talk to the people in the Cultural Park, and Audree stated that she believes they have been talking with each other as well.

Vice Chair Levin stated that there is a larger philosophical, procedural issue here, and that is at least historically, the Community Plan process brought in, the update process itself, brought in all of those people to the table. Following the adoption of the Community Plan, a specific Citizens Engagement group was formed to vet staff's work, at which time private property owners, investors, people interested in developing any one of those vacant areas could be part of that discussion, so now you get to the point that you have listened to all of those ideas. Staff has not only coalesced them, but gone a little bit further, at least with respect to the Cultural Park, and in the development criteria, it is more prescriptive than perhaps we anticipated, as opposed to the other two community character areas, but the intent was, because it is a Specific Plan, to provide specific guidance, and it is to reflect the public's point-of-view, appointed officials, all of the residents, the property owners and potential developers of that land. She feels that we are trying to push back to staff, well did you talk with this developer's representative; well, of course they have. They have been in this process all along, so now we've got a point where we are saying this is our best work, and it is exhaustive. There are superb illustrations; they've gone into much more detail than she expected, and the analysis is good, the background data is good, they educate us, they tell us what a complete street is. There are lots of rich details in here, which is what we expected out of a Specific Plan. Parts of it may not necessarily resonate with the developers and their representatives in the room, but it isn't staff's role nor our role to make sure that we incorporate everything they have conceptually discussed up to this point.

Chair Losoff stated that we don't want to debate it tonight, but he would disagree. We could come up with all the plans and ideas, but if the developers own the land and don't agree, we can't suggest what they do; it is their property. Vice Chair Levin commented that it really is a process.

Ron Ramsey stated that the question may arise in your mind and in the minds of the people who spoke tonight as to how locked in are they to this Specific Plan as it is developed in the CFA, and one of the questions he had was how does an amendment to a CFA get treated under our General Plan right now, and he would point out that it is specifically stated in the General Plan that an amendment to a CFA is not something that would trigger a Major Amendment; it is a Minor Amendment, so the Community Plan, General Plan, anticipates that there will be this possible tension between what we develop under the statute as this Specific Plan and eventual use, and one of the ways they ameliorate that is that they call it a Minor Amendment under the plan and not a Major Amendment.

Commissioner Barcus explained that he tended to look at this from a more "big picture" level, and what really caused him to come up with a question was when he saw the slide that talked about clarity, and he thinks it maybe was a rhetorical question, but is the plan user-friendly? He is not sure how to define "user". As a Commissioner, if he is the user, he can see this as guidance, but when somebody brings a Building Permit that's consistent with an element of this, then that is a separate process as he understands it, so what who are the users and how can he be more specific? Mike Raber explained that primarily you are talking about yourselves as Commissioners or elected officials, anybody that is going to be part of this process that might be considering rezonings or development approvals certainly would be a major user that we would want to be sure we are communicating clearly with. There was always a little debate about our Community Plan as to it would be something user-friendly for everybody and whether it was the community at large versus those with the City that used it more versus the development community and property owners, etc., and we strove to make it that way as much as possible, so it is a good question, but primarily, does it communicate effectively for the people who need to use it the most? Mike then asked, as a property owner and somebody that isn't very familiar with it, if the Commissioner had any thoughts on how that seems to come across and if there is a better way to communicate this.

Audree Juhlin then explained that this document is created based on a bunch of feedback as Vice Chair Levin stated. We've heard from property owners, citizens, the working group and potential developers, so a number of people have provided input, then it is staff's job to create this document and synthesize everything we are hearing. Based on the vision and what we have heard, we need to make sure there is clarity in the future for people who were not involved in this process -- not on the working group, not the developers at that time, so we create a document for the future staff, future developers, future property owners, future Commissioners, future Council members, for all of these different people who have a say in the process, so they can understand the thought process that went into the vision and those components that we expect as a result of this Specific Plan. It really is all-encompassing of all existing bodies, property owners, developers and all future.

Chair Losoff then commented this is a bird's eye view for all of us, and details like land codes, design review, etc. are another set of documents, but this would be an overall, if somebody comes in, we need to get ourselves oriented with what we are calling for here conceptually, and then put the details to it through these other documents.

Commissioner Barcus stated that the way he is looking at this is as a conceptual plan, this is trying to either encourage or promote mixed use on parcels that may or may not bring forth a project or a multitude of projects, so he is not quite sure how we are going to know if we were successful with this in 5 or 10 years, if half of the uses are developed and the rest of the ground isn't, because no banker would lend on it or no developer wanted to take the risk or just didn't want that kind of use adjacent to their premises. Chair Losoff noted that is the kind of thinking we should have on this; that is kind of big picture.

Audree Juhlin pointed out that this is a Specific Plan as we envision it; it is not encompassing everything we haven't thought of. There could be projects, and Mike Bower in a previous meeting said what about this situation; we won't have enough flexibility to address that situation that we haven't thought about in developing this Specific Plan. Well as our Legal Counsel mentioned, we do have Minor Amendments and Major Amendments, so if there is something we have not anticipated in the future that may be appropriate on any of the properties in the CFA, we have the Major Amendment process that allows the opportunity for something else to be considered, so we are not saying this is it or nothing. This is just what we are saying as far as getting to that vision that we talked about -- that village, mixed-use, the interactive, dynamic community feeling that we are trying to achieve.

Commissioner Klein indicated that the prior draft of the Western Gateway CFA included a Zoning Map, which at one time the Commission said was very helpful to put into the CFA, and he didn't see that the Zoning Map is in there, so he is curious as to why that was taken out. Mike Raber explained that when the Soldiers Pass Plan was going through Council, they did not want to include the Zoning Map, but did want to include the Future Land Use Map, and that is something we still have on the list, but we're not really sure where to put it, although it is something we do want to include, but we question the Zoning Map as to whether it belongs in a plan like this. Audree added that part of that questioning of its inclusion is the Zoning Map is changing, so if we put something in that is at this point in time, sometime in the future that Zoning Map may and probably will change, so it is not an accurate reflection of potential rezonings, and the plan also doesn't want to necessarily say that the zoning in place now is what we want to see in the future.

Commissioner Klein then stated that he thought staff did an excellent job on this; he was very impressed as he was going through this. Spending a couple of hours on it, he thought they must have spent weeks on it, and he understands that it is not the end document. He really like the way it is organized; you first set forth the general principles, then you get more specific, and then give us the little maps of the potential land uses to show where in these areas everything could fit, so in answer to the question, does he think the general direction for the CFA reflects the vision for this area, he does. He thought it was very well organized; he really liked the fact that it was broken down into the three character areas, because they are all different and that has kind of been one of the points he has said all along -- you've got the Cultural Park, south of SR 89A, and then the

medical center -- so he liked the way that was done. He thought it is user-friendly and pretty easy to understand. As a few general comments on some of the other things that have been said, going back to the blue line, Mr. Tennyson has always wanted to know if we are going to move the blue line, because right now as the Lodging Area Limit exists, the blue line wouldn't encompass the Cultural Park and he wouldn't be able to build a hotel on his property, and that is probably the cornerstone of his proposal for this area. He doesn't know if this is something we need to discuss tonight, but it seems in looking at the document that they are willing move the blue line, because they have outlined an area in the Cultural Park area where there could be lodging, and they discuss lodging for this area.

Commissioner Klein noted that Mike Bower or Mr. Mongini mentioned that he needs to understand better the ratio of lodging to the rest of residential, and so does he (the Commissioner), but he knows that in 2007 there was approval for a 200 and some odd unit hotel in this area, and staff has now said 150, so he is curious to know how that was arrived at. Mike Bower raised the point that on page 58, you are talking about 205 units on the south side, but on page 58, it talks about 89 units potentially as a hotel there. Vice Chair Levin then commented that is the multifamily; the other would be any proposed new lodging east of the Marriott. Commissioner Klein stated that if you are going to put another hotel next to the Marriott and one across the street on the Cultural Park, you are potentially getting into a situation where we are getting a strip of hotels, which would concern him. He also is still confused in doing the CFA as to how much we should be considering what the developer wants. He realizes that the bottom line is that the developer is going to do what they want with their property, and hopefully, it will fit within the CFA, but he is still confused as to how much weight we should be giving what the developer wants to do at this point; personally, he thinks it is pretty significant.

Commissioner Klein indicated that he heard Mike Mongini say something about there should be some sort of conceptual understanding between the owner of the property and staff as to what could potentially go in here, and he didn't want a buyer coming in and being surprised, so is Mr. Tennyson going to develop this property or is he looking to sell it, if he gets in a CFA that will fit with his design ideas? And again, that goes to the issue of how much you consider what the developer wants to do, which he thinks is pretty important, but if he is going to sell the property, you are going to be dealing with someone else. He agrees with the Chair about this draft; there is the use of the word "must" a lot, and he is not sure if that is a good idea. There is a lot of talk about multifamily housing, and when the Commission filled out the questionnaire, only one person put multifamily housing in the top five. Also, 75 pages is a lot to go through.

Commissioner Cohen indicated that he wants to deal with the vision statement, because it is missing some stuff. It is missing that it is the Western Gateway, so it says, "Hi, welcome to Sedona". There is nothing here about that. He doesn't want SR 89A, when we are developing this, to look like when you come in on SR 179 and you come into the Village; there has to be more cohesiveness and beauty to it, and there is no word "recreational" in the vision statement at all. He would suggest the following: "The Western Gateway will be a welcoming and distinct, active . . ." By saying welcoming, we're building into there an expectation in the vision statement that we're going to do something to make it more pretty as people come in. He assumes this is going to be a major way people come in, because of the SR 260 route. "Recreational" needs to be one of the items in there, because if we don't have recreational in there, then we just have another . . .; he is suggesting "recreational". Also, we talked about how we can keep SR 89A beautiful, but there is nothing about beautification in the vision statement or the document, and those are his only comments.

Chair Losoff asked what the growth projections for the City are in terms of population, and Mike Raber stated that in terms of total build-out, we are looking at about 8,900 dwelling units once the entire City is built-out. (Chair Losoff's comment was unclear). Mike Raber responded yeah, in terms of how fast we have been growing; it has been pretty slow. The Chair then asked if we know what we are projecting for the future -- 10 years. Mike explained that staff tried to do that for a while, and then after the recession, we really haven't tried to predict that. The Chair indicated he

was curious, because that is seen throughout the document; we're top heavy in multifamily units and mixed-use units. He asks himself the question of should some of these projections for multifamily or mixed use be better served in other CFAs. Is this the CFA where we want to be top heavy with it? It is a rhetorical question, but secondly, this document is well laid out, although he keeps looking for the wow. This is the Western Gateway; what are we going to see when we come in and what are we going to live with when we are in it, other than mixed-use units and multifamily residences. He would like to see more emphasis on recreational areas or more of the wow stuff.

Audree Juhlin asked him to define that a little bit more; it would be hard to draft wow; we need more specifics. The Chair then stated maybe more emphasis like on the connection between both sides of the street with a Performing Arts Center on one side and the Cultural Park on the other. There should be more tie-in. It looks like the Cultural Park is suggesting a theater and stuff, so there should be more integration. Can we have an overpass or underpass to connect the two properties, so there is something going on there? What is happening with the college; is that going to grow and develop and should that take on a more futuristic use for that area. Those two corner properties were mentioned; should that be a visitors' center welcoming people to the town? Should we have a major parking lot someplace where people could park and shuttle in? Audree then noted that staff presented a plan, so what do you want to see if you are not liking what is in this plan. What do you want to see specifically? You want to see the overpass, the parking?

Vice Chair Levin noted that parking is discussed in quite a few places throughout the plan, and Audree agreed and again asked what it is that the Chair would like to see specifically that staff hasn't done, so we can go back and draft that before . . . The Chair then stated that you have bits and pieces, but to him, we are missing a 10-year or 20-year projection. We're almost looking at today and we need to broaden our thoughts on it. He could come up with some ideas; there is talk about parking, but the parking emphasis was on overflow for the high school. That is an issue, but he doesn't know that that is the major issue. Vice Chair Levin noted that there was also a discussion on park and ride, transit system, making sure that lodging shuttles its clientele, and parking garages, so there was quite a bit of discussion on parking throughout the document. The Chair then commented in generalities; however, Vice Chair Levin stated no, very specific to locations, because Circulation is an element that is discussed and threaded throughout this, but she would agree that the element of a bypass or a pedestrian bridge over SR 89A did not come up.

The Chair stated that there should be a connection between those two sides of the street. There is a discussion with healthcare, but what are the synergies going on between our properties and their properties. What is going on across the street with the hotel going in and the property across the street, Cultural Park, whatever? What are those synergies and are there any thoughts of coordinating activities? Vice Chair Levin stated that some of the synergies were expressed in the medical center character area, where on the north side it would be dedicated to assisted living and on the south side of Navoti, there would be some mixed uses, café, restaurant and other things that would enable that to be a livable, walkable character district.

Audree stated that staff can certainly go back and reevaluate these sections to make sure it is strengthened and that the connectivity, circulation components are interactive and complete. Mike Raber pointed out that one of the strategies in the Circulation section is to explore and improve pedestrian-crossing options on SR 89A between the high school and Yavapai College to enhance walkability and communication between these related uses. If you see something specific like that that we need to word differently or needs to be strengthened, that would be helpful.

Vice Chair Levin indicated that she thought the new work, and particularly exceptional work, was in the section on strategies, the land use examples and the development criteria, because of a lot of new thinking that we hadn't seen in prior Staff Reports or discussions; that was really exceptional work there. She then indicated that prescriptive language only seems to have appeared with the Cultural Park, and under Development Criteria there are pretty strong guidelines on both our proposed minimum and maximum expectations, such as the number of units, the amount of square footage for a conference center, that it should be a four or five-star hotel and should provide shuttle.

We've got language that is "must" and "cannot", so she just wanted to know the rationale at least for this character area, versus the other two, to be so strong. Mike Raber stated that he didn't know that it was intentional, so he will look at why there might have been a discrepancy between that and the two other areas. He thinks we were trying to emphasize that in the case where we are trying to get a Planned Development together; there should be conditions that ensure the development happens as a cohesive package and not fragmented. The Vice Chair added that there is some proportionality among those uses, and Mike Raber agreed and noted that if we didn't do that in some of the other areas, we'll take a look at that.

The Vice Chair then asked if it would be helpful in the last map, when all of the areas are coalesced into one map, to have either the percent or acreage devoted to each land use category as this whole map would depict; she would be interested in knowing how that shakes out. In other areas, you put together pie charts between commercial and lodging in Uptown and on SR 179, so she would like to see how this section of the community looks. Mike asked if she was talking about acreages and the Vice Chair stated yes, for the whole area.

Commissioner Cohen indicated that when he read the document, he said wow, because Mike really put a lot of stuff in here. It is really well done, and it is very clear. The problem with it is that there is so much stuff in there that some of the questions that have been coming up are related to the fact that there is so much stuff and detail. When you usually write something, you tell them what you are going to tell them, then you tell them, and then you tell them what you told them, so he is suggesting a succinct summary at the end might help in pulling it together. You could eliminate some of the pages if you do that. It is a different way of organizing it, and if his comment is worthless, then forget it.

Commissioner Klein stated that he raised the point at prior meetings and was told it was either premature or we shouldn't worry too much about what the developer wants. When Mr. Tennyson spoke to us in June or July, he said that his main issue was if we were going to move the blue line, and obviously, it is his main issue because the keystone of his proposal is that he wants to build a 5-star hotel on the property, and he was concerned because he thought the Fed's might raise the interest rates in September, and it was maybe going to be harder to get investors to come on board. We know the Fed's are meeting tomorrow and the bet is that they are going to raise interest rates one-quarter point, and they may raise it twice more next year. Even though we aren't taking a formal vote, since the document prepared by staff indicates that they are recommending moving the blue line so a hotel could be built on the Cultural Park property, he is wondering if the Commission should be giving Mr. Tennyson even an informal opinion of the Commission's feeling of if we are willing to move the blue line, so he can build a hotel on his property. The Chair stated that we probably are premature at this point; he doesn't know that we can do that until we get into our next work session.

Audree Juhlin then reminded the Commission that this still has to go before the City Council for approval and that could be a recommendation, but we don't know what will happen when we get to that phase. Mike Raber added that the plan is intended to indicate that lodging is an acceptable use there, and even our Community plan on page 27 talks about lodging uses being appropriate if they are approved as part of a CFA planning process, so there isn't a need to extend the Lodging Area Limit boundary or anything like that.

Audree reminded the Chair that staff still has its presentation to go through; it isn't finished yet. The Chair asked how long the presentation is and Mike Raber explained that it may answer some of the questions being raised, but it also may bring up others. Then, we wanted to demonstrate a little of this viewshed idea with the illustration developed.

Chair Losoff asked if the Commission wanted a recess and Commissioner Mayer asked how long the presentation would go. Mike Raber estimated about 10 minutes; and the Chair indicated it was important to get through it so the Commission has as much information as possible when the Commission meets in January.

The Chair recessed the meeting at 7:44 p.m. and reconvened the meeting at 7:54 p.m.

The Chair pointed out that after the presentation there are four or five questions that staff would like to have clarified for a better version next time.

Presentation, Mike Raber (Continued): Mike indicated that in the October work sessions, a balance of land uses was discussed, and to create a mixed-use environment, we wanted to see what other developed parts of the community looked like. There are some things that need to occur in this CFA to ensure that the area can become a vibrant mixed use location, so the Community Plan has goals and policies that talk about creating mixed-use and walkable districts, and maintaining a balance of land uses, and we heard that maybe we don't need as much out of the Community Plan in this CFA Plan, but sometimes it is good to know what that progression looks like from the Community Plan to the more specific.

Mike stated that one key thing looked at was the proportion of lodging and residential units, and for each of the commercial areas, we looked at the number of residential units within one-quarter mile and compared that with the number of lodging units, and the one-quarter mile was significant, because it is essentially the walkable area around the commercial areas. In Uptown, lodging comprises about 63% of all units, and in the Dry Creek Area that is about 41%. For the Western Gateway, there are about 169 potential residential units within about one-quarter mile of the existing or potential commercial area, but the proportion is low, because there is so little developed land right there and the surrounding residential area is very low density. You don't have the same dynamic residential component that you have in a lot of the other areas. Currently, there are 375 existing lodging units, including the Marriott, so the percentage of lodging to residential is about 69% compared to 63% in Uptown and 41% in Dry Creek. If the goal is to get a better balance or mix, the key is in adding residential units within the CFA, and that is the approach that staff has taken to create this mixed-use, vibrant area when you have an element of that that is out of proportion as compared to other areas, because you have a lot of undeveloped land. If 280 more residential units were added and no more lodging units, the CFA starts to look more like the Dry Creek Area. The discussion a couple of months ago was about what it would take to make it look that way, and if lodging is added, that proportion moves back to somewhere between the Dry Creek and Uptown areas. The plan really needs to provide a way to link residential and lodging proportions and provide sufficient commercial areas as well.

Mike indicated that next staff wanted to show how the plan addresses that issue beginning with the vision and through the general goals, objectives and into the character areas, and we wanted to provide a snapshot through the plan of more general to specific, as we deal with this issue of balance. Starting with the vision, we have a section to break that down more, and this is from one segment that talks about residential, commercial and lodging uses, and a mix of housing, conference, lodging and commercial uses appropriate to attract and encourage interaction between residents and visitors, so that is part of the mixed-use idea and the workforce housing is another important part of that. If you go to the more general land use recommendations in the Community Plan, we have policies regarding commercial and lodging uses, and it says that we shouldn't just expand our commercial area without having some kind of Specific Plan in place, and we also want to limit locations for lodging, because we don't want proportions to be skewed one way or the other more heavily toward lodging.

Mike stated that we also included a more specific CFA objective and strategy regarding balance and limitations on lodging uses, and in the general land use recommendations, we have CFA objectives regarding housing and the objective from page 22 regarding a range of housing options, so this is another CFA objective to have housing that varies by type, size and price range to offer more affordable alternatives than single-family housing, so we have objectives in our general section that is trying to establish a mix and housing that has wide diversity.

Mike then indicated that moving into the more detailed character areas, we recognize that this Western Gateway area is not Uptown or the West Sedona Commercial Corridor, and we are trying

to encourage another type of lodging use that would include conference space. We looked at the proportion of lodging to residential within the CFA at about 57%, which is less lodging than Uptown, but more than Dry Creek. We are going to go through a few numbers, but what is most important is the intent to allow flexibility up to a point, while ensuring that these three character areas give us a good proportion of mixed use.

Mike explained that the 57% was based on a total maximum number of 609 lodging units and at least 450 residential units within the CFA, including existing plus new, so staff does not recommend increasing the total number of lodging beyond that point, but the number of residential units could increase to some extent. It will be important that there is a sufficient non-lodging commercial use component to ensure that those uses are supported in this area, but the whole idea is that we are dealing with trying to create a mixed-use environment and what it takes to bring some of that vitality to the area – and a lot of it is residential. Moving into the Cultural Park character area with our multifamily development criteria and getting more detailed, we are saying that multifamily use needs to comprise at least 62% of the combined residential and lodging units in the character area. There should be at least 160 residential units, but there could be more. The 62% is based on if we had 150 lodging units in this character area, then for 62%, we would need 240 residential units, and so that is the breakout of that overall 57%. For lodging, staff is recommending a maximum of 150 units in the character area, and that number may be different than you have heard in the past, but it is based on looking at a number of different things in this CFA, including land area, land use and the proportion issue.

Mike stated that commercial uses are also an important part of the mix, and we listed examples of several uses on page 46 of the plan. We are still working on defining the commercial acreage, but we will be refining that before putting out the revised draft. Additionally in terms of implementation, we still need to add something to that section and talk more about the sequence of things that happen to implement the plan, including public hearing processes, zoning, etc., but he wants the Commission to remember that any additional development in this area, and in several other areas of this CFA, will involve rezonings, so you have the ability to put conditions on a development proposal. It is not that the City doesn't have a say in that, and he sometimes hears what sounds a little like we don't have anything to say about it, but we do, and a rezoning is an opportunity for us to guide what happens and to exercise the plan.

Mike indicated that regarding the development criteria for all of the land uses contained in the general section on Sense of Community, there is a section on building height that is linked to the idea of viewshed, and in some areas of the Cultural Park, for example where the old amphitheater was, we have an opportunity to allow more height than our current height regulations talk about, because we have very low visibility in that area. On page 37 of the draft, we have the illustration of a general analysis to help us understand where the views are more or least sensitive, and Adam and Matt will discuss how this idea was developed. We looked at examples of development criteria in the Cultural Park area to illustrate how the plan looks at this balance of land uses, but there are related criteria in the other two character areas, so you may want to look at that again, and there are other considerations, such as visitor information, which is discussed in two areas of the Southern 89A character area and access to the National Forest area on the south side of the character area as well, so there is a recommendation regarding that. The other development criteria cover highway access, limiting full access to existing intersections, and minimum planning acreages, in other words, we want to see large areas developed as an integral plan rather than being fragmented. Another recommendation is Navoti Drive functioning as a complete street, and we will be adding a design component for design criteria for the different sections.

Mike repeated that he tried to provide a snapshot through the plan of why we are trying to, in the development criteria, get as detailed as we are, and it is because we are trying to get at the issue of balance and mixed use and lay some groundwork, so we can try to ensure that we get a cohesive plan developed that includes some things, even though there are other things that the property owner might want to achieve. There are some other things that are more of a community benefit that we want to ensure get incorporated into that.

Adam Langford explained that he and Matt (Kessler) wanted to provide a little bit of detail on the process used to get to some of these details, so in demonstrating how they went through the viewshed analysis, they hope to give the Commission an idea of that process. The goal of the viewshed analysis section is to protect the scenic views and that sense of arrival coming into the Western Gateway. This can be done by preserving the open space on the hilltops and creating development standards in viewshed sensitive areas, so this map identifies three types of areas relating to that viewshed sensitivity. The areas in red are areas with high visibility from SR 89A and where development may obstruct some of the scenic views of Thunder Mountain, Coffee Pot, etc. Areas in yellow represent hillsides that are visible from SR 89A, so from any point along the road, you could essentially see these hilltops. The areas in green are really not visible or have very low visibility from SR 89A, such as the location of the amphitheater.

Matt Kessler explained that while the map on the previous slide was the finished product of the research, they wanted to give a brief overview of their methodology, and essentially they took a long string of points along SR 89A within the CFA limits, and each of these images represent one of those snapshots taken at eye level, as if you were driving on the highway. The green-shaded portions represent all land that is visible from that particular point, and we took 18 to 20 of those points along the highway. The top three points are samples, from their analysis, of the areas and hillsides within the CFA that are considered high and low visibility from the highway. As they reviewed these points, regions that were consistently green were labeled as hillsides with high visibility from SR 89A, which refers to those yellow regions, and it is in these locations that future construction will be very visible and further considerations might need to be taken. Conversely, regions that were never or rarely shaded in green were designated areas with low visibility and given a green tint on the previous viewshed analysis. The lower series of images specifically show the analysis on the scenery -- being the mountains, rock formations and natural landmarks visible from any points along the highway. Points on SR 89A that contain a large portion of these natural landmarks are highlighted; these are the points that are going to provide that grand gateway sense of arrival when driving into Sedona, so this correlated on the previous map to those red-shaded regions. Areas in red on the previous map are locations they identified as if developed could potentially obstruct those scenic views we are trying to protect.

Vice Chair Levin asked if there was a slide on the elevation cross sections; she couldn't read it. Adam noted that they did turn out kind of small, and when they revise the format of the document, they will make them larger and more legible. Commissioner Cohen then asked if the stuff in red is recommended for no building at all, and Adam stated no, that is not the case. It would be areas where we might want to be careful in allowing additional height, so if a developer proposed something and tried to get additional height increases, then we may require additional information about how they might be blocking viewsheds. The Chair then asked about limiting it, instead of the normal height of 22 ft., and Mike noted that in our development criteria in each character area, we have talked about areas closest to the highway trying to maintain a single story, especially within a view sensitive area, but maybe that is part of a mixed development where they could step it back and do two stories further back. We are trying to emphasize the need to make that a much more conservative height against the roadway. The thing in the plan now that we want to change is how we're interpreting height. The draft currently talks about stories and we want to convert that to feet and use our Land Development Code's standards as a baseline, instead of indicating stories.

Commission's Questions and Comments:

Chair Losoff stated he had four or five things, one is the vision; we talked about it being too long, too short and does it say what we want it to say? Second was the redundancy, are 74 pages too much and is there duplication of the Community Plan in here too often? Third is the balance or ratios and there was discussion about developers' entitlements versus the CFA and other issues. He then asked if there were more comments on the vision.

Vice Chair Levin wondered if the concern about it not saying anything about recreation was captured in the word "active"; however, Commissioner Cohen indicated no and stated he would like

to put in the word “recreational” in the vision statement. If we are going to develop this with the numbers of people that we’re planning on putting in that area, there ought to be some recreation built in. Second, another suggestion he made was adding the word “welcoming”. The Western Gateway will be a welcoming, distinct, active . . .” Chair Losoff asked if there was consensus or if anybody objected to those suggestions. Vice Chair Levin stated that she did, and Commissioner Brandt pointed out that it already says “creating a sense of arrival to the community”, so he is not sure that you need to add anything more. He does agree with the “recreational” part.

Mike Raber pointed out that there is a follow-up to the vision statement that is more of a narrative regarding the CFA planning area, and it is intended to embellish on what the vision stands for, and there is a section on healthcare and wellness in there on page 15 of the plan, and it talks about wellness may include “a visit to a spa after hiking or biking the extensive trail system”, and “recreational passive and active hiking, biking access to public lands, trails, sports activities”, so there is a discussion about that aspect. You can’t put everything into a vision statement. Chair Losoff stated that the Commission didn’t have a consensus, so you can see if you feel it is necessary to modify it or not. Chair Losoff then asked about the comment that it is a long sentence from a readability point-of-view, but we don’t have consensus on it, so do what you think is best. Vice Chair Levin stated leave it as written; however, the Chair repeated that we don’t have a consensus, so see what you think.

Chair Losoff then asked if, in terms of the discussion about 74 pages and a lot of repeat from the Community Plan. there were any thoughts on that, and Commissioner Klein stated that it should be cut down, because there is a lot of duplication. The Chair asked if there were any specific recommendations and the Commissioner stated that he would have to go through it. The Chair then stated that it seemed like the first part was almost a complete repeat of the Community Plan, but we could look at that.

Vice Chair Levin indicated that where the redundancy occurs is in the individual elements, where there is a restatement of the goals and policies and CFA objective and that is carried through. What’s new is added underneath and that is the strategies, and she felt it was redundant, but then felt it needed to be knitted together just as it was written. That to her is the only redundancy of text to text within this document, not whether it does or does not mirror the Community Plan; it has to mirror what the Community Plan says. Mike Raber asked if by redundant she means it is repeating what is in the Community Plan, and Vice Chair Levin stated yes.

Chair Losoff indicated he thought there was a question about pictures, but they are good. Vice Chair Levin added, so are the illustrations. The Chair then asked if there are too many of them and the Vice Chair stated no; there are some excellent illustrations. Mike Raber noted that staff would like to add more. The Chair stated that again there is not a strong consensus, but there is perhaps a feeling that there can be some reduction in the rhetoric to come to less than 75 pages.

Chair Losoff then asked about the balance or proportion and what is to say the ratio should be the same as Uptown or Soldiers Pass. What is the formula to say they should all be the same? Mike Raber stated that they are not; actually, staff is looking at a ratio of lodging to residential that is somewhere in-between the Uptown and Dry Creek areas, and we recognize that we have talked about lodging being a component of the mixed-use environment and it is one that we want to see a conference facility associated with and one that is maybe filling a different niche or type of lodging use, so we looked at if we had 150 lodging units in that area, what would it look like in terms of residential, and that is all part of that mix to get to that 57% -- we looked at the different land uses that could go into that area, and that can be broken down into more detail.

Chair Losoff asked if there is anything from an overall planning point-of-view that says there needs to be a ratio or balance; could you be top heavy in one and not the other. Mike Raber stated that from what staff heard coming out of the vision from the Commission, you can’t do something without something else being affected, so if you come up with something heavily skewed in a ratio sense toward lodging, other things maybe are not going to fit into that, and we discussed that in our

last work session. You can't do everything; there has to be some limits to what you are doing to create a mixed-use environment there or it will be skewed too far one way or the other, and that was also something we discussed with the City Manager.

Chair Losoff asked the Commissioners if they were okay with that, and Commissioner Klein stated that he had a question and asked if the Commission recommended to the City Council that the number of lodging units in the Cultural Park area be limited to 150 and if the City Council were to approve that, does that mean that you could never build a hotel with more than 150 units in the Cultural Park area? Mike explained that would be part of a rezoning action, and it would be something we would want to set a limit on, and it will partly be dependent on what else is in the developer's development plan, but that is a potential limitation. The Chair stated that technically that is the way it would work; it would be limited. Mike agreed and stated that the plan is really trying to set the guideline, and the zoning is where we actually get into the details of the regulation.

Commissioner Cohen indicated that he doesn't know anything about the hotel business, but we talked at the last session about wanting to have a convention center, so have we talked to the people who know something about the hotel business as to how many units would be needed to make a high-end hotel for a convention center work financially. Mike indicated that from what he has seen in the past, this would be within that range. He has seen 150 to 200 units in possibly one of the background materials. Chair Losoff point out that this limit refers to the Cultural Park, not the entire CFA, and Mike stated that it is this character area, which may raise other issues with the rest of the CFA.

Commissioner Klein asked if the 57% that you want as a maximum for lodging is for the entire CFA, and Mike agreed. The Commissioner then stated that would be a maximum of 609 units, so if you built a 150-unit hotel in the Cultural Park area, how many units would that be with the Marriott, etc., and Mike indicated that with that second phase, we are looking at 84 units based on a similar density to the current development. It is within the current Lodging Area Limits in the Community Plan and has been, so we're acknowledging that there is some kind of lodging that is going to happen there, but one of the things we are looking at with that character area is tying that lodging to a mixed-use development. We don't want a standalone lodging development, and we also want to see that there is some connection made to Forest Service trails south of that area, so there are other things that we are looking at, and if we are going to have lodging, we want to also see some other things happen. The Commissioner then stated that if you build a 150-unit hotel in the Cultural Park, you will still be about 80+ units short of the 609, and Mike agreed and indicated that the rest of that would be in that area on the south side, which Mr. Bower was referring to with the total number of units. The Commissioner then stated that he would rather see a 200-unit hotel on the Cultural Park area and no other hotel next to the Marriott, because then you are getting into strip hotels and you have three right in that intersection.

Audree Juhlin asked if there is a consensus from the Commission on that, and Commissioner Cohen stated that he liked the comment. Vice Chair Levin asked staff to address the viability of a hotel to the east of the Marriott as to the zoning Community Plan designation. Audree indicated that today a developer would need to get a zone change, but the Community Plan supports the lodging use in that location despite whatever is going to go into the CFA, unless we change the Community Plan to reflect that.

Chair Losoff asked the Commission to go back to Larry's suggestion. Commissioner Cohen noted that he is concerned the same way Commissioner Klein is that we don't have SR 89A look like a strip of hotels, and doing what Commissioner Klein suggested would give us what we needed in hotel space without doing that.

Vice Chair Levin stated that it is not a simple yes or no for her; it says, ". . . cannot exceed a total character area maximum of 150. The number of lodging units within the character area cannot exceed 38% of the combined residential and lodging." Staff indicated that they may take another look at the prescriptive language, so that doesn't mean that number might not change, but to

achieve the mixed-use proportionality is reflected in the development criteria as proposed, then the developer can tell us at the time they come through that a conference center is not viable with 150 units; she doesn't think we try to determine that now.

Commissioner Brandt indicated that if we are trying to encourage a conference center, it usually takes about 200 rooms to make a conference center viable, so if a proposal was to contain a conference center, then that would be acceptable, but if it doesn't have a conference center, then it is not acceptable to have that size based on what he has heard. He agrees that it shouldn't be all over the place.

Commissioner Mayer indicated that he likes Commissioner Klein's comment, so he agrees. Commissioner Barcus stated that he is going to be the exception; he doesn't see any hotel company wanting to build hotels right on SR 89A, so he is not worried about the strip. They are going to want to have the offset, and this is a big enough piece of property. They want their guests to have a pleasant experience. When he wanders around town, the places where he sees lots of walkability and vibrancy happen to be where there are lots of hotel rooms, like in Uptown, so we are missing the boat by limiting or capping the number of hotel spaces in this area, and when he wanders around neighborhoods where people live, we don't even need sidewalks, because they've all been rolled up at 7:00 p.m. People who work aren't out wandering around, and retirees are doing their wandering around in other places, so he sees like a dissonance here with these goals suggesting that we want walkability and other things, and it just seems like it doesn't pass the logic test to him. The Chair then asked if he was in favor of Commissioner Klein's suggestion, and Commissioner Barcus stated that we need a lot more hotel rooms out there.

The Chair stated that there is consensus with four, and he would agree with Commissioner Klein as well; we shouldn't limit it to 160 in that area, given the convention center and other activities. We could say not to exceed, but it doesn't mean they will or won't build, and in terms of building on the highway, a couple of years ago, there was a request to put in a hotel next to Relics right on SR 89A, but it didn't go anywhere for other reasons, so developers could and would build on the highway if they were allowed, but he wouldn't limit it to 160.

Audree asked to clarify what staff is hearing; we are hearing an increase in the Cultural Park character area and no more new lodging on the south side. She then asked if that is the consensus and the Chair indicated yes. Audree then asked in lieu of lodging on the south side, what the Commission wanted to see and the Chair asked what the options are. Mike Raber stated that we have discussed a mixed-use development regardless of whether there is lodging there or not, and one of the things we might look at is that is another location for more residential along with the redevelopment potentially of Park Place at some point, so maybe there is room for a mix of commercial and residential. Audree noted that we do need some direction from the Commission to move it forward, so do you want to see mixed-use, including a residential component?

Chair Losoff asked staff to define "mixed use", and Mike explained that it is basically residential and commercial together. The Chair then said basically it is residential and commercial up and down; however, Mike indicated that it can be horizontal or vertical. Chair Losoff then asked if the Commissioners were comfortable with the proportion, the modification to the 160 versus 200 or so, and Audree asked if the Commission in agreement with what is being proposed for the south side in front of the high school; there are those two pieces of property there. Commissioner Mayer commented that was a visitors' center or something like that, and Audree indicated that has been discussed. We've talked about it in a number of different locations on the south side, including where the Marriott expansion would go, where the trailhead access is to the Forest Service as well. The Commissioner noted those are small parcels, so there is a limitation to what can go in there.

Chair Losoff stated that at one time, we had a consensus that it should be the visitors' center, if not into the park. He thought the Commission said those two acres . . . , and Audree noted that is correct, there was a lot of discussion around that, and the trick is how do you create something in the CFA for that location that is enticing for the property owner to come forward and accomplish,

because they have the current zoning of Commercial, so they can build anything allowed in accordance with the Commercial zoning district, so what we include in the CFA is extremely important that it is an incentive to get what we want if we want something other than commercial, such as a visitor information center.

Chair Losoff indicated that if we say that is where it should be, say we buy the parcels, work with the Forest Service, partner it, but he doesn't know that we want a mixed-use unit, that again gives the concept of a strip mall. He sees heads shaking, so I guess the consensus would be not to have a mixed-use thing there. Vice Chair Levin stated that she sees the question differently; she doesn't see saying that we don't want to encourage more lodging on that parcel on SR 89A as an incentive then to increase the lodging on the Cultural Park, because that disavows the rationale behind proportionality, mixed use and combination of uses that are being proposed on the Cultural Park site. She would rather be asked if you want to not have strip lodging on SR 89A, and she would say yes, but she is not saying that also means that she would want to see more lodging on the other side of the highway. Chair Losoff stated that we have already had consensus on the Cultural Park side; in terms of the other side, he hears different thoughts and no consensus, but we seem to be adverse to anything that sounds like a strip mall.

Audree Juhlin then asked how we could get the visitors' center and what kind of incentive is going to cause a property owner to build that in light of what they can already build based on zoning. Commissioner Mayer stated there has to be something that makes economic sense to the property owner. A visitors' center makes sense to the community, but maybe not to the property owner, because there might be a visitors' center right across the street, which is the Summit – tourist information. Vice Chair Levin noted that there isn't much going on there, and Chair Losoff indicated that is what one Commissioner raised before in that we can say what the CFA should be, but if a developer has land rights, he wants to do what he wants to do.

Chair Losoff then indicated that the next question was what are developer's entitlements? Commissioner Klein and Commissioner Mayer brought that up. Audree Juhlin indicated that stepping back a little, the purpose of the CFA is to create a vision for the future of how this property is going to look, so that is not necessarily staff's ideas, the property owner's ideas or the Commission's; it is a combination of the community's ideas and vision for the property. On the south side, property owners have the right through zoning entitlements to come forward with whatever proposal they want to build, as long as it meets our building codes and Development Review criteria. In the case of the Cultural Park, it is not that simple; they can't come in right now and necessarily build their project, because it does require some rezoning, so entitlements on that piece are a little tricky. Although they do have an approved project associated with the Cultural Park, it is highly unlikely that anybody is going to build that project, so we are basically saying it is going to be a new project, which is not entitled. What we propose in this area is critical to ensure that what the community wants is being developed.

Chair Losoff commented that we are probably talking about the same thing; from the CFA point-of-view, we have these plans and these visions and by the time we see this next month, it will be really good. At the same time, what we've seen in the presentation for the Cultural Park and what we are talking about here today seem to be pretty close together. Audree Juhlin agreed in that she doesn't think anything staff is proposing in this CFA would not take their proposal into consideration.

Audree then indicated that she didn't think we had consensus from the Commission's perspective on what the multifamily should look like. We talked about the ratio and balance, but let's talk about that a little more. There was a concern that it was too heavy on multifamily and we are talking about mixed use being commercial with residential in that, so do we have that balance of residential and commercial wrong? Do you want to see the residential piece decrease as far as a percentage of balance?

Commissioner Klein noted that if you decrease residential, you are going to increase the percentage of lodging units to residential, and Audree added, or commercial; it could be done in two

ways – commercial and/or lodging. The Commissioner indicated that Mike was presenting lodging versus residential; he didn't include commercial. Audree explained that we discussed maybe breaking that down further with the percentage of commercial, lodging and residential. Chair Losoff stated that would be helpful to see. We saw those maps of the different areas of town; it would be nice to see those percentages. (Audio unclear) on the ratios; what is right or not right and who is to say it should be 57% or 87% or should it all be commercial or residential? He is hung up on that; he doesn't know if it should be X or Y. Whatever makes sense, makes sense, so if it should be top heavy in one area and other CFAs should be lower – he would see more residential in the other CFAs than this one.

Audree Juhlin indicated that she would like to see how the Commission feels about that, and the Chair added that when we had the survey, he thought it came in low in residential. Audree Juhlin agreed that it was low as far as the survey was concerned, but the dialogue was contradictory to that, because it was a mixed-use village and the vibrancy, etc. Commissioner Mayer indicated that the proposed village was a great vision with a core and a center plaza, etc., and we are going right back to where we were, but he doesn't understand why we have to put everything in a ratio box. Everything is like dissected and in proportions of this and this. It should be a little less restrictive, because of that ratio factor. That landscape is a little bit different than Uptown or Dry Creek and other things. Audree Juhlin indicated that staff could look at the language and see if there is a way to provide more flexibility in the interpretation of that, but still with the end goal of creating a village atmosphere with the interaction between visitors and residents. Commissioner Mayer added that he wouldn't want to put the village in a ratio box.

Audree Juhlin explained that we have to have some kind of box to help ensure we are getting those various components that equal . . . , the Chair interjected that for the sake of time, so we can come to some conclusion, let's see if we have a decisive comment. Do we want the ratio; are we too top heavy or is that okay if we are; do we care?

Commissioner Barcus stated that he doesn't like the ratios; it needs to be fuzzier. Chair Losoff then asked if the ratio could be higher or lower or either/or, and the Commissioner asked for clarification as to if timeshares are multifamily. Audree Juhlin stated that timeshares would be considered a lodging use. The Commissioner then indicated that we are too restrictive with these ratios. In a perfect world, would we really design Uptown the same way it actually is developed? Here is a semi-clean slate and we're comparing it with ratios that don't make any sense.

Commissioner Mayer indicated that a village has to be a live village, and he would like to know how many people are going to be employed in all of the commercial aspects of this whole development, and how much use there is for the people to live near their workplace, plus we talked about cultural like art, etc., and how many people would be able to live in the village and work there, etc. That is like how many employees do you need for that resort, conference center, retail Chair Losoff interjected that the question is, should we have a ratio or not, and if not, should we lean heavily towards residential or commercial or lodging? Commissioner Mayer stated that it has to be a good mix like a village consists of a good mix, and he would like to know how many people are going to be employed in those commercial . . . , the Chair interjected that he is looking for a direct answer, and the Commissioner stated that he was not going to get it, because we don't know how big the village is going to be. The Chair then asked conceptually, and the Commissioner indicated if it is going to be lodging for 200 or whatever, then the conference center and the retail and commercial, so he could see about 300 or 400 people possibly living on that site.

Commissioner Brandt asked where institutional or public facilities come into the mix; if you decrease one, it doesn't necessarily mean that lodging has to increase. Can't it go to the public facility or where does that come into the mix? Mike Raber stated that when we looked at the area as a whole; we cut out some of those bigger chunks, because it wasn't even comparable to Uptown for instance, but if we had a facility like that, he would count it as part of that commercial mix that is non-lodging, an alternative to lodging uses that helps make the area vibrant, and it is different, so it is all part of that mix. Commissioner Brandt then asked if a school or an institution or hospital

would be commercial, and Mike Raber indicated maybe that is just neutral. The Commissioner then indicated that the ratios are considered and you can make them suburban or walkable, so he doesn't think the ratios really make that much difference, as long as it feels right for what you are comparing it to in Sedona, so okay, great, ratios are good.

Vice Chair Levin indicated that she likes the ratio, because then at least it is a starting point for indicating the preferences of the community, especially around the area of diversity of housing. The community has spoken about having a conference center, and there is no debate about that, and very strongly about creating a village environment. If we don't know the proportions, then we can't create the "good" mix. Another thing to point out is that in the Community Plan, we have 4% in apartments and 10% in condos, and with the apartments that have converted to condos, she doesn't know how many apartment complexes we have left, and so multifamily housing is an important need in this community as well as assisted living.

Commissioner Cohen indicated that Commissioner Mayer raised a very important question, and that is, what is the data upon which we are going to make the decision, so he has to vote with Commissioner Mayer.

Commissioner Klein agreed that Commissioner Mayer raised an important point; if you are going to have 300 people working there, where are they going to live? You need to set some limit on either the percentage of lodging or the number of units; he doesn't know which approach is better. He looked at Mr. Tennyson's proposal and in addition to the resort and conference center, he has a wellness village with lodging too, so he doesn't know what that lodging means, but in some respects you have to set some limit on how much lodging you are going to allow, whether by number of units or percentage versus residential.

Chair Losoff indicated that from an overall CFA point-of-view, he is not sure there is any kind of consensus. We are all over the board on this, so you will have to take into account what may be proposed in the future and see what you come up with. He thinks certainly we need multifamily housing in the City more than we have, but he is not sure this CFA is where it should be. He can see other CFAs more apt to have some of these things than this one, but so be it. Again, we are all over the board on that one. Mike Raber indicated that he heard some consensus on taking another look at how prescriptive the language is and we can do that to see if there is a way to retain the ratio idea without being overly prescriptive and maintaining some flexibility, so we will look at that.

Commissioner Barcus referenced the viewshed analysis and indicated that it seems that we are focusing on preserving views for people driving down SR 89A, and he doesn't want them looking out the window at the rocks; he wants them looking down the road, and if we are going to have a walkable community, he wants the viewshed to be protected where the people are walking. If we are going to encourage walking, then protect the viewsheds for the walkability component, which may be on the road that was designed one block northwest of SR 89A – Navoti. He is looking at these red blocks and thinking that he would want them to be nice and tall so people are both encouraged to build things there who think drive-by traffic makes sense for their pizza place or whatever it might be, but he would want to make sure he was focusing on the walkability feature for viewshed protection of the mountain or Coffee Pot, etc. Commissioner Cohen agreed with the walkability thing, but not with the SR 89A part of that comment. We need to preserve some of the beauty of this place as people are coming in and as residents go up and back. The walkability part wasn't mentioned before, and he agrees, but SR 89A and its views need to be protected.

Commissioner Brandt suggested that SR 89A should also be a complete street; it shouldn't just be considered a pipeline for cars. He knows the point to pay attention to the road, but the passengers might want to look out the window, and more important than that, how about the pedestrians and bicyclists along the highway. It shouldn't just be thought of as a pipeline and the language should encourage that if it doesn't happen in this realm; it is something in the future that the highway becomes less of a highway and more of a boulevard and part of the walkability scene.

Chair Losoff indicated that he liked the viewshed analysis, and it is already done, but the building in front of us going in on SR 89A is too big. Audree Juhlin indicated that would be an example of why we want to have prescriptive language in the CFA. Chair Losoff agreed and indicated that it met the criteria and was within the code, but when you look at it, it is close to the road and going to be somewhat obstructive, so from a beauty point-of-view, he could see what Commissioner Barcus is saying, but we want to preserve that. Also at the last Council meeting, there was discussion about keeping heights down along SR 89A. Audree Juhlin agreed, and indicated that goes back to the performance measures that we are trying to put in here to ensure we get the vision for the area.

The Chair then suggested that if Commissioners have any questions or comments, they talk directly with Mike and Audree, and we will see a final version on January 5th; however, Mike clarified that the revision won't be done until January 12th for the January 19th public hearing.

8. Discussion regarding the future update of the Sedona Land Development Code

There was no discussion on this agenda item.

9. FUTURE MEETING DATES AND AGENDA ITEMS

- a. **Thursday, December 31, 2015; 3:30 pm (Work Session) - canceled**
- b. **Tuesday, January 5, 2016; 5:30 pm (Public Hearing)**
- c. **Thursday, January 14, 2016; 3:30 pm (Work Session)**
- d. **Tuesday, January 19, 2016; 5:30 pm (Public Hearing)**

Audree Juhlin confirmed that the meeting on the 31st is canceled and the next meeting is on January 5th for the public hearing on the ADU ordinance, and we will continue the discussion on the Western Gateway. We do not have anything on the work session for January 14th, but we could if we need to continue the Western Gateway; we could have that date as well. January 19th would be the public hearing for the Western Gateway.

10. 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.

11. ADJOURNMENT

Chair Losoff called for adjournment at 9:00 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 December 15, 2015.

Donna A. S. Puckett, *Administrative Assistant*

Date