

AGENDA

4:30 P.M.

CITY OF SEDONA, CITY COUNCIL MEETING

TUESDAY, DECEMBER 13, 2016

NOTES:

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

www.SedonaAZ.gov

GUIDELINES FOR PUBLIC COMMENT

PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

PROCEDURES:

- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
 1. Name and
 2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

2. CITY'S VISION/MOMENT OF ART

3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT = 

- a. Minutes - November 22, 2016 City Council Regular Meeting. 
- b. Minutes - December 1, 2016 City Council Special Meeting - Retreat. 
- c. Approval of Proclamation, Civil Air Patrol Month, December 2016. 
- d. Approval of Proclamation, Sedona Chamber of Commerce & Tourism Bureau "Health & Wellness Month", January 2017. 
- e. AB 2187 Approval of a recommendation regarding a Liquor License Person Transfer and Interim Permit application for the Series 6 Bar Liquor License for Mooney's Irish Pub, 621 SR179 ST BST4, Sedona, AZ (License #06030002). 
- f. AB 2188 Approval of a recommendation regarding a Liquor License Agent Change/Acquisition of Control application for the Series 12 Restaurant Liquor License for Rene at Tlaquepaque, 336 State Route 179, Sedona, AZ (License #12030002). 
- g. AB 2189 Approval of an Extension of Premises/Patio Permit for Whole Foods Market located at 1420 West Hwy 89A, Sedona, AZ (License #07130041). 
- h. AB 2191 Approval of a resolution updating prescribed standards for Financial Disclosure Statements for local elected officials. 

4. APPOINTMENTS - None.

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

6. PUBLIC FORUM

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

7. PROCLAMATIONS, RECOGNITIONS & AWARDS

- a. Presentation of Proclamation, Civil Air Patrol Month, December 2016.
- b. Presentation of Proclamation, Sedona Chamber of Commerce & Tourism Bureau "Health & Wellness Month", January 2017.

8. REGULAR BUSINESS

- a. AB 2182 **Discussion/possible direction** to reevaluate the criteria and process used to award grants for community building, economic stimulation and arts & culture activities through the City's Small Grants Awards Program. 
- b. AB 2176 **Public hearing/discussion/possible action** regarding an ordinance removing Sedona Land Development Code, Section 918, Accessory dwelling units (ADU). 
- c. AB 2183 **Discussion/possible action** regarding a resolution and ordinance amending the Sedona Land Development Code, Section 304, regarding Board of Adjustment. 

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

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

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- d. AB 2192 Discussion/possible action regarding a resolution and ordinance amending the Sedona City Code, Chapter 5, relating to Short-Term Rental Regulations. 
- e. Reports/discussion on Council assignments.
- f. Discussion/possible action on future meeting/agenda items

9. 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 Council may hold an Executive Session that is not open to the public for the following purposes:

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

10. ADJOURNMENT

Posted: _____

By: _____

Susan L. Irvine, CMC
City Clerk

Note: Pursuant to A.R.S. § 38-431.02(B) notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with material relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at www.SedonaAZ.gov. The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS
102 ROADRUNNER DRIVE, SEDONA, AZ

**Action Minutes
Regular City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Tuesday, November 22, 2016, 4:30 p.m.**

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

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

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, Councilor Jessica Williamson.

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Magistrate Judge Lewis Levin, City Maintenance Worker Ryan Hayes, City Maintenance Worker Bill Huggins, PC Support/Help Desk Support Pamela Clark, Public Works Administrative Supervisor Charlene Penfold, City Clerk Susan Irvine.

2. City's Vision

A video of the City's vision was played.

3. Consent Items

- a. **Minutes - November 9, 2016 City Council Regular Meeting.**
- b. **Minutes - November 10, 2016 City Council Special Meeting.**
- c. **AB 2180 Approval of a Special Event Liquor License for the Sedona Chamber of Commerce for an event scheduled for Thursday, December 1, 2016 located at the Sedona Airport Terminal, 235 Air Terminal Drive, Sedona, AZ.**

Motion: Vice Mayor Martinez moved to approve consent items 3a, 3b, and 3c. Seconded by Councilor Thompson. Vote: Motion carried unanimously with six (6) in favor and zero (0) opposed.

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

Justin Clifton introduced the following new City employees: City Maintenance Worker Ryan Hayes, City Maintenance Worker Bill Huggins, PC Support/Help Desk Support Pamela Clark, and Public Works Administrative Supervisor Charlene Penfold. Councilor Thompson stated that VegFest will take place January 14th and 15th, and he encouraged everyone to attend. Vice Mayor Martinez advised that some of the Councilors attended a Chamber volunteer appreciation luncheon the past weekend, and it showed the level of volunteerism in the City. Councilor Jablow stated that Breakfast with Santa will take place on December 3rd from 8:00 to 10:00 a.m. at The Hub. Mayor Moriarty advised that the tree lighting will take place on December 2nd in Uptown at the Sedona Center with a visit from Santa. She also stated that Saturday, November 26th, is Small Business Saturday, and she encouraged everyone to support local businesses.

5. Proclamations, Recognitions, and Awards - None.

6. Public Forum/Recognition of Outgoing Council Members

Madeleine O'Callaghan, Sedona, recognized Councilor Williamson for willingness to serve on the City Council and thanked her for her support of the arts and Barbara's

Park. She encouraged the new Council to follow in Jessica and Mark DiNunzio's footsteps in support of the arts and Barbara's Park.

Vice Mayor Martinez stated that it was an honor to work with Jessica and recognized her for her compassion, passion, and "stick-to-itiveness". He thanked her for her work on Yavapai College and affordable housing. He thanked former Vice Mayor DiNunzio for his knowledge on financial matters and his guidance. He thanked him for his service and leadership.

Councilor Lamkin thanked Jessica for her great ideas, passion, and compassion, particularly on affordable housing. He thanked Mark for serving and teaching him to ask more than pontificate.

Councilor Thompson seconded everything said about Jessica and expressed his appreciation for her passion. He thanked Mark for being concise, to the point, and relevant.

Councilor Jablow sat by both Jessica and Mark and appreciated their insight. He stated that they didn't always agree but valued each other's opinions.

Mayor Moriarty appreciated Mark for his compassion, knowledge of community, and continued service as a volunteer ranger. She thanked him for his service for all the years. She expressed her gratitude to Jessica for her 4 years of service, thoughtful attitude toward everything, strong analytical abilities, bringing up great points, and being articulate.

Mayor Moriarty presented clocks to former Vice Mayor Mark DiNunzio and outgoing Councilor Jessica Williamson.

Mark stated that the City is in good hands. He thanked Jessica for teaching him it was okay to be Mark, because she was always Jessica. He recognized her compassion and directness. He values the relationships he built and feels that there is good work in front of the Council with great opportunities. He feels the City has a great staff and people with integrity leading the City.

Jessica thanked everybody for giving her the opportunity to serve on City Council. She learned a lot from everyone including Mark who was an inspiration in many ways. She stated that those who serve in local government can have an actual effect on their community, and this is an important role.

7. Swearing in of Newly Elected Council Members by Magistrate Judge Lewis Levin

Judge Levin issued the oath of office to Mayor Sandra J. "Sandy" Moriarty.

Judge Levin issued the oath of office to Councilors John Currivan, Tom Lamkin, John Martinez, and Joe Vernier.

Break at 4:57 p.m. Reconvened at 5:12 p.m.

8. Roll Call

Roll Call: Mayor Sandy Moriarty, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor John Martinez, Councilor Jon Thompson, Councilor Joe Vernier.

9. Appointments

- a. **AB 2185 Discussion/possible action regarding appointment of a Vice Mayor.**

Presentation by Mayor Moriarty.

Motion: Mayor Moriarty moved to appoint John Martinez to fill the office of Vice Mayor. Seconded by Councilor Jablow. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

10. Regular Business

- a. **AB 2179 Discussion/possible direction regarding the destination marketing, visitor services, and product development efforts of the Sedona Chamber of Commerce & Tourism Bureau (SCoC&TB) during FY16, and an overview of plans for tourism promotion services in FY17.**

Presentation by Sedona Chamber of Commerce & Tourism Bureau President and CEO Jennifer Wesselhoff, Director of Marketing Michelle Conway, Public Relations Manager Kegn Moorcroft, Director of Visitor Services Donna Retegan, Director of Lanning Gallery Isabelle Cozart, and Recreation and Resource Manager for the US Forest Service Red Rock Ranger District Adam Barnett.

Questions from Council.

Opened to the public at 6:36 p.m.

Pete Sanders, Sedona, spoke about the importance of the Chamber and all of the extra value they add to the City. He recognized their forming of affinity groups to look at ways to benefit the community as a whole. He is the head of the Sedona Metaphysical Spiritual Association which is an affinity group.

Steve Segner, Sedona, of the Sedona Lodging Council stated that they can use all the money they can get for marketing. He stressed the importance of recognizing the impact of tourism on locals and feels the acquisition of the property on Jordan Road would be beneficial. He would like to see more emphasis on walking and vans for tourist transportation which could be a great alternative use for marketing funds.

Brought back to Council at 6:41 p.m.

Comments from Council.

By majority consensus, Council directed staff to continue to explore the possibility of the Chamber acquiring the property at 401 Jordan Road.

Break at 6:49 p.m. Reconvened at 7:08 p.m.

- b. **AB 2175 Public hearing/discussion/possible action regarding the adoption of a resolution and ordinance updating the City of Sedona's Consolidated Fee Schedule.**

Presentation by Susan Irvine.

Questions and comments from Council.

Opened the public hearing at 7:09 p.m.

No comments were heard.

Closed the public hearing and brought back to Council at 7:10 p.m.

Motion: Councilor Thompson moved to approve Resolution No. 2016-34 creating a public record entitled “2016 Amendments to the Sedona Consolidated Fee Schedule.” Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

Motion: After 1st reading, Councilor Thompson moved to approve Ordinance No. 2016-09, adopting proposed changes to the Consolidated Fee Schedule. Seconded by Vice Mayor Martinez. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

- c. Reports/discussion on Council assignments - None.**
- d. Discussion/possible action on future meeting/agenda items.**

Mayor Moriarty advised that there will be a City Council retreat on Thursday, December 1st beginning at 8:00 a.m. and running until approximately 5:00 p.m. On December 6th, APS will host “APS 101”, and she strongly encouraged Councilors to attend as it is an excellent program focused on solar. Susan Irvine reminded everyone that the Council portrait is on December 13th at 3:00 p.m. Robert Pickels, Jr. stated that there will be a legislative round table on December 14th at 3:00 p.m., and Representative Thorpe has confirmed that he will attend.

11. Executive Session

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

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

No Executive Session was held.

10. Adjournment

Mayor Moriarty adjourned the meeting at 7:14 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on November 22, 2016.

Susan L. Irvine, CMC, City Clerk

Date

**Action Minutes
Special City Council Retreat
Courtyard Marriott Sedona,
4105 West State Route 89A, Sedona, Arizona
Thursday, December 1, 2016 8:00 a.m.**

1. Call to Order

Mayor Moriarty called the meeting to order at 8:08 a.m.

2. Roll Call

Roll Call: Mayor Sandy Moriarty, Vice Mayor John Martinez, Councilor John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, and Councilor Joe Vernier.

Staff in attendance: City Manager Justin Clifton, Assistant City Manager Karen Osburn, City Attorney Robert Pickels, Jr., Director of Community Development Audree Juhlin, Public Works Director/City Engineer Andy Dickey, Engineering Supervisor Stephen Craver, Economic Development Director Molly Spangler, Parks and Recreation Manager Rachel Murdoch, Citizen Engagement Coordinator Lauren Browne, Director of Wastewater Charles Mosley, Information Technology Manager John Smith, Director of Finance Cherie Wright, City Clerk Susan Irvine.

3. Special Business

a. Presentation/participation/discussion in team-building and other exercises with outside consultant, Eric Bailey, including but not limited to the following:

- i. Introductions, expectations setting**
- ii. Colors Personality Characteristics exercise**
- iii. Process, challenges, roles, & group decision making**

Presentation by outside consultant Eric Bailey.

Participation, questions, and comments from Council.

Break at 10:22 a.m. Reconvened at 10:36 a.m.

Presentation by outside consultant Eric Bailey.

Participation, questions, and comments from Council.

Break at 12:00 p.m. Reconvened at 12:38 p.m.

iv. Lunch: Review of open meetings laws

Presentation by Robert Pickels, Jr.

Questions and comments from Council.

Break at 1:20 p.m. Reconvened at 1:23 p.m.

v. Performance management

Presentation by Justin Clifton.

Questions and comments from Council.

Break at 2:51 p.m. Reconvened at 3:04 p.m.

vi. Review Community Plan report card, review Council priorities, & future priorities

Presentation by Justin Clifton.

Questions and comments from Council.

vii. Council liaison appointments

Presentation by Justin Clifton and Mayor Moriarty.

Questions and comments from Council.

viii. Wrap-up, closing remarks & meeting evaluation

Presentations and discussion only. No action taken.

4. Executive Session

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

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

No executive session was held.

5. Adjournment

Mayor Moriarty adjourned the meeting at 4:45 p.m.

I certify that the above are the true and correct actions of the Special City Council Retreat held on December 1, 2016.

Susan L. Irvine, CMC, City Clerk

Date



City of Sedona Proclamation Request Form

| | |
|---|---|
| Full Name of Contact Person | Victor La Sala |
| Contact Phone Number | (516) 857-3093 |
| Contact Mailing Address | 119 E Tonto Dr, Sedona, AZ 86351 |
| Contact Email Address | sq205cc@gmail.com |
| Group, Organization, Activity or Event Being Recognized (Please make sure you provide complete and current information about the group or event) | Civil Air Patrol, the civilian volunteer component of the United States Air Force Auxiliary. |
| Website Address (if applicable) | gocivilairpatrol.com |
| Name of the sponsor(s) of the Proclamation (2 Council members or the City Manager) | Sandy Moriarty Scott Jablow |
| What is the proclaimed day, days, week or month? (e.g. 10/11/12, October 11-17, 2012, October 2012) | Month of December 2016 |
| Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up? | <input checked="" type="checkbox"/> Presentation at Meeting <input type="checkbox"/> Pick up Proclamation |
| If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group. | Victor La Sala, Maj Squadron Commander Civil Air Patrol Verde Valley Composite Squadron 205 119 E Tonto Dr Sedona, AZ 86351 (516) 857-3093 sq205cc@gmail.com |

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

Civil Air Patrol has three missions:

Aerospace Education

Cadet Programs

Emergency Services

The Civil Air Patrol (CAP) was founded on 1 December 1941 under the Federal Office of Civil Defense and supported the war effort with coastal patrols and search and rescue. In 1945, CAP became the official auxiliary of the US Army Air Forces. At that time, one in four CAP members were women. In 1946 President Truman signed Public Law 476 making CAP a federally chartered non-profit corporation.

In 1951, CAP first developed aerospace education program workshops to stimulate American's interest in aerospace technology and offers no-cost activity kits to teachers K-12. Over the years, CAP has developed a robust Cadet program stressing the core values of Integrity, Service, Excellence and Respect, important for developing the leaders of tomorrow. Emergency Services includes Search & Rescue (both air & ground), Disaster Assistance support for agencies such as FEMA, damage assessment and support of Air Force non-combatant training activities.

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

CAP has consistently supported City and Community activities in Sedona and surrounding communities including the Viet Nam Wall event, American Heritage Academy festival, Sedona Pumpkin Splash, Sedona Wildcat Festival and other community events.

We consider the proclamation to be a great honor and a recognition of the unpaid volunteer efforts of our members. The visibility will serve to get our message of service out to the community, to encourage the education community to take advantage of our STEM aerospace education programs and to inspire volunteer participation in our emergency services.

The proclamation would be presented at our upcoming Awards and Promotions event that recognizes both Cadets and Seniors, and in particular, support of our Cadet parents and distinguished guests.

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

**Office of the Mayor
City of Sedona, Arizona**



**Proclamation
Civil Air Patrol Month
December 2016**

WHEREAS, the Civil Air Patrol, a civilian auxiliary of the United States Air Force, is dedicated to volunteer public service in the interest of community, state, and national welfare; and

WHEREAS, the members of the Verde Valley Squadron 205, located at the Sedona Airport, are prepared to give their time and resources to benefit their fellow Americans through aerial and ground search and rescue operations, humanitarian and mercy flights, and many other unselfish acts of emergency; and

WHEREAS, this organization of volunteers is helping conduct an effective national program of aerospace education and training for its members and the general public; and

WHEREAS, this patriotic organization offers an outstanding program of leadership training and development and career motivation to its teenage cadet members; and

WHEREAS, December 1, 2016 marked the 75th anniversary of the founding of this unique organization, originally established to help America in its hour of need during the dark days of World War II, and which is dedicated today to the service of humanity and to the non-combatant defense of this nation.

NOW, THEREFORE, I, SANDY MORIARTY, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, do hereby proclaim the month of December 2016 to be "Civil Air Patrol Month" in Sedona and do hereby call upon the citizens of this City to observe this month with appropriate ceremonies honoring the men, women, and cadet members of the Civil Air Patrol and of the local unit of this worthy organization.

Issued this 13th day of December, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

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City of Sedona Proclamation Request Form

| | |
|---|--|
| Full Name of Contact Person | Jennifer Wesselhoff |
| Contact Phone Number | 928-204-1123 ext. 111 |
| Contact Mailing Address | 45 Sunset Drive |
| Contact Email Address | jwess@sedonachamber.com |
| Group, Organization, Activity or Event Being Recognized (Please make sure you provide complete and current information about the group or event) | Sedona Health & Wellness Month |
| Website Address (if applicable) | none |
| Name of the sponsor(s) of the Proclamation (2 Council members or the City Manager) | Councilor JT and Mayor Moriarty |
| What is the proclaimed day, days, week or month? (e.g. 10/11/12, October 11-17, 2012, October 2012) | December 13, 2016 |
| Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up? | <input checked="" type="checkbox"/> Presentation at Meeting <input type="checkbox"/> Pick up Proclamation |
| If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group. | Jennifer Wesselhoff 928-204-1123 ext. 111 jwess@sedonachamber.com |

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

COPY:

The Sedona Chamber of Commerce & Tourism Bureau (SCC&TB) is charged with ensuring the economic vibrancy of Sedona as well as branding and marketing the greater Sedona area as a tourism and meetings destination world-wide. The SCC&TB's mission centers on creating and maintaining economic vibrancy through business retention, attraction and diversification while attracting leisure and business visitors to fill almost 4,000 rooms that exist in the Sedona area.

Founded in 1949

MISSION: To enhance the economic vitality of Sedona and to promote tourism in a way that celebrates local culture, protects the environment, and sustains the local economy.

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

The Community Plan "encourages healthy and active lifestyles"; and proclaiming January as Health & Wellness month helps us elevate Sedona as a healing destination during January, a traditionally slow time for Sedona tourism and a time for making New Years resolutions, reflecting on life goals, and pursuing self improvement. Many organizations and events are supporting this endeavor as seen in the proclamation. We will be promoting this through social media, websites, newsletters, digitally and in local publications.

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

*Office of the Mayor
City of Sedona, Arizona*



**Proclamation
Sedona Chamber of Commerce & Tourism Bureau
“Health & Wellness Month” January 2017**

WHEREAS, the vision the people of Sedona have for the future of their city, as expressed in their Community Plan, “encourages healthy and active lifestyles”; and

WHEREAS, the month of January is traditionally a time for making New Year’s resolutions, reflecting on life goals, and pursuing self-improvement; and

WHEREAS, the Sedona Chamber of Commerce & Tourism Bureau is actively promoting events and initiatives for residents and visitors alike focused on the theme of health and wellness; and

WHEREAS, January is historically a slower tourism season and this designation elevates awareness of Sedona as a premier wintertime healing and spiritual destination; and

WHEREAS, wellness travel is growing 50% faster than regular travel and SpaFinders’ State of Wellness Travel Report indicated that travelers are more interested in having a full range of wellness components to choose from such as: outdoor adventure, environmentally-friendly programs, and businesses that “do good” for the local community; and

WHEREAS, businesses, organizations, and agencies such as the McClean Meditation Institute, Red Rock State Park, the Sedona Chamber of Commerce & Tourism Bureau, the Sedona Creative Life Center, and Healthy World Sedona will be supporting this wellness theme with events and initiatives in the month of January, such as Sedona VegFest 2017, Be the Peace New Year Meditation Retreat, Daily Guided Nature Walks, the Sedona Marathon Event Training Runs, and the Happy, Healthy, and Wealthy Woman’s Retreat.

NOW THEREFORE I, SANDY MORIARTY, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, do hereby proclaim January 2017 as Health & Wellness Month in the City of Sedona and call upon all citizens to seek out and avail themselves of the opportunities for personal wellness and self-improvement made available by Sedona’s businesses and organizations.

Issued this 13th day of December, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

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**CITY COUNCIL
AGENDA BILL**

**AB 2187
December 13, 2016
Consent Items**

Agenda Item: 3e

Proposed Action & Subject: Approval of a recommendation regarding a Liquor License Person Transfer and Interim Permit application for the Series 6 Bar Liquor License for Mooney's Irish Pub, 621 SR179 ST BST4, Sedona, AZ (license #06030002).

| | |
|-------------------------------|---|
| Department | City Clerk |
| Time to Present | N/A |
| Total Time for Item | |
| Other Council Meetings | N/A |
| Exhibits | Liquor License Application is available for review and inspection in the City Clerk's Office. |

| | | | |
|-------------------------------|---|-----------------------------|-------------------------------------|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required | |
| | | \$ 0 | |
| City Manager's Recommendation | Recommend approval of Liquor License Person Transfer and Interim Permit for Mooney's Irish Pub. | Amount Budgeted | |
| | | \$ 0 | |
| | | Account No. (Description) | N/A |
| | | Finance Approval | <input checked="" type="checkbox"/> |

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

Mooney's Irish Pub has submitted an application for a Person Transfer and Interim Permit License for their Series 6 Bar Liquor License. Mooney's Irish Pub is located at 621 SR179 ST BST4, Sedona, AZ.

The Person Transfer and Interim Liquor License allows the transfer of the current beer and wine liquor license (#06030002) from Paul and Kenneth Saxe of Gila Verde, LLC to Ian and Michelle Juul of Mooney's Shebeen, LLC. The bar (series 6) liquor license is a "quota" license available only through the Liquor License Lottery or for purchase on the open market. Once issued, this liquor license is transferable from person to person and/or location to location within the same county and allows the holder both on- & off-sale retail privileges. This license allows a bar retailer to sell and serve all types of spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application and did not note any objections regarding its approval. Staff recommends that the City Council approve this application.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Do not recommend approval of a Liquor License Person Transfer and Interim Permit application for the Series 6 Bar Liquor License for Mooney's Irish Pub, 621 SR179 ST BST4, Sedona, AZ (license #06030002).

MOTION

I move to: recommend approval of a Liquor License Person Transfer and Interim Permit application for the Series 6 Bar Liquor License for Mooney's Irish Pub, 621 SR179 ST BST4, Sedona, AZ (license #06030002).



**CITY COUNCIL
AGENDA BILL**

**AB 2188
December 13, 2016
Consent Items**

Agenda Item: 3f
Proposed Action & Subject: Approval of a recommendation regarding a Liquor License Agent Change/Acquisition of Control application for the Series 12 Restaurant Liquor License for Rene at Tlaquepaque, 336 State Route 179, Sedona, AZ (License #12030002).

| | |
|-------------------------------|---|
| Department | City Clerk |
| Time to Present | N/A |
| Total Time for Item | |
| Other Council Meetings | N/A |
| Exhibits | Liquor License Application is available for review and inspection in the City Clerk's Office. |

| | | |
|-------------------------------|--|---|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required |
| | | \$ 0 |
| City Manager's Recommendation | Recommend approval of Liquor License Agent Change of Control for Rene at Tlaquepaque | Amount Budgeted |
| | | \$ 0 |
| | | Account No. N/A (Description) |
| | | Finance <input checked="" type="checkbox"/> Approval |

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

Walter John Paulson has submitted a Liquor License application for an agent change/acquisition of control for the Rene at Tlaquepaque located at 313 State Route 179, Sedona, AZ (License #12030002). This is required by Arizona Department of Liquor Licenses and Control if a person other than those persons originally licensed acquires control over a license or licensee. The responsible person is required to file this notice within thirty business days after the acquisition of control and include a list of officers, directors, or other controlling persons. This will transfer control from the existing agent Deborah Leatherwood to Walter Paulson.

On receipt of notice of an acquisition of control, the State forwards the notice to the local governing body. The local governing body may protest the acquisition of control within sixty days based on the capability, reliability, and qualification of the person acquiring control.

If the Director of the Arizona Department of Liquor Licenses and Control does not receive any protests, the Director may protest the acquisition of control or approve the acquisition of control based on the capability, reliability, and qualification of the person acquiring control. Any protest shall be set for a hearing before the State hearing board. Any transfer shall be approved or disapproved within one hundred five days of the filing of the notice of acquisition of control. The person who has acquired control of a license or licensee has the burden of an original application at the hearing, and the board shall make its determination pursuant to Section 4 202 and this section with respect to capability, reliability and qualification.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application and did not note any objections regarding its approval. Staff recommends that the City Council approve this application.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Do not recommend approval of the Liquor License Agent Change Acquisition Control application for the Series 12 Restaurant Liquor License for Rene at Tlaquepaque, 336 State Route 179, Sedona, AZ (License #12030002).

MOTION

I move to: recommend approval of the Liquor License Agent Change Acquisition Control application for the Series 12 Restaurant Liquor License for Rene at Tlaquepaque, 336 State Route 179, Sedona, AZ (License #12030002).



**CITY COUNCIL
AGENDA BILL**

**AB 2189
December 13, 2016
Consent Items**

Agenda Item: 3g
Proposed Action & Subject: Approval of an Extension of Premises/Patio Permit for Whole Foods Market located at 1420 West Hwy 89A, Sedona, AZ (License #07130041).

| | |
|-------------------------------|---|
| Department | City Clerk |
| Time to Present | N/A |
| Total Time for Item | |
| Other Council Meetings | N/A |
| Exhibits | Liquor License Application is available for review and inspection in the City Clerk's Office. |

| | | | |
|-------------------------------|---|-----------------------------|-------------------------------------|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required | \$ 0 |
| City Manager's Recommendation | Approve Extension of Premises/ Patio Permit for Whole Foods | Amount Budgeted | \$ 0 |
| | | Account No. (Description) | N/A |
| | | Finance Approval | <input checked="" type="checkbox"/> |

SUMMARY STATEMENT

Background: State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The Whole Foods Market has submitted an application for an Extension of Premises/Patio permit to include a patio area on the exterior of their licensed premises applicable to their Series 7 Beer and Wine Bar Liquor License (License #07130041). The Whole Foods Market is located at 1420 West Hwy 89A, Sedona, AZ. The Whole Foods Market would like to expand their seating to the patio and to allow for consumption of beer and wine on the patio. In order for this additional space to be included in the approved Series 7 Liquor License, the Whole Foods Market is required to submit and receive a recommendation for an Extension of Premises/Patio permit from the local authority. City Council is being asked to forward a recommendation for approval or denial for this application.

A Series 7 Liquor License (Beer and Wine) is a "quota" license available only through the Liquor License Lottery or for purchase on the open market. Once issued, this liquor license is transferable from person to person and/or location to location within the same county and allows the holder both on- & off-sale retail privileges. This license allows a beer and wine bar

retailer to sell and serve beer and wine (no other spirituous liquors), primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. The following comments were received from the Community Development Department:

“The outdoor area identified in this application was approved on May 15, 2001 by the Planning and Zoning Commission and is known as the “Amphitheater and Plaza” at Old Market Place. As part of that approval, two applicable conditions include:

1. Hours shall be limited to 10:00 a.m. to 10:00 p.m.
2. A maximum of 50 seats shall be permitted

Because of previous issues related to code violations at this location in the past, staff requests that Whole Foods staff proactively work with City staff and area neighbors to address concerns and mitigate any associated issues if they arise.”

Staff recommends that City Council recommend approval of this application with the above identified conditions.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Do not recommend approval of an Extension of Premises/Patio Permit for Whole Foods Market located at 1420 West Hwy 89A, Sedona, AZ (License #07130041).

MOTION

I move to: recommend approval of an Extension of Premises/Patio Permit for Whole Foods Market located at 1420 West Hwy 89A, Sedona, AZ (License #07130041) with the following conditions:

1. Hours shall be limited to 10:00 a.m. to 10:00 p.m.;
2. A maximum of 50 seats shall be permitted; and
3. That Whole Foods staff proactively work with City staff and area neighbors to address concerns and mitigate any associated issues if they arise.



**CITY COUNCIL
AGENDA BILL**

**AB 2191
December 13, 2016
Consent Items**

Agenda Item: 3h
Proposed Action & Subject: Approval of a resolution updating prescribed standards for Financial Disclosure Statements for local elected officials.

| | |
|-------------------------------|--------------------------|
| Department | City Clerk/City Attorney |
| Time to Present | N/A |
| Total Time for Item | |
| Other Council Meetings | N/A |
| Exhibits | A. Proposed Resolution |

| | | | |
|-------------------------------|--|-----------------------------|-------------------------------------|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required | \$ 0 |
| City Manager's Recommendation | Approve a resolution updating standards for Financial Disclosure Statements for local elected officials. | Amount Budgeted | \$ 0 |
| | | Account No. (Description) | N/A |
| | | Finance Approval | <input checked="" type="checkbox"/> |

SUMMARY STATEMENT

Background: During the past legislative session, HB 2429 amended the financial disclosure statement that is required for candidates and public officers. The primary change was a new category on the statement that requires reporting of certain travel-related expenses, which when reported are exempt as a "gift" under the law. Additionally, the law no longer requires the specific names of the public officer's spouse or children to be included on the statement as long as a general description is provided and allows the public officer to provide a home or work address. Lastly, the Secretary of State is authorized to prescribe the electronic format for the local public officer's financial disclosure statements. The law is effective on January 1, 2017. The Arizona League of Cities and Towns recommended that local governments approve the attached resolution to become compliant with these changes to the law.

If adopted, the proposed changes will take effect on January 1, 2017. Since the new law is effective January 1st, an argument has been made that the legislation did not contain a retroactivity clause, and public officers were not on notice to collect or track this information in order to report it in January. For the year-end 2016 statement, if an officer does not complete the travel-related expense section, the filing office will not reject the form and will not issue any enforcement action against the officer.

Community Plan Compliant: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): N/A

MOTION

I move to: approve Resolution No. 2016-__ prescribing standards of financial disclosure for local elected officials.

RESOLUTION NO. 2016-__

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA PRESCRIBING STANDARDS OF FINANCIAL DISCLOSURE FOR LOCAL
ELECTED OFFICIALS.**

WHEREAS, pursuant to the provisions of A.R.S. § 38-545, as amended, the City of Sedona is required to adopt standards of financial disclosure consistent with the provisions of Title 38, Chapter 3.1, Article 1, Arizona Revised Statutes, as amended; and

WHEREAS, the City Council has determined that the standards of financial disclosure hereinafter adopted are, with respect to the City of Sedona, consistent with such standards of financial disclosure within the meaning of A.R.S § 38-545.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, that the following standards of financial disclosure for local elected officials are hereby adopted:

Section 1. DEFINITIONS. In this resolution, unless the context otherwise requires:

1. "Business" includes any enterprise, organization, trade, occupation or profession, whether or not operated as a legal entity or for profit, including any business trust, corporation, partnership, joint venture or sole proprietorship.
2. "Compensation" means anything of value of advantage, present or prospective, including the forgiveness of debt.
3. "Controlled business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a fifty percent interest.
4. "Dependent business" means any business in which the local public officer or any member of his household has an ownership or beneficial interest, individually or combined, amounting to more than a ten percent (10%) interest, and during the preceding calendar year the business received from a single source more than ten thousand dollars (\$10,000) and more than fifty percent (50%) of its gross income.
5. "Gift" includes any gratuity, special discount, favor, hospitality, service, economic opportunity, loan or other benefit received without equivalent consideration and not provided to members of the public at large. "Gift" does not include travel-related expenses that are publicly reported as required by law or political campaign contributions that are publicly reported pursuant to Title 16, Chapter 6.
6. "Local public officer" means a person holding an elective office of the City of Sedona.

7. "Member of household" means a local public officer's spouse and any minor child of whom the local public officer has legal custody.
8. "Travel-related Expenses" means any costs associated with transportation, food lodging, and registration fees and other expenses directly related to travel to, or from, a meeting, conference, or other event where the local public officer is participating in the local public officer's official capacity.

Section 2. DUTY TO FILE FINANCIAL DISCLOSURE STATEMENT; CONTENTS; EXCEPTIONS.

- A. In addition to other statements and reports required by law, every local public officer, as a matter of public record, shall file with the City/Town Clerk on a form prescribed by the City/Town Clerk a verified financial disclosure statement covering the preceding calendar year ending December 31. The statement shall disclose:
 1. The name and home or work address of the local public officer, whether the local public officer's spouse is a member of the local public officer's household, the number of minor children who are members of the local public officer's household and all names and addresses under which each does business. If disclosure of the identity of the local public officer's spouse or minor children is otherwise required, a local public officer may comply with the identification requirement by using the term "spouse" or "minor child" as applicable.
 2. The name and address of each employer and of each other source of compensation other than gifts amounting to more than one thousand dollars received during the preceding calendar year by the local public officer and members of his household in their own names, or by any other person for the use or benefit of the local public officer or members of his household, a description of the services for which the compensation was received and the nature of the employer's business. This paragraph shall not be construed to require the disclosure of individual items of compensation that constituted a portion of the gross income of the business from which the local public officer or members of his household derived compensation.
 3. For a controlled business, a description of the goods or services provided by the business, and if any single source of compensation to the business during the preceding calendar year amounts to more than ten thousand dollars and is more than twenty-five percent of the gross income of the business, the disclosure shall also include a description of the goods or services provided to the source of compensation. For a dependent business the statement shall disclose a description of the goods or services provided by the business and a description of the goods or services provided to the source of compensation from which the dependent business derived the amount of gross income described in Section 1, paragraph 4. If the source of compensation for a

controlled or dependent business is a business, the statement shall disclose a description of the business activities engaged in by the source of compensation.

4. The names and addresses of all businesses and trusts in which the local public officer or members of his household, or any other person for the use or benefit of the local public officer or members of his household, had an ownership or beneficial interest of over one thousand dollars at any time during the preceding calendar year, and the name and addresses of all businesses and trusts in which the local public officer or any member of his household held any office or had a fiduciary relationship at any time during the preceding calendar year, together with the amount or value of the interest and a description of the interest, office or relationship.
5. All real property interests and real property improvements, including specific location and approximate size, located in the City of Sedona, in which the local public officer, any member of his household or a controlled or dependent business held legal title or a beneficial interest at any time during the preceding calendar year, and the value of any such interest, except that this paragraph does not apply to a real property interest and improvements thereon used as the primary personal residence or for the personal recreational use of the local public officer. If a local public officer, any member of his household or a controlled or dependent business acquired or divested any such interest during the preceding calendar year, he shall also disclose that the transaction was made and the date it occurred. If the controlled or dependent business is in the business of dealing in real property interests or improvements, disclosure need not include individual parcels or transactions as long as the aggregate value of all parcels of such property is reported.
6. The names and addresses of all creditors to whom the local public officer or members of his household, in their own names or in the name of any other person, owed a debt of more than one thousand dollars or to whom a controlled business or dependent business owed a debt of more than ten thousand dollars which was also more than thirty percent of the total business indebtedness at any time during the preceding calendar year, listing each such creditor. This paragraph shall not be construed to require the disclosure of debts owed by the local public officer or any member of his household resulting from the ordinary conduct of a business other than a controlled or dependent business. Nor shall disclosure be required of credit card transactions, retail installment contracts, debts on residences or recreational property exempt from disclosure under paragraph 5 of this subsection, debts on motor vehicles not used for commercial purposes, debts secured by cash values on life insurance or debts owed to relatives. It is sufficient disclosure of a creditor if the name and address or a person to whom payments are made is disclosed. If the local public officer, and any member of his household or a controlled or dependent business incurred or discharged a debt which is

reportable under this subsection during the preceding calendar year, the report shall disclose that the transaction was made and the date it occurred.

7. The identification and amount of each debt exceeding one thousand dollars owed at any time during the preceding calendar year to the local public officer and member of his household in their own names, or to any other person for the use or benefit of the local public officer or any member of his household. The disclosure shall include the identification and amount of each debt exceeding ten thousand dollars to a controlled business or dependent business which was also more than thirty percent of the total indebtedness to the business at any time during the preceding calendar year. This paragraph shall not be construed to require the disclosure of debts from the ordinary conduct of a business other than a controlled or dependent business. If the local public officer, any member of his household or a controlled or dependent business incurred or discharged a debt which is reportable under this subsection during the preceding year, the report shall disclose that the transaction was made and the date it occurred.
8. The name of each source of any gift, or accumulated gifts from a single source, of more than five hundred dollars received by the local public officer and members of his household in their own names during the preceding calendar year, or by any other person for the use or benefit of the local public officer or any member of his household except gifts received by will or by virtue of intestate succession, or received by way of distribution from any inter vivos or testamentary trust established by a spouse or by an ancestor, of gifts received from any other member of the household or relatives to the second degree of consanguinity. Travel-related expenses and political campaign contributions shall not be construed as gifts if otherwise publicly reported as required by law.
9. A list of all business licenses issued by the City of Sedona, or by any other governmental agency which requires for its issuance the consideration of the application for such license by the City Council of the City of Sedona, held by or in which the local public officer or any member of his household had an interest at any time during the preceding calendar year, including the name in which the license was issued, the type of business, and its location.
10. A list of all bonds, together with their value, issued by the City of Sedona, any industrial development authority of the City or any nonprofit corporation organized or authorized by the City held at any time during the preceding calendar year by the local public officer or any member of his household, which bonds issued by a single entity had a value in excess of one thousand dollars. If the local public officer or any member of his household acquired or divested any bonds during the preceding calendar year which are reportable under this paragraph, the fact that the transaction occurred and the date shall also be shown.

11. The name of each meeting, conference, or other event where the local public officer is participating in the public officer's official capacity if travel-related expenses of one-thousand dollars (\$1,000) or more were incurred on behalf of the local public officer and the travel-related expenses are not paid by the local public officer.
- B. If an amount or value is required to be reported pursuant to this section, it is sufficient to report whether the amount or value of the equity interest falls within:
1. Category 1, one-thousand dollars (\$1,000) to twenty-five thousand dollars (\$25,000).
 2. Category 2, more than twenty-five thousand dollars (\$25,000) to one hundred thousand dollars (\$100,000).
 3. Category 3, more than one hundred thousand dollars (\$100,000).
- C. This section does not require the disclosure of any information that is privileged by law.
- D. The statement required to be filed pursuant to subsection A shall be filed by all persons who qualified as local public officers at any time during the preceding calendar year on or before January 31 of each year, with the exceptions that a local public officer appointed to fill a vacancy shall, within sixty days following his taking of such office, file a financial disclosure statement covering as his annual period the twelve month period ending with the last full month prior to the date of his taking office, and a local public officer whose final term expires less than thirty-one (31) days into the immediately following calendar year may file the local public officer's final financial disclosure at the same time as the disclosure for the last immediately preceding year.
- E. The City Clerk shall prepare written guidelines, forms, and samples for completing the financial disclosure statement required by this section. A copy of the guidelines, forms, and samples shall be distributed to each local public officer and shall be made available to each candidate required to file a financial disclosure statement pursuant to Section 3 of this resolution.
- F. Any statements that are required to be filed by a local public officer pursuant to this resolution adopted pursuant to A.R.S. § 38-545 may be filed in an electronic format as prescribed by the Secretary of State.

Section 3. DUTY TO FILE FINANCIAL DISCLOSURE STATEMENT BY CANDIDATE FOR LOCAL PUBLIC OFFICE. A candidate for local public office as specified in Section 1, paragraph 6, shall file a financial disclosure statement covering the preceding twelve month period and containing the information described in Section 2 on a form prescribed by the City Clerk at the time of filing nomination papers.

Section 4. This resolution shall become effective on the 1st day of January, 2017.

PASSED AND ADOPTED this 13th day of December, 2016, by the Mayor and Council of the City of Sedona, Arizona.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney



**CITY COUNCIL
AGENDA BILL**

**AB 2182
December 13, 2016
Regular Business**

Agenda Item: 8a

Proposed Action & Subject: Discussion/possible direction to reevaluate the criteria and process used to award grants for community building, economic stimulation and arts & culture activities through the City’s Small Grants Awards Program.

| | |
|-------------------------------|---|
| Department | City Manager’s Office |
| Time to Present | 15 minutes |
| Total Time for Item | 90 minutes |
| Other Council Meetings | July 12, 2016 |
| Exhibits | A. Grant Evaluation Criteria B. Arts & Culture Application Packet and Instructions C. Community Building Application Packet and Instructions D. Economic Stimulation Application Packet and Instructions |

| | | | |
|-------------------------------|--|-----------------------------|-------------------------------------|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required | \$ 0 |
| City Manager’s Recommendation | Provide direction to staff on potentially reorganizing the City’s Small Grant Program. | Amount Budgeted | \$ 0 |
| | | Account No. (Description) | N/A |
| | | Finance Approval | <input checked="" type="checkbox"/> |

SUMMARY STATEMENT

Background: The City of Sedona created a small grants program to encourage and fund activities, programs, or events developed by 501(c) organizations that serve the public and provide a fair return value to the City. Eligible programs, activities, or events include those that enhance the City’s commitment to arts and culture, civic and community service, and that foster the well-being and prosperity of the City and its residents.

During the FY2017 Small Grants Awards process, a citizen committee came together to review applications and make recommendations for funding. This is consistent with processes used in previous years.

Generally, the following timeline and action steps are followed annually:

- Award process opens - February
- Workshop held for potential applicants – April

- Applications due – End April
- Citizen work group interviews with applicants – June
- Deliberation of citizen work group – June following interviews
- Recommendations to and final decisions by City Council – July
- Awards distributed – Late July/Early August

During the FY2017 review process, the committee spent time studying the evaluation criteria set by Council years ago (Exhibit A) to ensure all members had the same understanding when evaluating the merits of each proposal. These discussions led the committee to more narrowly interpret those criteria and, as a result, the applications were scrutinized somewhat differently than in prior years. The committee also agreed on other funding philosophies that influenced their decisions.

During the review of the committee’s recommendations by the Council in July, concerns were raised that the interpretations and assumptions made by the group may not have been fully consistent with Council’s intent. It was agreed that when the new Council was seated, these aspects of the small grants award criteria and process would be revisited and clarified.

The specific issues that emerged during the course of the FY2017 process include:

1. Interpretations of the essential criteria for public funding, "public purpose", "direct vs. indirect" public benefit.

According to the language contained in each of the three grant applications (Exhibits B, C, and D) eligible programs, activities, or events should:

- Meet the definition of public purpose by providing the following:
 - Direct public benefits as opposed to indirect or remote benefits,
 - Programs and services that promote public health, safety, general welfare, prosperity or contentment, and
 - Equal and open access to all members of the community or target population.
- Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation.
- Demonstrate that City funding is essential to the success of the program or service.
- Directly benefit City of Sedona residents and preferably occur within the City limits.
- Strive for programs that are innovative and distinctive.
- Provide documented benefits directly to City of Sedona residents.

The notion that the applicant must demonstrate their program or activity meets the definition of public purpose has continued to cause confusion, as public purpose is not an easily defined concept. If the City were to omit the reference to public purpose, but keep the other criteria, applicants should still have the direction they need, and evaluators would have both guidance and flexibility when considering the community benefits of each proposal.

Question to Council: Instead of referencing “public purpose” which has not been easily defined, could that reference be omitted and the following be maintained in both the application and evaluation criteria?

Eligible programs, activities, or events should:

- Promote public health, safety, general welfare, prosperity, or contentment.
 - Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation.
 - Demonstrate that City funding is essential to the success of the program or service.
 - Directly benefit City of Sedona residents and preferably occur within the City limits.
 - Strive for programs that are innovative and distinctive.
 - Provide documented benefits directly to City of Sedona residents.
2. Weaning applicants off of City funding

The grant evaluation criteria (Exhibit A) provide the following considerations to help assess financial need:

1. Does the organization have other sources of revenue?
2. Percentage of City funding vs. outside funding
3. Adequately demonstrate need for monetary assistance
4. Is City funding essential to provide the service/program?

Based on this criteria the FY17 committee concluded that the City should not provide ongoing annual funding for programs and activities offered by organizations with financial engines that have shown themselves to be viable. The committee viewed the role of the grant program to provide seed money to organizations, but, once the organizations have established financial engines that will support their activities, they should work towards becoming viable/self-sustaining in the long term.

Questions to Council: Is it Council's intent to challenge organizations to explore every way possible to have their programs stand on their own by reducing support over time to those programs that have not exhausted other options? Is grant funding intended to provide seed money only, or is it okay for funding to be provided year after year regardless of an organization's ability to self-sustain?

3. Building fund or other endowment fund's relationship to financial need

As mentioned previously, the grant evaluation criteria provide the following considerations under the category of financial need:

1. Does the organization have other sources of revenue?
2. Percentage of City funding vs. outside funding
3. Adequately demonstrate need for monetary assistance
4. Is City funding essential to provide the service/program?

During the FY17 committee evaluations, an organization's overall balance sheet was considered when assessing financial need. If an organization had a significant amount of savings, even if it was earmarked for specific purpose such as future capital construction, they were not considered to have demonstrated financial need. As far as the committee was concerned, that funding could have been used towards the proposed program or project, and the City funding was therefore not essential.

Question for Council: Should the existence of a building fund or other endowment funds, etc. be considered when assessing financial need?

4. Eligibility of organizations receiving other City funding

Many non-profits receive City funding through service contracts, departmental operating budget allocations, and now through product development funding passed through the Sedona Chamber of Commerce and Tourism Bureau.

Question for Council: Is it appropriate for a non-profit to “double dip,” receiving other City and/or product development funding, and small grants awards, or should non-profits receiving City funding through other vehicles, be ineligible for small grants?

5. Multiple applications

Because the City has three categories of small grants - Arts & Culture, Community Building, and Economic Stimulation - we often see individual non-profits applying for grants under more than one category.

Question for Council – Is it appropriate for a non-profit to apply for multiple grants or should there be a limit on the number of grants each non-profit can apply for?

6. Use of citizen committee/work group

The current process uses a citizen’s committee to review the grant applications, conduct interviews, and make recommendations to the City Council regarding grant awards. Council makes the ultimate decision regarding how much and to whom awards will be made.

Question for Council – Since Council is the ultimate decision-making body is a committee/work group needed or should City Council, or a sub-committee thereof, review the applications directly, conduct interviews, and make the awards?

Additional Consideration

While these were the most prominent issues raised during the FY2017 process, individual City Councilors may desire other modifications to the City’s Small Grants Program as well. In order to meet the FY2018 timeline, which includes opening the grant application period by February 2017, Council may wish to focus primarily on the issues outlined above to clarify these items prior to the next funding cycle.

Should broader more substantive changes to the program be needed, a work group or Council subcommittee could be established to address additional changes as more time allows, in preparation of the FY2019 process, commencing in February 2018.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): Leave criteria and process as-is for FY18.

MOTION

I move to: for discussion and possible direction only.

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Grant Evaluation Criteria

Rating Scale of 1-5, 1 = low, 5 = high

- A. Meets Public Purpose Definition as Defined in the General Criteria
 - 1. Meet the definition of public purpose by providing the following:
 - a. Direct public benefits as opposed to an indirect or remote benefit,
 - b. Programs and services that promote public health, safety, general welfare, prosperity and contentment, and,
 - c. Equal and open access to all members of the community with no one being easily excluded.
- B. City Priority/Need
 - 1. Funding request is in line with the Community Plan and City Councils Goals & Priorities
- C. Community Impact
 - 1. Breadth and depth of reach into community
 - 2. How well is target population identified
 - 3. How well is target population served
- D. Organizations' Administrative Capacity
 - 1. Capacity- Can the organization able to accomplish their goals with the staff/volunteers they have?
 - 2. Mix of employees and volunteers
 - 3. Leadership/management depth
 - 4. Board of Directors
- E. Financial Strength
 - 1. Ability and active pursuit to generate other revenue streams
 - 2. Cash reserves- reasonableness of reserves for this type of organization (too much? too low?, just right?)
 - 3. Financial sustainability
 - 4. Overall strength of financial statement
- F. Performance Indicators
 - 1. Provided specific measurements against objectives
 - 2. How appropriate and adequate are the tools used to measure performance?
 - 3. Quantitative and qualitative analysis
- G. Financial Need
 - 1. Does organization have other sources of revenue?
 - 2. Percentage of City funding for program vs. outside funding
 - 3. Adequately demonstrate need for monetary assistance
 - 4. Is City funding essential to provide the service/program?
- H. Overall recommendation
 - 1. This is a subjective rating of the reviewer's impression as to whether the City should fund the organization

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City of Sedona
Grant Application - Arts & Culture Category
Fiscal Year 2016-2017

INSTRUCTIONS

Carefully read and follow the instructions as some information has changed. Incomplete applications will not be reviewed for funding.

Due Date: Applications must be received, not postmarked, by **April 28, 2016 at 4:00 p.m.**

This Grant Application is for the Arts & Culture category. Submit only one category per application.

The Grant Application must include the following sections in the order indicated below:

- One (1) completed **Grant Application** form signed by Board Chair/President or Executive Director.
- Completed **Financial Information** section with clearly marked headers including income and funding information as requested, financial statements, 501(c) IRS letter, organizational budgets, and specific program/activity/event budget on the provided worksheet. For any financial questions that require a narrative response, the answer must be typewritten and include the question prior to your answer.
- Completed **Narrative Response** section with clearly marked headers including Organization Overview and Supplemental Questions, specific to your funding category, with answers fully included.
- If your organization received funds in the FY15-16 grant cycle, attach a copy of your **Final Report (also due April 28, 2016)**. If your organization has been granted an extension for the submittal of its Final Report, please attach a **status update** on the use of the funds, expenditures and accomplishments to date, and timelines to complete the program, activity, or event.
- If you are partnering with another organization on your program, activity, or event, attach a **letter of support** from the partner organization.

If applying for funds to be used for destination marketing, you are encouraged to contact the Chamber of Commerce to identify possible partnerships for marketing opportunities and to ensure marketing efforts being pursued by your organization and the Chamber are complimentary, and efforts are not being duplicated. Also, it is suggested that your organization work with Sedona Events Alliance calendaring to avoid event conflicts and/or seize partnership opportunities for event marketing.

Use white paper. Number all pages of your application. Provide responses in the order listed in the application. Narrative responses should have clearly marked headers and must be typewritten leaving at least 1-inch margins and using a 12-point Times or Times New Roman font.

Do not put the information in a binder and do not include color photographs or other color materials. Do not bind or staple application. **Use only a paper or binder clip.** Do **not** include materials other than those specifically requested at this time.

OBJECTIVES, CRITERIA, EVALUATION

The City of Sedona encourages and may fund programs, activities, or events provided by 501(c) organizations that serve a public purpose, provide a fair return value to the City and are consistent with the City's funding priorities. Programs, activities, or events that may be funded include those that enhance the City's commitment to arts and culture, and civic and community service that foster the well-being and prosperity of the City and its residents.

OUTCOME OBJECTIVES

- Assurance that all funding serves a public purpose.
- Documented return on value to the city (either historical or estimated).
- Fair, equal and open opportunity for all not-for-profits to participate.
- Potential access to higher funding level for all organizations.
- Structured, objective and consistent selection process.
- Stimulate creative proposals and innovation in use of public funds.

GENERAL CRITERIA FOR FUNDING

The Arts and Culture category includes a wide range of arts and cultural activities. Activities should be free or nominal cost programs, including but not limited to, youth art programs, public workshops, exhibitions and special public performances. The following criteria apply to the program, activity, or event that receives City funding.

Eligible organizations:

1. Recognized by the IRS as a 501(c) organization,
2. Provides documented benefits directly to City of Sedona residents,
3. Have an independent Board of Directors (of at least three or more).
4. Demonstrates the leadership and financial capacity to create significant and long-lasting benefits to the community or to the target population.

Ineligible organizations:

1. "Conduit" organizations, and/or fiscal agents, using City funds to support other organizations or individuals.
2. Religious or other faith-based organizations.

Eligible programs, activities, or events should:

1. Meet the definition of public purpose by providing the following:
 - a. Direct public benefits as opposed to an indirect or remote benefits,
 - b. Programs and services that promote public health, safety, general welfare, prosperity or contentment, and
 - c. Equal and open access to all members of the community or target population.
2. Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation.
3. Demonstrate that City funding is essential to the success of the program or service.
4. Directly benefit City of Sedona residents and preferably occur within the City limits.
5. Strive for programs that are innovative and distinctive.

Ineligible programs, activities, or events:

1. An organization may have members, but the program, activity, or event funded by the City shall not discriminate based on membership status or economic status. (For example, members have first right of refusal on participation in a City funded program, activity, or event.)
2. Fund travel or training for organization officers, members or volunteers.
3. Provide direct grants or scholarships to individuals.
4. Fund organizational deficit reduction, endowments or fundraising campaigns.
5. Religious or other faith-based programs, activities, or events.

EVALUATION PROCESS

Grant applications for each category will be evaluated on their individual merits. Funding will be allocated to requests based on their merit scores. Applications will be evaluated on a 1 (low) to 5 (high) scale and scored in accordance with the Grant Evaluation Criteria. Requests must have an average of 2.5 or higher (on a 5 point scale) to be considered for funding. Each applicant will be scheduled for a brief interview with the Grant Evaluation Committee. The purpose of this meeting is not for the applicant to make a presentation to the Committee but rather to allow the Committee an opportunity to ask questions and/or seek clarification regarding the application materials submitted.

GRANT EVALUATION COMMITTEE

A Citizen Work Group experienced in grant review will evaluate all grant applications (for all categories).

The Committee will provide recommendations to the City Council for final funding approval. The Committee will treat all applications in all categories equally, unless otherwise directed by the City Council.

TIMELINE

Below is a preliminary timeline for the fiscal year 2016-2017 funding process.

- February 22, 2016 Grant applications available.
- April 7, 2016 Optional Applicant Workshop
- **April 28, 2016 Grant applications due by 4:00 p.m.**
- Week of June 6, 2016 Grant Evaluation Committee meets with the applicants, reviews and scores applications and makes funding recommendations to City Council
- July 26, 2016 City Council approves funding awards

For questions regarding the application, please contact Stephanie Giesbrecht at (928) 639-6040 or Stephanie.Giesbrecht@NAhealth.com

Return completed applications by April 28, 2016 at 4:00 p.m. to:

City Manager's Office
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

FY16-17 Grant Application – Arts & Culture Category (cont.)

| | |
|--|--|
| Establishment Date of Organization: | |
| Dates of Organization’s fiscal year (i.e. Jan. - Dec.) | |
| Budget for organization’s current fiscal year: | |
| YTD (year to date) expenditures for the organization’s current fiscal year: | |
| Prior fiscal year expenditures: | |

Your Organization’s staff composition in numbers:

| <i>Paid Full Time</i> | <i>Paid Part Time</i> | <i>Unpaid Staff, Volunteers & Interns</i> |
|-----------------------|-----------------------|---|
| | | |

PROPOSAL INFORMATION

| | |
|--------------------------------|----|
| Grant amount requested: | \$ |
|--------------------------------|----|

| | |
|--|--|
| Estimated Number of unduplicated City of Sedona Residents Served (by program, activity, or event): <i>For example, a teacher has 30 students. This number would be 30 and not 150 students per week.</i> | |
| Estimated Number of City of Sedona Businesses, if applicable, served (by program, activity, or event): | |
| Estimated percentage of Residents vs. Non-Residents Served (by program, activity, or event): | |
| Geographic area served (specific boundaries) (by program/activity/event, if necessary): | |

AUTHORIZATION

*The undersigned **Board Chair/President or Executive Director**, does hereby certify that the information set forth in this grant application is true and correct, that the Federal tax exemption determination letter attached hereto has not been revoked and the present operation of the organization and its current sources of support are not inconsistent with the organization’s continuing tax exempt classification as set forth in such determination letter.*

| | |
|----------------------|--|
| Printed Name: | |
| Title: | |
| Signature: | |
| Date: | |

FINANCIAL INFORMATION

Provide the following financial information as attachments with clearly marked headers. Financial questions that require a narrative response must be typewritten using a 12-point Times or Times New Roman font and include the question prior to your answer.

1. Provide a list of organization's income sources and amount and percentage of total income.
2. Provide a signed income and expenses statement and balance sheet for the most recent year end.
3. Provide proof of current IRS recognized 501(c) status.
4. Provide the current year line-item budget for revenues and expenditures, for your organization as a whole.
5. List total City of Sedona funding received by your organization for the previous three (3) fiscal years:
6. What will be the impact/consequence(s) to your activity, event, or program if only partially funded by the City?
7. Provide the current year line-item budget for the specific Program, Activity, or Event for which you are seeking funding. This must be submitted on the Program, Activity, or Event Budget Worksheet provided (*see next page*).

NARRATIVE RESPONSE

ARTS & CULTURE CATEGORY

Narratives must be typewritten using a 12-point Times New Roman font and not exceed **six (6) single-sided (or 3 double-sided)** pages for all responses (not including attachments or charts/diagrams). Be brief and to the point and number all pages. Include the question prior to your answer.

ORGANIZATION OVERVIEW

1. State the organization's mission statement, purpose and goals.
2. Brief description of organization's current programs, activities, or events, including statistics and specific accomplishments. Highlight new or different activities within the last year, if any, for your organization.

SUPPLEMENTAL QUESTIONS

1. Describe the activity, program, or event for which you are seeking funding.
2. How does your activity, program or event serve the public purpose as defined under *Eligible Programs, Activities, or Events*? Describe how it will:
 - a. Provide a direct benefit to Sedona residents as opposed to an indirect or remote benefit.
 - b. Promote and serve the health, safety, general welfare and contentment of Sedona residents.
 - c. Provide equal and open access for all members of the community or the target audience with no one being easily excluded.
3. Describe the administrative strengths and experience of those who planned and will conduct your activity, program, or event. Please address:
 - a. The administration, leadership, and management experience of all primary individuals involved in conducting the program, activity, or event.
 - b. Specific skills and record of past success of those in organization leadership roles in conducting the type of proposed activities.
4. How many Sedona residents will your program serve and how will your program impact those residents? Please address:
 - a. How you plan to involve other sectors of the community to demonstrate community support (i.e. businesses, faith communities, not-for-profit sector).
 - b. Describe the demographic make-up (target population) of unduplicated Sedona residents that are expected to benefit in the program, activity or event and the basis for your estimate.
 - c. What type of experience, information, education or community connection will the target population gain from this program, activity, or event.

NARRATIVE RESPONSE (cont.)

ARTS & CULTURE CATEGORY

5. How will you measure the success of your program? Please describe:
 - a. What success will look like.
 - b. Your overall measurement strategy, types of qualitative and/or quantitative data to be collected, collection process and evaluation methods you will apply.
6. What are the needs that exist in Arts and Culture in Sedona and why? How will your program, activity, or event meet one or more of those needs?
7. Describe the financial strength and stability of your organization. Please connect this response to financial data provided on the specific Program, Activity, or Event Budget Worksheet. Be sure to address:
 - a. The diversity by percentage of funding sources used overall by your organization.
 - b. The diversity by percentage of funding sources for the specific program, activity, or event for which you are requesting funds.
 - c. What percentage of your total expenses is used for administrative overhead versus all of your organization's programs, activities, or events.
 - d. What percentage of the public funds you receive will be used for administrative purposes versus the activity, program or event budget for which you are applying.
 - e. What percentage of your organization's total financial resources will be dedicated to this program, activity, or event.
8. What additional benefits, if any, will your program, activity, or event provide (responses may include the categories of Community Building and Economic Stimulation)?

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City of Sedona
Grant Application - Community Building Category
Fiscal Year 2016-2017

INSTRUCTIONS

Carefully read and follow the instructions as some information has changed. Incomplete applications will not be reviewed for funding.

Due Date: Applications must be received, not postmarked, by **April 28, 2016 at 4:00 p.m.**

This Grant Application is for the Community Building category. Submit only one category per application.

The Grant Application must include the following sections in the order indicated below:

- One (1) completed **Grant Application** form signed by Board Chair/President or Executive Director.
- Completed **Financial Information** section with clearly marked headers including income and funding information as requested, financial statements, 501(c) IRS letter, organizational budgets, and specific program/activity/event budget on the provided worksheet. For any financial questions that require a narrative response, the answer must be typewritten and include the question prior to your answer.
- Completed **Narrative Response** section with clearly marked headers including Organization Overview and Supplemental Questions, specific to your funding category, with answers fully included.
- If your organization received funds in the FY15-16 grant cycle, attach a copy of your **Final Report (also due April 28, 2016)**. If your organization has been granted an extension for the submittal of its Final Report, please attach a **status update** on the use of the funds, expenditures and accomplishments to date, and timelines to complete the program, activity, or event.
- If you are partnering with another organization on your program, activity, or event, attach a **letter of support** from the partner organization.

If applying for funds to be used for destination marketing, you are encouraged to contact the Chamber of Commerce to identify possible partnerships for marketing opportunities and to ensure marketing efforts being pursued by your organization and the Chamber are complimentary, and efforts are not being duplicated. Also, it is suggested that your organization work with Sedona Events Alliance calendaring to avoid event conflicts and/or seize partnership opportunities for event marketing.

Use white paper. Number all pages of your application. Provide responses in the order listed in the application. Narrative responses should have clearly marked headers and must be typewritten leaving at least 1-inch margins and using a 12-point Times or Times New Roman font.

Do not put the information in a binder and do not include color photographs or other color materials. Do not bind or staple application. **Use only a paper or binder clip.** Do **not** include materials other than those specifically requested at this time.

OBJECTIVES, CRITERIA, EVALUATION

The City of Sedona encourages and may fund programs, activities, or events provided by 501(c) organizations that serve a public purpose, provide a fair return value to the City and are consistent with the City's funding priorities. Programs, activities, or events that may be funded include those that enhance the City's commitment to arts and culture, and civic and community service that foster the well-being and prosperity of the City and its residents.

OUTCOME OBJECTIVES

- Assurance that all funding serves a public purpose.
- Documented return on value to the city (either historical or estimated).
- Fair, equal and open opportunity for all not-for-profits to participate.
- Potential access to higher funding level for all organizations.
- Structured, objective and consistent selection process.
- Stimulate creative proposals and innovation in use of public funds.

GENERAL CRITERIA FOR FUNDING

The Community Building category is for events or activities that are primarily for Sedona residents and designed to foster a greater sense of community. While visitors or others outside the community may attend or participate, it is meant to enhance the quality of life in Sedona. Some past examples include St. Patrick's Parade, Community Fair and Mitzvah Day.

Eligible organizations:

1. Recognized by the IRS as a 501(c) organization,
2. Provides documented benefits directly to City of Sedona residents,
3. Have an independent Board of Directors (of at least three or more).
4. Demonstrates the leadership and financial capacity to create significant and long-lasting benefits to the community or to the target population.

Ineligible organizations:

1. "Conduit" organizations, and/or fiscal agents, using City funds to support other organizations or individuals.
2. Religious or other faith-based organizations.

Eligible programs, activities, or events should:

1. Meet the definition of public purpose by providing the following:
 - a. Direct public benefits as opposed to an indirect or remote benefits,
 - b. Programs and services that promote public health, safety, general welfare, prosperity or contentment, and
 - c. Equal and open access to all members of the community or target population.
2. Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation.
3. Demonstrate that City funding is essential to the success of the program or service.
4. Directly benefit City of Sedona residents and preferably occur within the City limits.
5. Strive for programs that are innovative and distinctive.

Ineligible programs, activities, or events:

1. An organization may have members, but the program, activity, or event funded by the City shall not discriminate based on membership status or economic status. (For example, members have first right of refusal on participation in a City funded program, activity, or event.)
2. Fund travel or training for organization officers, members or volunteers.
3. Provide direct grants or scholarships to individuals.
4. Fund organizational deficit reduction, endowments or fundraising campaigns.
5. Religious or other faith-based programs, activities, or events.

EVALUATION PROCESS

Grant applications for each category will be evaluated on their individual merits. Funding will be allocated to requests based on their merit scores. Applications will be evaluated on a 1 (low) to 5 (high) scale and scored in accordance with the Grant Evaluation Criteria. Requests must have an average of 2.5 or higher (on a 5 point scale) to be considered for funding. Each applicant will be scheduled for a brief interview with the Grant Evaluation Committee. The purpose of this meeting is not for the applicant to make a presentation to the Committee but rather to allow the Committee an opportunity to ask questions and/or seek clarification regarding the application materials submitted.

GRANT EVALUATION COMMITTEE

A Citizen Work Group experienced in grant review will evaluate all grant applications (for all categories).

The Committee will provide recommendations to the City Council for final funding approval. The Committee will treat all applications in all categories equally, unless otherwise directed by the City Council.

TIMELINE

Below is a preliminary timeline for the fiscal year 2016-2017 funding process.

- February 22, 2016 Grant applications available.
- April 7, 2016 Optional Applicant Workshop
- **April 28, 2016 Grant applications due by 4:00 p.m.**
- Week of June 6, 2016 Grant Evaluation Committee meets with the applicants, reviews and scores applications and makes funding recommendations to City Council
- July 26, 2016 City Council approves funding awards

For questions regarding the application, please contact Stephanie Giesbrecht at (928) 639-6040 or Stephanie.Giesbrecht@NAhealth.com

Return completed applications by April 28, 2016 at 4:00 p.m. to:

City Manager's Office
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

FY16-17 Grant Application – Community Building Category (cont.)

| | |
|--|--|
| Establishment Date of Organization: | |
| Dates of Organization’s fiscal year (i.e. Jan. - Dec.) | |
| Budget for organization’s current fiscal year: | |
| YTD (year to date) expenditures for the organization’s current fiscal year: | |
| Prior fiscal year expenditures: | |

Your Organization’s staff composition in numbers:

| <i>Paid Full Time</i> | <i>Paid Part Time</i> | <i>Unpaid Staff, Volunteers & Interns</i> |
|-----------------------|-----------------------|---|
| | | |

PROPOSAL INFORMATION

| | |
|--------------------------------|----|
| Grant amount requested: | \$ |
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| | |
|--|--|
| Estimated Number of unduplicated City of Sedona Residents Served (by program, activity, or event): <i>For example, a teacher has 30 students. This number would be 30 and not 150 students per week.</i> | |
| Estimated Number of City of Sedona Businesses, if applicable, served (by program, activity, or event): | |
| Estimated percentage of Residents vs. Non-Residents Served (by program, activity, or event): | |
| Geographic area served (specific boundaries) (by program/activity/event, if necessary): | |

AUTHORIZATION

*The undersigned **Board Chair/President or Executive Director**, does hereby certify that the information set forth in this grant application is true and correct, that the Federal tax exemption determination letter attached hereto has not been revoked and the present operation of the organization and its current sources of support are not inconsistent with the organization’s continuing tax exempt classification as set forth in such determination letter.*

| | |
|----------------------|--|
| Printed Name: | |
| Title: | |
| Signature: | |
| Date: | |

FINANCIAL INFORMATION

Provide the following financial information as attachments with clearly marked headers. Financial questions that require a narrative response must be typewritten using a 12-point Times or Times New Roman font and include the question prior to your answer.

1. Provide a list of organization's income sources and amount and percentage of total income.
2. Provide a signed income and expenses statement and balance sheet for the most recent year end.
3. Provide proof of current IRS recognized 501(c) status.
4. Provide the current year line-item budget for revenues and expenditures, for your organization as a whole.
5. List total City of Sedona funding received by your organization for the previous three (3) fiscal years.
6. What will be the impact/consequence(s) to your activity, event, or program if only partially funded by the City?
7. Provide the current year line-item budget for the specific Program, Activity, or Event for which you are seeking funding. This must be submitted on the Program, Activity, or Event Budget Worksheet provided (*see next page*).

NARRATIVE RESPONSE

COMMUNITY BUILDING CATEGORY

Narratives must be typewritten using a 12-point Times New Roman font and not exceed **six (6) single-sided (or 3 double-sided)** pages for all responses (not including attachments or charts/diagrams). Be brief and to the point and number all pages. Include the question prior to your answer.

ORGANIZATION OVERVIEW

1. State the organization's mission statement, purpose and goals.
2. Brief description of organization's current programs, activities, or events, including statistics and specific accomplishments. Highlight new or different activities within the last year, if any, for your organization.

SUPPLEMENTAL QUESTIONS

1. Describe the activity, program, or event for which you are seeking funding.
2. How does your activity, program or event serve the public purpose as defined under *Eligible Programs, Activities, or Events*? Describe how it will:
 - a. Provide a direct benefit to Sedona residents as opposed to an indirect or remote benefit.
 - b. Promote and serve the health, safety, general welfare and contentment of Sedona residents.
 - c. Provide equal and open access for all members of the community or the target audience with no one being easily excluded.
3. Describe the administrative strengths and experience of those who planned and will conduct your activity, program or event. Please address:
 - a. The administration, leadership, and management experience of all primary individuals involved in conducting the program, activity, or event.
 - b. Specific skills and record of past success of those in organization leadership roles in conducting the type of proposed activities.
4. What specifically will you accomplish with the City's funding? Please describe how these activities will directly bring Sedona residents together and create a greater sense of community.
5. How many Sedona residents will your program serve and how will your program impact those residents? Please address:
 - a. How you plan to involve other sectors of the community to demonstrate community support (i.e. businesses, faith communities, not-for-profit sector).
 - b. Describe the demographic make-up (target population) of unduplicated Sedona residents that are expected to benefit in the program, activity, or event and the basis for your estimate.
 - c. What type of experience, information, education or community connection will the target population gain from this program, activity, or event.

NARRATIVE RESPONSE (cont.)

COMMUNITY BUILDING CATEGORY

6. How will you measure the success of your program? Please describe:
 - a. What success will look like.
 - b. Your overall measurement strategy, types of qualitative and/or quantitative data to be collected, collection process and evaluation methods you will apply.

7. Describe the need in Sedona that your program, activity, or event addresses in the way of a sense, feeling, action or spirit of community and the basis for your belief. Explain how your proposed program, activity or event will improve or build upon the current sense of community.

8. Describe the financial strength and stability of your organization. Please connect this response to financial data provided on the specific Program, Activity, or Event Budget Worksheet. Be sure to address:
 - a. The diversity by percentage of funding sources used overall by your organization.
 - b. The diversity by percentage of funding sources for the specific program, activity, or event for which you are requesting funds.
 - c. What percentage of your total expenses is used for administrative overhead versus all of your organization's programs, activities, or events.
 - d. What percentage of the public funds you receive will be used for administrative purposes versus the program, activity, or event budget for which you are applying?
 - e. What percentage of your organization's total financial resources will be dedicated to this program, activity, or event?

9. What additional benefits, if any, will your program, activity, or event provide (responses may include the categories of Arts & Culture and Economic Stimulation)?

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City of Sedona
Grant Application - Economic Stimulation Category
Fiscal Year 2016-2017

INSTRUCTIONS

Carefully read and follow the instructions as some information has changed. Incomplete applications will not be reviewed for funding.

Due Date: Applications must be received, not postmarked, by **April 28, 2016 at 4:00 p.m.**

This Grant Application is for the Economic Stimulation category. Submit only one category per application.

The Grant Application must include the following sections in the order indicated below:

- One (1) completed **Grant Application** form signed by Board Chair/President or Executive Director.
- Completed **Financial Information** section with clearly marked headers including income and funding information as requested, financial statements, 501(c) IRS letter, organizational budgets, and specific program/activity/event budget on the provided worksheet. For any financial questions that require a narrative response, the answer must be typewritten and include the question prior to your answer.
- Completed **Narrative Response** section with clearly marked headers including Organization Overview and Supplemental Questions, specific to the funding category, with answers fully included.
- If your organization received funds in the FY15-16 grant cycle, attach a copy of your **Final Report (also due April 28, 2016)**. If your organization has been granted an extension for the submittal of its Final Report, please attach a **status update** on the use of the funds, expenditures and accomplishments to date, and timelines to complete the program, activity, or event.
- If you are partnering with another organization on your program, activity, or event, attach a **letter of support** from the partner organization.

If applying for funds to be used for destination marketing, you are encouraged to contact the Chamber of Commerce to identify possible partnerships for marketing opportunities and to ensure marketing efforts being pursued by your organization and the Chamber are complimentary, and efforts are not being duplicated. Also, it is suggested that your organization work with Sedona Events Alliance calendaring to avoid event conflicts and/or seize partnership opportunities for event marketing.

Use white paper. Number all pages of your application. Provide responses in the order listed in the application. Narrative responses should have clearly marked headers and must be typewritten leaving at least 1-inch margins and using a 12-point Times or Times New Roman font.

Do not put the information in a binder and do not include color photographs or other color materials. Do not bind or staple application. **Use only a paper or binder clip.** Do **not** include materials other than those specifically requested at this time.

OBJECTIVES, CRITERIA, EVALUATION

The City of Sedona encourages and may fund programs, activities, or events provided by 501(c) organizations that serve a public purpose, provide a fair return value to the City and are consistent with the City's funding priorities. Programs, activities, or events that may be funded include those that enhance the City's commitment to arts and culture, and civic and community service that foster the well-being and prosperity of the City and its residents.

OUTCOME OBJECTIVES

- Assurance that all funding serves a public purpose.
- Documented return on value to the city (either historical or estimated).
- Fair, equal and open opportunity for all not-for-profits to participate.
- Potential access to higher funding level for all organizations.
- Structured, objective and consistent selection process.
- Stimulate creative proposals and innovation in use of public funds.

GENERAL CRITERIA FOR FUNDING

The Economic Stimulation category is for activities specifically intended to stimulate business and the Sedona economy. Examples include creation of new events, major additions to existing ones, additional types of event marketing and new marketing activities for a specific event. Applications should indicate how the applicant will measure and document the generation of new revenues.

Eligible organizations:

1. Recognized by the IRS as a 501(c) organization,
2. Provides documented benefits directly to City of Sedona residents,
3. Have an independent Board of Directors (of at least three or more).
4. Demonstrates the leadership and financial capacity to create significant and long-lasting benefits to the community or to the target population.

Ineligible organizations:

1. "Conduit" organizations, and/or fiscal agents, using City funds to support other organizations or individuals.
2. Religious or other faith-based organizations.

Eligible programs, activities, or events should:

1. Meet the definition of public purpose by providing the following:
 - a. Direct public benefits as opposed to an indirect or remote benefits,
 - b. Programs and services that promote public health, safety, general welfare, prosperity or contentment, and
 - c. Equal and open access to all members of the community or target population.
2. Significantly impact the well-being and prosperity of Sedona residents in the areas of arts and culture, community building, or economic stimulation.
3. Demonstrate that City funding is essential to the success of the program or service.
4. Directly benefit City of Sedona residents and preferably occur within the City limits.
5. Strive for programs that are innovative and distinctive.

Ineligible programs, activities, or events:

1. An organization may have members, but the program, activity, or event funded by the City shall not discriminate based on membership status or economic status. (For example, members have first right of refusal on participation in a City funded program, activity, or event.)
2. Fund travel or training for organization officers, members or volunteers.
3. Provide direct grants or scholarships to individuals.
4. Fund organizational deficit reduction, endowments or fundraising campaigns.
5. Religious or other faith-based programs, activities, or events.

EVALUATION PROCESS

Grant applications for each category will be evaluated on their individual merits. Funding will be allocated to requests based on their merit scores. Applications will be evaluated on a 1 (low) to 5 (high) scale and scored in accordance with the Grant Evaluation Criteria. Requests must have an average of 2.5 or higher (on a 5 point scale) to be considered for funding. Each applicant will be scheduled for a brief interview with the Grant Evaluation Committee. The purpose of this meeting is not for the applicant to make a presentation to the Committee but rather to allow the Committee an opportunity to ask questions and/or seek clarification regarding the application materials submitted.

GRANT EVALUATION COMMITTEE

A Citizen Work Group experienced in grant review will evaluate all grant applications (for all categories).

The Committee will provide recommendations to the City Council for final funding approval. The Committee will treat all applications in all categories equally, unless otherwise directed by the City Council.

TIMELINE

Below is a preliminary timeline for the fiscal year 2016-2017 funding process.

- February 22, 2016 Grant applications available.
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- July 26, 2016 City Council approves funding awards

For questions regarding the application, please contact Stephanie Giesbrecht at (928) 639-6040 or Stephanie.Giesbrecht@NAhealth.com

Return completed applications by April 28, 2016 at 4:00 p.m. to:

City Manager's Office
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

FY16-17 Grant Application – Economic Stimulation Category (cont.)

| | |
|--|--|
| Establishment Date of Organization: | |
| Dates of Organization’s fiscal year (i.e. Jan. - Dec.) | |
| Budget for organization’s current fiscal year: | |
| YTD (year to date) expenditures for the organization’s current fiscal year: | |
| Prior fiscal year expenditures: | |

Your Organization’s staff composition in numbers:

| <i>Paid Full Time</i> | <i>Paid Part Time</i> | <i>Unpaid Staff, Volunteers & Interns</i> |
|-----------------------|-----------------------|---|
| | | |

PROPOSAL INFORMATION

| | |
|--------------------------------|----|
| Grant amount requested: | \$ |
|--------------------------------|----|

| | |
|--|--|
| Estimated Number of unduplicated City of Sedona Residents Served (by program, activity, or event): <i>For example, a teacher has 30 students. This number would be 30 and not 150 students per week.</i> | |
| Estimated Number of City of Sedona Businesses, if applicable, served (by program, activity, or event): | |
| Estimated percentage of Residents vs. Non-Residents Served (by program, activity, or event): | |
| Geographic area served (specific boundaries) (by program/activity/event, if necessary): | |

AUTHORIZATION

*The undersigned **Board Chair/President or Executive Director**, does hereby certify that the information set forth in this grant application is true and correct, that the Federal tax exemption determination letter attached hereto has not been revoked and the present operation of the organization and its current sources of support are not inconsistent with the organization’s continuing tax exempt classification as set forth in such determination letter.*

| | |
|----------------------|--|
| Printed Name: | |
| Title: | |
| Signature: | |
| Date: | |

FINANCIAL INFORMATION

Provide the following financial information as attachments with clearly marked headers. Financial questions that require a narrative response must be typewritten using a 12-point Times or Times New Roman font and include the question prior to your answer.

1. Provide a list of organization's income sources and amount and percentage of total income.
2. Provide a signed income and expenses statement and balance sheet for the most recent year end.
3. Provide proof of current IRS recognized 501(c) status.
4. Provide the current year line-item budget for revenues and expenditures, for your organization as a whole.
5. List total City of Sedona funding received by your organization for the previous three (3) fiscal years:
6. What will be the impact/consequence(s) to your activity, event, or program if only partially funded by the City?
7. Provide the current year line-item budget for the specific Program, Activity, or Event for which you are seeking funding. This must be submitted on the Program, Activity, or Event Budget Worksheet provided (*see next page*).

NARRATIVE RESPONSE

ECONOMIC STIMULATION CATEGORY

Narratives must be typewritten using a 12-point Times New Roman font and not exceed **six (6) single-sided (or 3 double-sided)** pages for all responses (not including attachments or charts/diagrams). Be brief and to the point and number all pages. Include the question prior to your answer.

ORGANIZATION OVERVIEW

1. State the organization's mission statement, purpose and goals.
2. Brief description of organization's current programs, activities, or events, including statistics and specific accomplishments. Highlight new or different activities within the last year, if any, for your organization.

SUPPLEMENTAL QUESTIONS

1. Describe the activity, program, or event for which you are seeking funding.
2. How does your activity, program, or event serve the public purpose as defined under *Eligible Programs, Activities, or Events*? Describe how it will:
 - a. Provide a direct benefit to Sedona residents as opposed to an indirect or remote benefit.
 - b. Promote and serve the health, safety, general welfare and contentment of Sedona residents.
 - c. Provide equal and open access for all members of the community or the target audience with no one being easily excluded.
3. Describe the administrative strengths and experience of those who planned and will conduct your activity, program or event. Please address:
 - a. The administration, leadership, and management experience of all primary individuals involved in conducting the program, activity or event.
 - b. Specific skills and record of past success of those in organization leadership roles in conducting the type of proposed activities.
4. What specifically will you accomplish with the City's funding?
 - a. Explain the actions you will take to directly stimulate business in Sedona and benefit the Sedona economy.
 - b. What economic result do you anticipate and why?
 - c. How will your program, event, or activity ensure economic activity that would not otherwise occur without this funding or generate new economic activity in Sedona?

NARRATIVE RESPONSE (cont.)

ECONOMIC STIMULATION CATEGORY

5. Describe the impact of your program, activity, or event, including:
 - a. Whether your program, activity, or event target audience is primarily Sedona residents or visitors. If possible, provide an estimated ratio of residents versus visitors.
 - b. How your program, activity, or event will generate on-going economic benefits to the City of Sedona.

6. How will you measure the success of your program? Please describe:
 - a. What success will look like.
 - b. Your overall measurement strategy, types of qualitative and/or quantitative data to be collected, collection process and evaluation methods you will apply.

7. What economic stimulation effort do you believe is insufficient or a missed opportunity in Sedona and why do you hold that belief? Describe how your proposed actions address that situation in a way that will create sufficient economic activity to justify the cost, either in the immediate future or over a span of no more than three years.

8. Describe the financial strength and stability of your organization. Please connect this response to the financial data provided on the specific Program, Activity, or Event Budget Worksheet. Be sure to address:
 - a. The amount of public funding used for administrative support and overhead compared to that being used directly to create actual economic stimulation.
 - b. The relationship between overall organization income and expense levels compared to the specific program, activity, or event in this application.
 - c. The diversity by percentage of funding sources used overall by your organization.
 - d. The diversity by percentage of funding sources for the specific program, activity, or event for which you are requesting funds.
 - e. What percentage of your total expenses is used for administrative overhead versus all of your organization's programs, activities or events?
 - f. What percentage of the public funds you receive will be used for administrative purposes versus the program, activity, or event budget for which you are applying?
 - g. What percentage of your organization's financial resources will be dedicated to this program, activity, or event?

9. What additional benefits, if any, will your program, activity or event provide (responses may include the categories of Community Building and Arts & Culture)?

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**CITY COUNCIL
AGENDA BILL**

**AB 2176
December 13, 2016
Regular Business**

Agenda Item: 8b
Proposed Action & Subject: Public Hearing/discussion/possible action regarding an ordinance removing Sedona Land Development Code, Section 918, Accessory dwelling units (ADU).

| | |
|-------------------------------|---|
| Department | Community Development Department |
| Time to Present | 5 minutes |
| Total Time for Item | 30 minutes |
| Other Council Meetings | N/A |
| Exhibits | A. P&Z Staff Report and SB 1350 B. P&Z Minutes C. Ordinance |

| | | |
|-------------------------------|------------------------------------|---|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required |
| | | \$ 0 |
| City Manager's Recommendation | Repeal city code relating to ADUs. | Amount Budgeted |
| | | \$ 0 |
| | | Account No. N/A (Description) |
| | | Finance <input checked="" type="checkbox"/> Approval |

SUMMARY STATEMENT

Background:

With Senate Bill (SB) 1487 signed into law and codified as A.R.S. § 41-194.01, the City must ensure that all officially adopted actions by City Council are not in violation of State regulations. SB 1487 provides that the Attorney General shall investigate any ordinance, regulation, order, or other official action adopted or taken by the governing body that the member alleges violates state law or the Constitution of Arizona. Jurisdictions with substantiated violations of State law are subject the consequences of SB 1487, including the withholding of State shared revenues.

Senate Bill (SB) 1350, which allows for the short-term rental of single-family homes, preempts City ordinances which currently prohibit this type of use in single-family residential zoning districts. In order to avoid a violation of SB 1350 and thus trigger SB 1487, it is incumbent upon the City to amend applicable regulations to ensure compliance with State laws.

Based on SB 1350, the City can no longer prohibit single-family residential properties from being used as short-term vacation rentals. Relevant residential properties include, but are not necessarily limited to, single-family dwelling units (1-4 units), guest homes, accessory dwelling units (ADUs), condominiums, cooperatives, and timeshares. The Land Development Code restriction of single-family rentals for less than 30 days can no longer be enforced and those provisions will be removed from the applicable residential zoning districts in accordance with SB 1350. However, because the ADU Ordinance provides specific and distinct restrictions and incentives intended to provide for long-term affordable housing options, this Section of the Land Development Code warrants further discussion. The use of ADUs for short-term vacation rentals is not compatible with the Ordinance's original intent and restrictions. Additionally, ADUs used as short-term vacation rentals have the potential to significantly change the character of single-family residential districts to be more multi-family in nature, especially if the other allowable dwelling units (primary dwelling unit and guest homes) can also be used for short-term vacation rental purposes on one single-family lot.

OPTIONS:

1. Do nothing
2. Revise LDC, Section 918 (ADU Ordinance) to adhere to state law
3. Remove Section 918 (ADU Ordinance) in its entirety

Option 1 – Do nothing

While the City always has the option to do nothing, as a result of SB 1487 it is important that the City complies with governing state law, SB 1350. Because Section 918 (ADU Ordinance) of the Sedona Land Development Code is in direct conflict with SB 1350, SB 1487 would come into play. Staff does not recommend this option.

Option 2 – Revise Section 918 (ADU Ordinance) to adhere to state law

The City can revise Section 918 (ADU Ordinance), removing all references that contradict State law and including new language that provides for short-term vacation rental use. Because the intent of allowing for a second dwelling unit in the form of an ADU was to address affordable housing needs, this option is contrary to the original intent of providing for ADUs. This option would essentially allow for two single-family dwelling units that can be rented out on a nightly basis. Additionally, SB 1350 does not preclude the use of guest homes as short-term rentals. The possibility of allowing for two or three rental units on a single-family lot may increase the chances for single-family residential neighborhoods to feel and function more like a multi-family district. Staff does not recommend this option.

Option 3 – Repeal Section 918 (ADU Ordinance) in its entirety

Because Section 918 (ADU Ordinance) explicitly restricts the use of an ADU as a short-term vacation rental or bed and breakfast use and specifically states that rental of an ADU for a period of less than 90 consecutive days is prohibited, the Section is in direct conflict with SB 1350, which in turn could result in SB 1487 issues. As stated above, because the primary purpose of allowing ADUs originally was to provide long-term affordable housing options and because SB 1350 negates this provision, staff believes that ADU ordinance is no longer

appropriate and recommends this option to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

On Tuesday, November 1, 2016, Commissioner Klein moved to approve case number PZ16-00012 (LDC) to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code. Commissioner Cohen seconded the motion. Motion carried six (6) for and one (1) opposed. (Commissioner Brandt opposed.)

Alternative(s):

MOTION

After first reading:

I move to: approve Ordinance No. 2016-___, an Ordinance of the City of Sedona, Arizona, amending the Sedona Land Development Code to repeal Section 918 (ADU Ordinance); providing for a savings clause; and providing for repeal of any Ordinance or parts of Ordinances or Code provisions in conflict herewith.

OR

I move to: deny case number PZ16-00012 (LDC) to remove Section 918 (ADU Ordinance) of the Sedona Land Development Code based on the following findings (*specify findings*).

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Meeting Date: November 1, 2016

Hearing Body: Planning and Zoning Commission

Agenda Item: Discussion/possible action to amend the Sedona Land Development Code by removing Section 918, Accessory Dwelling Units (ADU)

Staff Recommendation: Forward a Recommendation of Approval to City Council

Project Summary: Based on Senate Bill (SB) 1350, the City can no longer prohibit single-family residential properties from being used as short-term vacation rentals. Dwelling units are specifically identified in the preemption language outlined in the legislation. The intent of the ADU ordinance was to provide long-term housing options; ADUs as currently regulated cannot be rented for less than 90 days. Because ADUs are allowed to be short-term vacation rentals, the ordinance is in conflict with its original intent and restrictions/incentives. ADUs as short-term vacation rentals have the potential to significantly change the character of single-family residential districts to more multi-family in nature. Therefore, staff is recommending that ADUs be removed from the Land Development Code as an allowable use.

Attachments:

1. [SB 1350 Regulations](#)
2. [ADU Ordinance, Section 918 of the LDC](#)

Staff Report

PZ16-00012 (LDC) Article 9 (Development Standards)

Section 918 (Accessory Dwelling Units)



City of Sedona

Community Development Department

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ISSUE

With Senate Bill (SB) 1487 signed into law and codified as A.R.S. § 41-194.01, the City must be mindful of any officially adopted action by City Council that may be in violation of State law. SB 1487 provides that the Attorney General shall investigate any ordinance, regulation, order, or other official action adopted or taken by the governing body that the member alleges violates state law or the Constitution of Arizona. Jurisdictions with substantiated violations of State law are subject the consequences of SB 1487, including the withholding of State shared revenues.

Senate Bill (SB) 1350, which allows for the short-term rental of single-family homes, preempts City ordinances which currently prohibit this type of use in single-family residential zoning districts. In order to not be in violation of SB 1350 and thus trigger SB 1487, it is incumbent upon the City to amend applicable regulations to ensure compliance with State laws.

Based on SB 1350, the City can no longer prohibit single-family residential properties from being used as short-term vacation rentals. Relevant residential properties include, but are not necessarily limited to, single-family dwelling units (1-4 units), guest homes, accessory dwelling units (ADUs), condominiums, cooperatives and timeshares. The Land Development Code restriction of single-family rentals for less than 30 days can no longer be enforced and those provisions will be removed from the applicable residential zoning districts in accordance with SB 1350. However, because the ADU Ordinance provides specific and distinct restrictions and incentives intended to provide for long-term affordable housing options, this Section of the Land Development Code warrants further discussion. The use of ADUs for short-term vacation rentals is not compatible with the Ordinance’s original intent and restrictions. Additionally, ADUs used as short-term vacation rentals have the potential to significantly change the character of single-family residential districts to be more multi-family in nature, especially if the other allowable dwelling units (primary dwelling unit and guest homes) can also be used for short-term vacation rental purposes on one single-family lot

BACKGROUND

SB 1350

Since 1995, the rental of single-family homes for periods of less than 30 days has been prohibited within the Sedona city limits. However, during the 2016 state legislative session, SB 1350 was introduced with the intent of streamlining the collection and distribution of transaction privilege taxes for online booking agencies, like Airbnb and Vacation Rental by Owner (VRBO), that market short term vacation rental properties. As the bill progressed, an amendment was offered by Senator Debbie Lesko (R-Peoria) that would prevent cities and towns from having local ordinances that don’t allow the use of single-family residences for short term vacation rentals.

On May 12, 2016, Arizona Governor Doug Ducey signed SB 1350 into law, which will go into effect January 1, 2017 and is now codified as A.R.S. § 9-500.39. Thus, the City’s ban on short term rentals is no longer valid and the City must amend existing Codes accordingly.

The definition in A.R.S. § 9-500.39 for a short-term vacation rental is as follows:

“Vacation rental or similar short-term rental means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.”

Accessory Dwelling Unit (ADU) Ordinance

In 2010, City Council adopted an ordinance allowing for the long-term rental of Accessory Dwelling Units (ADUs). This Ordinance is contained in Section 918 of the Sedona Land Development Code. The purpose of the ADU Ordinance is as follows:

- Utilize existing housing stock while preserving the appearance and character of single-family neighborhoods
- Provide additional affordable options for long-term rental housing
- Provide a broader range of more affordable housing
- Provide a mix of housing that responds to changing family needs and smaller households
- Provide a means for residents, particularly seniors, single parents, and families with grown children, to remain in their homes and neighborhoods and obtain extra income, security, companionship and services
- Encourage a more economic and energy-efficient use of Sedona’s housing supply
- To maintain consistency with City of Sedona growth policies as recommended in the Sedona Community Plan

An ADU is considered a complete independent residential living space that can be created within, attached to or detached from a single-family home. An ADU must include provisions for living, sleeping, eating, cooking, and sanitation. An ADU is intended to function as a supplementary housing option and integrated into existing single-family neighborhoods to provide a typically lower priced housing alternative.

The Land Development Code defines an ADU as follows:

“Accessory dwelling unit (ADU) is a second dwelling unit that is located on the same parcel as the primary single-family dwelling unit. An ADU shall be small in size to the primary dwelling unit and can be located either within, attached to, or detached from the primary single-family dwelling unit. An ADU must provide a complete, independent residential living space and shall include provisions for living, sleeping, eating, cooking and sanitation. ADUs are not required to be connected to the same utility services as the primary dwelling unit. ADUs are intended for long-term rental use only. Rental of an ADU for a period of less than 90 consecutive days is prohibited. ADUs shall not be used for short-term vacation rentals and/or bed and breakfast purposes.”

During the three-year process to create and adopt the ADU ordinance, there were significant concerns from the community, the Planning and Zoning Commission, and City Council that the allowance of ADUs would significantly and negatively impact residential neighborhoods. The concerns primarily centered on a belief that ADUs would change neighborhoods from single-family to multi-family, attract crime and drug activity, create public nuisances such as noise complaints, result in deteriorated property conditions, and decrease

overall property values. To address the concerns the ADU regulations adopted with very specific restrictions including the following key elements:

- Restriction on the number of ADUs to one per lot
- Prohibition on allowing mobile homes, travel trailers and recreational vehicles to be used as a detached ADU
- Requirement of the property owner to occupy either the primary dwelling unit or ADU for at least 6 months of the year
- Establishment of a minimum and maximum size requirements based on the overall size of the primary dwelling unit
- Requirement to meet development, design, and building requirements of the Land Development Code
- Requirement that the design preserve or complement the architectural design, style, and appearance of the primary structure
- Requirement for ADUs which have a separate entrance to be located on the side or rear of the structure wherever possible
- Requirement of a minimum of one parking space but no more than two parking spaces for an ADU
- Restriction on the total occupancy of both the primary dwelling unit and the ADU to what is currently allowed (no more than 4 unrelated adults) based on the definition of a “Family” in the Land Development Code
- Prohibition on the rental of an ADU for less than 90 days

While SB 1350 may not negate all of the key elements of the ordinance, it does negate several of the main concessions in its approval, including the restriction on the rental of an ADU for less than 90 days.

SUMMARY

Based on SB 1350, the City can no longer prohibit single-family residential properties from being used as short-term vacation rentals, including ADUs. The intent of the ADU ordinance was to provide long-term housing options including a minimum 90 day rental requirement. This 90 day minimum rental requirement is in direct conflict with the new State law. Conversely, allowing ADUs to be used as short-term vacation rentals is also in direct conflict with the ADU Ordinance’s original intent and restrictions/incentives. ADUs used as short-term vacation rentals have the potential to significantly change the character of single-family residential areas to more multi-family in nature. This was a significant concern raised in the original approval of the the ADU Ordinance. Currently, the City has approved 21 ADUs. Based on State law, any ADU approved through the proper City approval process is no longer held to the 90 day minimum rental restriction and can be used as a short term vacation rental unit. Since an ADU is considered a long-term residential dwelling unit and SB 1350 allows for residential properties to be used as a short-term vacation rental, the regulations outlined in Section 918, Accessory Dwelling Units, directly contradict the new State law.

RECOMMENDATION

To be in compliance with SB 1487 and to address the contradictions between SB 1350 and the City’s ADU Ordinance, the City has several options:

1. Do nothing
2. Revise LDC, Section 918 (ADU Ordinance) to adhere to state law
3. Repeal Section 918 (ADU Ordinance) in its entirety

Option 1 – Do nothing

While the City always has the option to do nothing, as a result of SB 1487 it is important that the City complies with governing state law, SB 1350. Because Section 918 (ADU Ordinance) of the Sedona Land Development Code as currently drafted is in direct conflict with SB 1350, SB 1487 would come into play. Staff does not recommend this option.

Option 2 – Revise Section 918 (ADU Ordinance) to adhere to state law

The City can revise Section 918 (ADU Ordinance), removing all references that contradict State law and including new language that provides for short-term vacation rental use. Because the intent of allowing for a second dwelling unit in the form of an ADU was to address affordable housing needs, this option is contrary to the original intent of providing for ADUs. This option would essentially allow for two single-family dwelling units that can be rented out on a nightly basis. Additionally, SB 1350 provides for the short-term rental of guest homes as well. The possibility of allowing for two or three rental units on a single-family lot may increase the chances for single-family residential neighborhoods to feel and function more like a multi-family district. Staff does not recommend this option.

Option 3 – Repeal Section 918 (ADU Ordinance) in its entirety

Because Section 918 (ADU Ordinance) explicitly restricts the use of an ADU as a short-term vacation rental or bed and breakfast use, and specifically states that rental of an ADU for a period of less than 90 consecutive days is prohibited, the Section is in direct conflict with SB 1350, which in turn could result in SB 1487 issues. As stated above, because the primary purpose of allowing ADUs originally was to provide long-term affordable housing options and because SB 1350 negates this provision, staff believes that ADU ordinance is no longer appropriate and recommends this option to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code.

Recommendation and Motion
PZ16-00012 (LDC) Article 9
(Development Standards)
Section 918 (Accessory Dwelling Units)



City of Sedona
Community Development Department
102 Roadrunner Drive Sedona, AZ 86336
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Staff Recommendation

Staff recommends approval of case number PZ16-00012 (CUP), repealing Section 918 (ADU Ordinance) of the Sedona Land Development Code, subject to all applicable ordinance requirements.

Recommended Motion for Approval

I move to approve case number PZ16-00012 (LDC) to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code.

Alternative Motion for Denial

I move to deny case number PZ16-00012 (LDC) to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code based on the following findings (*specify findings*).

(Please note that the above motions are offered as samples only and that the Commission may make other motions as appropriate.)



User Name: Robert Pickels

Date and Time: Sep 22, 2016 17:27

Job Number: 37433503

Document (1)

1. [A.R.S. § 9-500.39](#)

Client/Matter: -None-

Search Terms: a.r.s. 9-500.39

Search Type: Natural Language

[A.R.S. § 9-500.39](#)

Current through all 2016 legislation and the May 17, 2016 ballot measure vote. Unless an effective date is specified in the act, the effective date of 2016 legislation is August 6, 2016.

LexisNexis® Arizona Annotated Revised Statutes > Title 9 Cities and Towns > Chapter 4 General Powers > Article 8. Miscellaneous

9-500.39. Limitations on regulation of vacation rentals and short-term rentals; state preemption; definitions [Effective January 1, 2017]

- A. A city or town may not prohibit vacation rentals or short-term rentals.
- B. A city or town may not restrict the use of or regulate vacation rentals or short-term rentals based on their classification, use or occupancy. A city or town may regulate vacation rentals or short-term rentals for the following purposes:
 - 1. Protection of the public's health and safety, including rules and regulations related to fire and building codes, health and sanitation, transportation or traffic control, solid or hazardous waste and pollution control, and designation of an emergency point of contact, if the city or town demonstrates that the rule or regulation is for the primary purpose of protecting the public's health and safety.
 - 2. Adopting and enforcing residential use and zoning ordinances, including ordinances related to noise, protection of welfare, property maintenance and other nuisance issues, if the ordinance is applied in the same manner as other property classified under sections 42-12003 and 42-12004.
 - 3. Limiting or prohibiting the use of a vacation rental or short-term rental for the purposes of housing sex offenders, operating or maintaining a structured sober living home, selling illegal drugs, liquor control or pornography, obscenity, nude or topless dancing and other adult-oriented businesses.
- C. This section does not exempt an owner of a residential rental property, as defined in section 33-1901, from maintaining with the assessor of the county in which the property is located information required under title 33, chapter 17, article 1.
- D. For the purposes of this section :
 - 1. "Transient" has the same meaning prescribed in section 42-5070.
 - 2. "Vacation rental" or "short-term rental" means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under section 42-12001. Vacation rental and short-term rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center or another similar use.

History

[Laws 2016, 2nd Reg. Sess., Ch. 208, § 1.](#)

Annotations

Notes

Editor's note.

A.R.S. § 9-500.39

Enacted as [A.R.S. § 9-500.38](#) and renumbered by the reviser.

Delayed effective date.

By [Laws 2016, 2nd Reg. Sess., Ch. 208, § 16](#), this section is effective January 1, 2017.

LexisNexis® Arizona Annotated Revised Statutes

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End of Document

918 Accessory dwelling units (ADU).

918.01 Purpose. The purpose of this section is to allow for and regulate the establishment of accessory dwelling units (ADUs). ADUs are allowed in certain situations to:

- A. Utilize existing housing stock while preserving the appearance and character of single-family neighborhoods.
- B. Provide additional affordable options for long-term rental housing.
- C. Provide a broader range of more affordable housing.
- D. Provide a mix of housing that responds to changing family needs and smaller households.
- E. Provide a means for residents, particularly seniors, single parents, and families with grown children, to remain in their homes and neighborhoods and obtain extra income, security, companionship and services.
- F. Encourage a more economic and energy-efficient use of Sedona’s housing supply.
- G. To maintain consistency with land use policies as recommended in the Sedona Community Plan.

918.02 Creation. An accessory dwelling unit (ADU) is a second dwelling unit that is located on the same parcel as the primary single-family dwelling unit. An ADU is smaller in size to the primary dwelling unit and can be located either within, attached to, or detached from the primary single-family dwelling unit. ADUs must provide a complete, independent residential living space and shall include provisions for living, sleeping, eating, cooking, sanitation, and parking. ADUs can be studio units, and 1- and 2-bedroom units. An ADU may be created through the following methods:

- A. Converting floor area of an existing structure or portions thereof.
- B. Adding floor area to an existing single-family home.
- C. Constructing a detached ADU on a parcel with an existing single-family home.
- D. Constructing a new single-family home with an internal attached or detached ADU.

918.03 Criteria. The criteria that govern ADUs are intended to preserve the character of a single-family neighborhood.

- A. The property owner(s) must occupy either the primary single-family dwelling unit or the ADU as his/her principal residence. At no time shall both the primary single-family dwelling unit and the ADU unit be used simultaneously as rental units. “Full-time occupancy” is defined as a legal property owner who makes his/her legal residence at the site, as evidenced by voter registration, vehicle registration or similar means, and actually resides at the site more than 6 months out of any given calendar year.
- B. The owner(s) shall sign an affidavit verifying that either the primary single-family dwelling unit or the ADU is the legal residence of the property owner.
- C. ADUs are intended for long-term rental use only. Rental of an ADU for a period of less than 90 consecutive days is prohibited. ADUs shall not be used for short-term vacation rentals and/or bed and breakfast purposes.
- D. For the purpose of this section, the total number of people residing on the property, including the primary single-family dwelling unit and the ADU, shall not exceed 4 unrelated adults with or without minor children.

918.04 Development Standards. The development standards that govern the design and appearance of ADUs are intended to preserve the visual and single-family character of neighborhoods. ADUs will be reviewed on a case-by-case basis.

- A. An ADU is allowed in the following single-family residential zoning districts: RS-5A, RS-70, RS-36, RS-35, RS-18a, RS-18b, RS-12, RS-10a, RS-10b, RS-6, RMH-12, RMH-10, and RMH-6, subject to specific development, design, and owner-occupancy standards outlined in subsection 918.03 of this section.
- B. The ADU must be located on the same parcel as the primary single-family dwelling unit.
- C. Only 1 ADU is allowed per parcel.
- D. Manufactured homes, travel trailers and recreational vehicles shall not be used as a detached ADU. However, an ADU, meeting all requirements, may be added to a property with an existing manufactured home.
- E. ADUs shall meet all Sedona Land Development Code (LDC) requirements at the time of construction (e.g., height, setback requirements, and lot coverage standards) applicable to the primary single-family dwelling unit, except as otherwise noted.
- F. ADUs shall meet all Building Code requirements including Building, Electrical, Mechanical, and Plumbing Code requirements as well as all Fire Code requirements.
- G. ADUs shall be designed so that the appearance of the structure maintains, to the greatest extent possible, the appearance of a single-family property.
- H. ADUs shall be designed to preserve or complement the architectural design, style, and appearance of the primary single-family dwelling unit. Specifically, whether attached or detached, the roof pitch, siding materials, color, and window treatment of the ADU shall be the same as, similar to, or an improvement to the appearance of the primary single-family dwelling unit.
- I. The following size standards are applicable for ADUs:
1. The ADU shall be no larger than 1,000 square feet for a new construction primary dwelling unit with 1,500 square feet or more of living space (excluding garage area).
 2. The ADU shall be no larger than 650 square feet for a new construction primary dwelling unit with less than 1,500 square feet of living space (excluding garage area).
 3. The Director may allow for an increase in maximum allowable ADU floor area, by up to 25%, when the ADU involves the conversion of existing structures more than 5 years old, if in the determination of the Director it is warranted by the circumstances of the particular structure and/or property.
- J. If a separate external entrance for an ADU is necessary it shall be located in such a manner that the structure does not take on the appearance of a duplex, and where possible, it shall be located on the side or rear of the structure. On a corner lot, where there are 2 entrances visible from either street, where possible, solid screening is required to screen at least 1 of the entrances from the street. Solid screening includes solid walls, fences, landscaping, or grade differences subject to the review and approval of the Director.
- K. Exterior stairs shall be located in the side or rear yard wherever possible and must comply with setback and Building Code requirements.
- L. The following parking requirements are applicable for ADUs:
1. There shall be at least 2 off-street parking spaces for the primary single-family dwelling unit and at least 1 off-street parking space for the ADU, but no more than 2 off-street parking spaces for the ADU. The parking spaces for each unit shall be able to operate independently without impeding the parking spaces of the other unit. The Director may grant a waiver of the parking requirement for the ADU if the topography of the site or existing structure location makes the provision physically or economically not feasible. The location for the parking space shall be determined through consultation with Community Development Department staff.

2. Where parking is located in any portion of the interior side and/or rear setbacks solid screening is required from adjoining properties. Solid screening includes solid walls, fences, landscaping or grade differences subject to review and approval of the Director.

3. The required parking for each unit shall not be met through the use of on-street parking.

4. If additional parking is necessary, new parking space(s) shall utilize existing curb cuts. If not possible, the Director may allow exceptions on a case-by-case basis.

M. On-site wastewater systems are required to meet current standards as reviewed and approved by all applicable jurisdictions.

918.05 Application Submittal and Review Procedure.

A. Prior to approval of any ADU, a property owner or agent of the property owner shall submit the following information:

1. Completed application forms;
2. Statement or letter of authorization from the property owner (if different from the applicant);
3. Site Plan to include the following:
 - a. Parcel identification;
 - b. Existing zoning;
 - c. Lot size, existing lot coverage and proposed lot coverage with ADU if different from existing;
 - d. Building configurations and heights;
 - e. Front, rear and side setbacks;
 - f. Location of the primary single-family dwelling and garage (if applicable);
 - g. Location of proposed ADU, the entrance and outdoor space (if applicable);
 - h. Square footage of the primary single-family dwelling unit and garage (if applicable);
 - i. Square footage of the ADU;
 - j. Designated off-street parking space(s) for ADU and primary single-family dwelling unit;
 - k. Landscape areas;
4. Parking plan delineating parking spaces for ADU and primary dwelling unit;
5. Additional information as may be required by the Director.

B. The property owner or agent of the property owner shall submit plans depicting both the primary dwelling unit and the ADU for new residential construction, which includes an ADU as defined in this section.

C. Conditions of Approval Agreement. The property owner(s) shall sign a Conditions of Approval Agreement. This Agreement shall be recorded with the county in which the property is located after final inspection of an ADU. The Agreement is intended to indicate the presence of an ADU and all applicable requirements, including but not limited to the following information:

- 1. The ADU shall not be sold or transferred separately or subdivided and sold independently from the primary dwelling unit on the site, unless the subdivision complies fully with the regulations of Article 7 SLDC, Subdivision Regulations and Land Divisions.
- 2. The ADU and primary dwelling unit shall be restricted to overall occupancy requirements as specified in subsection 918.06 of this section.
- 3. The ADU permit shall be in effect only so long as the owner of record of the primary dwelling unit occupies either the primary single-family dwelling unit or the ADU.

918.06 Conditions of Approval.

- A. The property owner shall disclose and notify prospective buyers of the property about the conditions of approval of the ADU.
- B. ADU permit and conditions of approval run with the land. New owners are subject to the same conditions of approval and ordinance requirements.
- C. The property owner agrees to periodic inspections, at the discretion of the Director, of the ADU and/or primary single-family dwelling unit.
- D. The combined total number of occupants in both the primary single-family dwelling unit and the ADU shall not exceed 4 unrelated adults with or without spouses and/or minor children.

918.07 Existing Illegal Accessory Units. It is recognized that, although unlawfully occupied, currently utilized accessory units are filling a market demand for housing at more affordable rent costs. The following apply to illegal accessory units:

- A. In order to be considered for lawful status, existing illegal accessory units must submit an ADU application as outlined in subsection 918.05 of this section, Application Submittal and Review Procedure.
- B. Existing illegal accessory units, which do not apply for and/or do not receive approval for an ADU use, are subject to all applicable fines and/or enforcement actions as outlined in Article 14 SLDC, Enforcement.
- C. Community Development staff shall inspect the premises for compliance with Building, Public Safety, and Public Health Codes. For the purpose of Building Code interpretation, the accessory use shall be required to conform to the Director’s interpretation of minimal life safety standards.

918.08 Fees.

- A. ADUs are subject to all applicable building permit and inspection fees.
- B. Where the City wastewater system is available to a property, an ADU shall connect with the City wastewater system and pay a capacity fee. As defined in SCC 13.15.060, Wastewater fees – Installment payments for capacity fees and lift pumps, an ADU is equal to 1/2 an equivalent residential unit (ERU).
- C. In accordance with Chapter 14.05 SCC, Development Impact Fees, an ADU shall not be subject to development impact fees.

918.09 Exercise of Discretion. For existing and new ADUs, the Director has the discretion to modify or waive applicable LDC requirements; provided, that the waiver differs by no more than 25% from the regulations in question, except as noted in subsection 918.04(I)(3) of this section, and consideration is due to special circumstances applicable to the property or structure, including size, shape, topography, location and surroundings. The Director may also grant a waiver subject to specific conditions in order to mitigate the impact of the waiver on adjacent properties. The exercise of discretion shall ensure the compatibility of the ADU with its site and surrounding properties and the manner in which discretion is exercised will result in a more practical application of the provisions of these requirements based on specific unique or unusual characteristics of the property and its surroundings.

918.10 Enforcement.

A. ADUs are subject to all requirements set forth in Article 14 SLDC, Enforcement. Complaints received by the City of Sedona regarding a possible ADU violation shall be processed in accordance with all applicable procedures, remedies and enforcement actions.

B. Upon notice of a code enforcement complaint or other violation regarding the ADU, the property owner must make every reasonable attempt to correct the situation. If in the opinion of the Director the property owner does not cooperate in a timely manner to correct the violation, an ADU permit may be revoked as a result of an enforcement action including, but not limited to, the following: (1) illegal alteration of the ADU, (2) failure of property owner to reside in either the primary or accessory dwelling unit as required, (3) failure to maintain required off-street parking spaces, (4) failure to meet any other requirements including number of occupants, (5) general nuisance violation convictions such as excessive noise levels.

C. The revocation of an ADU permit will require that the property revert to a single-family use. The City will then record a notice of revocation of the accessory dwelling unit permit.

918.11 Growth Cap. The Sedona Community Plan’s Land Use Policy No. 1 recommends that the city:

approve new housing units only if within the City’s current overall limit on the total number of homes that can be built under current zoning.

In order to be consistent with these Community Plan recommendations, this section establishes a growth cap of 89 approved ADUs. The growth cap of 89 ADUs represents approximately a 1% increase over the residential build out projection.

[Ord. 2010-01 § 1, 1-12-2010 (Res. 2010-01 Exh. A, 1-12-2010); Ord. 2015-02, 2-10-2015; Ord. 2016-01 § 1, 2-9-2016 (Res. 2016-02 Exh. A, 2-9-2016)].

**Summary Minutes
City of Sedona
Planning & Zoning Commission Meeting
City Council Chambers, 102 Roadrunner Drive, Sedona, AZ
Tuesday, November 1, 2016 - 5:30 p.m.**

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

The Chair called the meeting to order at 5:32 p.m., 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, Roxanne Holland, Audree Juhlin, Matt Kessler, Adam Langford, Cari Meyer, Ryan Mortillaro, Robert Pickels and Donna Puckett.

EXCERPT:

5. CONSIDERATION OF THE FOLLOWING ITEMS THROUGH PUBLIC HEARING PROCEDURES: (continued)

- a. **Discussion/possible action regarding an ordinance and resolution to delete Sedona Land Development Code, Section 918, Accessory dwelling units (ADU). Applicant: City of Sedona Case Number: PZ16-00012 (LDC)**

Presentation, Audree Juhlin: Audree explained that this item is to consider the removal of Section 918 of the Sedona Land Development Code, which basically allowed for the long-term rental of Accessory Dwelling Units. The ADU Ordinance was a long and tedious process to get approved in 2010; it was a three-year process, and for that approval, a number of concessions were made to protect the integrity of single-family neighborhoods and address the concerns of residents. Two of those conditions were that the ADUs had to be rented for 90 days or more and it specifically said no short-term vacation rentals or bed & breakfasts were allowed. The other condition was that the property owner must live onsite, so with the recent signing into law of SB1350 and SB1487, we're now reevaluating our ordinances. SB1487 basically says that City Codes and regulations must meet state law and we can't have anything that is contradictory. If they find something that is contradictory, we can be subject to Attorney General investigation, and if substantiated, we potentially face losing our state-shared revenues, so it is a serious law and we are looking at all of our ordinances. The reason this is important with ADUs is that SB1350 basically says that single-family homes can now be rented on a nightly basis, so the ADU Ordinance is directly in conflict with SB1350.

Audree indicated that we are faced with a number of options; one is do nothing, which will trigger SB1487 and probably an Attorney General investigation, so we don't recommend that option. The second option is to amend 918 to meet the intent of SB1350, but staff is not recommending this, because the required changes would not be consistent with the original intent of the Accessory Dwelling Unit and the reason we had support for that ordinance. Therefore, we are recommending to remove the ADU Ordinance from the ability of property owners, because as outlined in the Staff Report, if we don't repeal this ordinance, a property owner could potentially have three single-family homes on one lot, and we don't feel that is appropriate for our single-family neighborhoods, so we want to limit any impact of SB1350 wherever we can and our recommendation is to remove it in its entirety.

Commission's Questions:

Commissioner Mayer asked if the requirement for the property owner to live onsite to rent is still going to be considered, and Audree stated no, if the ADU Ordinance is removed that provision goes away, because it is only in the ADU Ordinance and nowhere else in the Land Development Code. Commissioner Mayer indicated that is too bad.

Commissioner Cohen indicated that the state ordinance exempts HOAs, so if he lives in an area that doesn't have an HOA, could he organize one to protect his property. Robert Pickels explained that he can't give legal advice to private property owners. There is nothing in the new law that would impact the ability of private property owners to contractually bind themselves and restrict land use, but that is about as far as he can go.

Vice Chair Levin asked if it would be true that an HOA's language would need to be in place before the effective date of SB1350, and Robert Pickels stated not necessarily. The Vice Chair then commented, so you could try to protect your neighborhood from transforming from single-family to nightly visitors. Robert Pickels indicated, hypothetically speaking, that could happen.

Commissioner Cohen stated that he likes the idea that staff presented, and Vice Chair Levin indicated that she is prepared to make a motion when we have all had an opportunity to speak.

Commissioner Brandt stated that if an existing HOA doesn't have any qualms about having ADUs, then it is under the HOA's jurisdiction, because currently an HOA could say there can't be short-term rentals in that subdivision. Robert Pickels explained that they can if it is addressed in the CC&Rs, and those potentially could be binding as they currently exist, but he is not going to say whether they are or aren't. The Commissioner then indicated that most of them do say that you can't have short-term rentals, so it might be unlikely, but it seems that you would want to salvage the ADU, so you could have the ability, in an HOA, to still have an ADU if the HOA allowed them. To him, it is like why not? You could just add language that says this is only if an HOA allows it; in the rest of the City, it can't be done. In reality, he is wondering why an HOA can have more power; they're a state-established situation and a City is a state-established situation, so why does an HOA have more power under SB1350? Robert Pickels explained that we are talking about private contractual agreements between property owners within an HOA, and regarding the ADUs, we would be treating similarly situated properties differently simply because of their inclusion in an HOA through a private contractual arrangement. It has to be a uniform application of land use regulations or use authorization in that respect. Simply because someone has contractually agreed with their neighbors to allow for a certain use doesn't mean that the City can differentiate between that property owner and another for that type of use.

Commissioner Brandt indicated that he was under the impression that subdivisions were granted by the state, so are they granted by the City or the County? What allows a subdivision to become a legal entity? Robert Pickels stated that it is allowed by state statute, and Commissioner Brandt then asked what the difference is between a subdivision HOA and the City of Sedona. HOAs can restrict SB1350, but cities can't.

Chair Losoff stated that he doesn't know what the issue is, because it is a state law and has been decided upon by the State Legislature, so there is not much we can do. Robert Pickels indicated that regarding the question, it goes back to a contractual arrangement. He can agree with you as his neighbor to restrict whatever we want with respect to the use of our property, but allowing a use is very different.

Commissioner Mayer noted that there was also a sewer fee of 50%, so will that still be in place if someone rents it out; how will that work? Audree Juhlin asked if the Commissioner is talking about existing ADUs and the Commissioner stated yes. Audree explained if the ordinance is removed from the Land Development Code, those in place and approved would be considered legal non-conforming structures, so they would still be assessed the monthly sewer fee that is applicable. The Commissioner then asked if the Police is going to go around to find out who

has an ADU, and Audree indicated it would be the same way it works now. We know there is a number of illegal ADUs.

Commissioner Barcus asked if staff's recommendation is to recommend to the City Council to repeal this ordinance, and Audree indicated that is correct. The Commissioner then indicated that he wanted to be sure that the other Commissioners understood that the Commission is not taking an action; we would be recommending to the City Council to take the action.

Commissioner Klein stated that he agrees with staff's recommendation; we should do away with the ADU ordinance, but he is curious. Does SB1350 specifically say that HOAs can prevent rentals by the night? Robert Pickels explained that SB1350 does not address HOAs at all; it is silent. The Commissioner then indicated that if an HOA said you can't rent your home by night, the homeowner could potentially file a lawsuit saying that is a restraint on alienation and my ability to rent my house. Robert Pickels indicated that if he was advising that homeowner, he would probably advise them that way.

Commissioner Brandt referenced the CFA and indicated that it said that if a person volunteers to have their property be deed restricted, it would become a voluntary legal thing, so couldn't ADUs then be a deed restriction. Robert Pickels explained that the challenge is the way SB1350 is constructed. It is so broad and sweeping that it encompasses all dwelling units, so any regulation that would limit the use of the dwelling unit would be a problem, so whether it is voluntary or not, he doesn't know if that is something that would be viable. The Commissioner stated that it sure seems that we are just tossing the baby out with the bathwater, and we don't even know what the bathwater is. He then suggested that it be put on temporary hiatus until all of this nuttiness can be sorted out; once it is gone, it will never come back.

Audree Juhlin explained that her concern with that suggestion is if somebody comes forward with an application to request an ADU, we then have regulations on the books in contradiction to the state law, which subjects us to the other state law, SB1487, which opens us up for liability. The Commissioner repeated the same question, and the Chair then stated that there were three options given, and Commissioner Brandt commented about thinking outside the box once in a while.

Commissioner Klein asked with the passage of the new law couldn't someone still have an ADU; they just don't have to apply to the City for approval. Audree Juhlin stated that it would be illegal; however, the Commissioner stated that if they have a second home on the property, they could just rent it out under the new law. Audree Juhlin explained that if they have an existing home on their property yes, but we are talking about future development.

Chair Losoff opened the public comment period at this time and, having no requests to speak, closed the public comment period.

Audree Juhlin noted that a sample motion was provided in the packet and she wanted to point out an error; it says PZ16-00012 (CUP) and that should say (LDC).

MOTION: Commissioner Klein moved to approve case number PZ16-00012 (LDC) to repeal Section 918 (ADU Ordinance) of the Sedona Land Development Code. Commissioner Cohen seconded the motion. VOTE: Motion carried six (6) for and one (1) opposed. (Commissioner Brandt opposed.)

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ORDINANCE NO. 2016-__

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, AMENDING THE SEDONA LAND DEVELOPMENT CODE TO REPEAL SECTION 918 (ACCESSORY DWELLING UNITS); PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING FOR REPEAL OF ANY ORDINANCE OR PARTS OF ORDINANCES OR CODE PROVISIONS IN CONFLICT HEREWITH.

WHEREAS, it is the intention of the City Council to comport the Sedona Land Development Code (SLDC) to state law and provide further clarity and ease of administration of the provisions of the SLDC by eliminating the development standard for Accessory Dwelling Units (ADU) by repealing Section 918.

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

Section 1. Repeal of Section 918 (Accessory Dwelling Units)

Section 918 of the Sedona Land Development Code is hereby repealed in its entirety.

Section 2. Savings Clause

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

Section 3. Repeal

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

PASSED AND ADOPTED by the Mayor and City Council of the City of Sedona, Arizona, this 13th day of December, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

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**CITY COUNCIL
AGENDA BILL**

**AB 2183
December 13, 2016
Regular Business**

Agenda Item: 8c
Proposed Action & Subject: Discussion/possible action regarding a resolution and ordinance amending the Sedona Land Development Code, Section 304, regarding Board of Adjustment.

| | |
|-------------------------------|-------------------------------|
| Department | Legal |
| Time to Present | 10 Minutes |
| Total Time for Item | 30 Minutes |
| Other Council Meetings | N/A |
| Exhibits | A. Resolution B. Ordinance |

| | | | |
|-------------------------------|--|-----------------------------|-------------------------------------|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required | \$ 0 |
| City Manager's Recommendation | Amend Section 304 of the Sedona Land Development Code to establish a Hearing Officer to preside over activities currently overseen by the Board of Adjustment. | Amount Budgeted | \$ 0 |
| | | Account No. (Description) | N/A |
| | | Finance Approval | <input checked="" type="checkbox"/> |

SUMMARY STATEMENT

Background: A.R.S. § 9-462.06 mandates that municipal legislative bodies, by ordinance, shall establish a board of adjustment to: 1) Hear and decide appeals in which it is alleged there is an error in an order, requirement, or decision made by the zoning administrator (Community Development Director) in the enforcement of a zoning ordinance (Land Development Code); and 2) Hear and decide appeals for variances from the terms of the zoning ordinance. The statutes further allow for the legislative body to sit as a board of adjustment itself and to delegate this responsibility to an individual hearing officer, with the caveat that the right of appeal to the legislative body is preserved.

The City of Sedona, through its Land Development Code, has established a board appointed by the City Council to act in the capacity of a board of adjustment. The volume of matters brought before the City's Board of Adjustment is minimal, with an average of one or two cases heard each year. In the past, it has not been uncommon for the Board of Adjustment to not convene within an entire calendar year.

Recently, there has been difficulty in identifying applicants desiring to serve on the Board of Adjustment. Further, the low volume of matters that are heard limits the opportunities for those who are willing to serve to develop strong substantive backgrounds.

There have been challenges in obtaining a quorum for the Board of Adjustment to convene, which causes difficulty in scheduling hearings within the established time frames.

It is suggested that the establishment of a hearing officer structure would more effectively and efficiently manage the review process.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s):

MOTION

I move to: approve Resolution 2016-___, a Resolution of the Mayor and Council of the City of Sedona, Arizona, establishing as a public record the terms of proposed amendments to the Sedona Land Development Code, Section 304, Board of Adjustment.

After 1st reading,

I move to: approve Ordinance 2016-___, an Ordinance of the City of Sedona, Arizona, amending the Sedona Land Development Code, Section 304, Board of Adjustment.

RESOLUTION NO. 2016-__

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ESTABLISHING AS A PUBLIC RECORD THE TERMS OF PROPOSED
AMENDMENTS TO SEDONA LAND DEVELOPMENT CODE, SECTION 304
(BOARD OF ADJUSTMENT).**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA that the terms set forth in that document attached hereto as Exhibit A and entitled "2016 Amendments to Land Development Code (Board of Adjustment)" constitute a public record to be incorporated by reference into Ordinance No. 2016-__.

At least one (1) paper copy and one (1) electronic copy of this public record shall be kept in the office of the City Clerk for public use and inspection.

PASSED AND ADOPTED this 13th day of December, 2016 by the Mayor and Council of the City of Sedona, Arizona.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

Exhibit A

2016 Amendments to the Land Development Code (Board of Adjustment)

304 Board of Adjustment

304.01 Establishment and Delegation.

A. Pursuant to A.R.S. Section 9-462.06(A), the city council is established as the board of adjustment and delegates to a hearing officer the authority to hear and decide on matters within the jurisdiction of the board of adjustment as outlined in this section, except that the right of appeal from the decision of a hearing officer to the board of adjustment shall be preserved.

B. A list of qualified individuals to serve in the capacity of hearing officer shall be presented to and approved by the city council as may be necessary to ensure the efficient management of matters within the jurisdiction of the board of adjustment as outlined in this section. Selection of a hearing officer for any matter shall be made by the community development director based on availability.

304.02 Duties. The Board has the following powers and duties:

A. Hearing, reviewing, and acting on applications for variance from all articles of this Code, except Articles 7 and 8 SLDC:

1. The power to grant variances does not extend to land use regulations;
2. The Board may not grant a variance if the special circumstance applicable to the property is imposed by the property owner or applicant;

B. Hearing, reviewing, and acting on appeals from the decisions of the Director regarding an interpretation of this Code;

C. A decision of the Board on a variance application may be appealed to the Superior Court by the applicant or any other aggrieved person as prescribed in A.R.S. Section 9-462.06;

D. Hearing, reviewing, and acting upon any property owner appeal pursuant to SLDC 404.09 and A.R.S. Sections 9-500.12 and 9-500.13, or any successor statutes;

E. Exercise other powers that may be lawfully granted by the Council with respect to this Code.

ORDINANCE NO. 2016-__

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, AMENDING THE SEDONA LAND DEVELOPMENT CODE SECTION 304 (BOARD OF ADJUSTMENT); PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING FOR REPEAL OF ANY ORDINANCE OR PARTS OF ORDINANCES OR CODE PROVISIONS IN CONFLICT HEREWITH.

WHEREAS, it is the intention of the City Council to provide further clarity and ease of administration of those provisions set forth in Section 304 relating to Board of Adjustment.

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

Section 1. Amendment of Section 304 (BOARD OF ADJUSTMENT)

Section 304 of the Sedona Land Development Code is hereby amended by incorporating by reference those changes set forth in that public record entitled "2016 Amendments to the Land Development Code (BOARD OF ADJUSTMENT)" and established as a public record by Resolution No. 2016-__ as though said provisions are fully set forth herein.

Section 2. Savings Clause

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

Section 3. Repeal

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

PASSED AND ADOPTED by the Mayor and City Council of the City of Sedona, Arizona, this 13th day of December, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

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**CITY COUNCIL
AGENDA BILL**

**AB 2192
December 13, 2016
Regular Business**

Agenda Item: 8d

Proposed Action & Subject: Discussion/possible action regarding a resolution and ordinance amending the Sedona City Code, Chapter 5, relating to Short-Term Rental Regulations.

Department Legal
Time to Present 5 Minutes
Total Time for Item 15 Minutes
Other Council Meetings N/A
Exhibits A. Resolution
 B. Ordinance

| | | |
|-------------------------------|---|---|
| City Attorney Approval | Reviewed 12/5/16 RLP | Expenditure Required |
| | | \$ 0 |
| City Manager's Recommendation | Approve a resolution and ordinance amending the Sedona City Code relating to short term rental regulations. | Amount Budgeted |
| | | \$ 0 |
| | | Account No. N/A (Description) |
| | | Finance <input checked="" type="checkbox"/> Approval |

SUMMARY STATEMENT

Background: Since 1995, the City of Sedona has, by ordinance, prohibited the rental of residential properties for less than thirty (30) days. In 2008, Chapter 5 of the Sedona City Code was amended to proscribe and identify penalties for various activities related to the rental of residential properties for less than thirty (30) days.

During the 2016 Arizona State Legislative Session, Senate Bill 1350 (SB 1350) was introduced with the intent of requiring those actively engaging in the rental of residential properties within the State to collect and remit transaction privilege taxes to the State and municipalities where the activity was occurring. An Amendment to SB 1350 was adopted which had the effect of preempting local jurisdictions from enacting ordinances prohibiting the rental of residential properties for less than thirty (30) days. SB 1350, as amended, was passed by both houses of the Legislature and signed into law by the Governor to become effective on January 1, 2017.

SB 1350 continues to allow local jurisdictions to regulate short-term rentals for the protection of the public's health and safety so long as any ordinance is applied in the same manner as other residential properties generally.

On October 11, 2016, the City Code was amended to adapt to the restrictions imposed by SB 1350. Subsequent to that amendment, a concern was raised regarding the specific requirement that emergency contact information be posted outside of any residence being used as a short-term vacation rental. The posting requirement was included in the ordinance at the suggestion of the regulated community in a goodwill effort to engender support from neighboring property owners by enabling ready access to emergency contacts for expression of complaints. In the absence of a specific health, safety, or welfare justification for the requirement that emergency contact information be posted outside of subject residences, and in light of the alternative requirement that emergency contact information be provided by alternate, less intrusive means, it is recommended that the posting requirement at issue be removed.

The proposed amendment to Chapter 5 relating to short-term rentals will adapt the Sedona City Code to the restrictions imposed by SB 1350, while continuing to regulate the activity as is in the best interest of Sedona residents with respect to health, safety, and welfare.

Community Plan Consistent: Yes - No - Not Applicable

Board/Commission Recommendation: Applicable - Not Applicable

Alternative(s): None.

MOTION

I move to: approve Resolution No. 2016-___, a Resolution of the Mayor and Council of the City of Arizona, establishing as a public record the terms of proposed amendments to the City Code Chapter 5.25 (2016 Short-Term Rental Regulation Provisions).

After first reading:

I move to: approve Ordinance No. 2016-___, an Ordinance of the City of Sedona, Arizona, amending the City Code Chapter 5.25 (Short Term Rental Regulation); providing for a savings clause; and providing for repeal of any Ordinance or parts of Ordinances or Code provisions in conflict herewith.

RESOLUTION NO. 2016-__

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,
ARIZONA, ESTABLISHING AS A PUBLIC RECORD THE TERMS OF PROPOSED
AMENDMENTS TO CITY CODE CHAPTER 5.25 (SHORT-TERM RENTAL
REGULATION).**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA that the terms set forth in that document attached hereto as Exhibit A and entitled "2016 Amendments to City Code Short-Term Rental Regulation Provisions" constitute a public record to be incorporated by reference into Ordinance No. 2016-__.

At least one (1) paper copy and one (1) electronic copy of this public record shall be kept in the office of the City Clerk for public use and inspection.

PASSED AND ADOPTED this 13th day of December, 2016 by the Mayor and Council of the City of Sedona, Arizona.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney

Exhibit A
2016 Amendments to the City Code Short-Term Rental Regulation Provisions

Chapter 5.25
SHORT-TERM RENTAL REGULATION

Sections:

- 5.25.010 Title.
- 5.25.020 Findings and Purpose.
- 5.25.030 Definitions.
- 5.25.040 Business License Requirement.
- 5.25.050 Emergency Contact.
- 5.25.060 Use Regulations.

5.25.010 Title.

This chapter shall be known as the City of Sedona Short-Term Rental Regulation chapter. [Ord. 2016-___. Code 2008 § 5.25.010. Code 2006 § 8-4-1].

5.25.020 Findings and Purpose.

The City of Sedona is committed to maintaining its small-town character, scenic beauty, and natural resources that are the foundation of its economic strength and quality of life. (Sedona Community Plan, Section 9.2, Recommendations Goal 1.0.) The purpose of this chapter is to safeguard the public health and safety of the residents of Sedona and their visitors and guests while preserving the residential character of neighborhoods, minimizing nuisances, and providing equity with other residential and commercial uses. Therefore, in an attempt to further promote the aims and goals of the Sedona Community Plan, the City does hereby adopt the following provisions in an attempt to protect the public's health and safety in residential neighborhoods. [Ord. 2016-___. Code 2008 § 5.25.010. Code 2006 § 8-4-2].

5.25.030 Definitions.

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

“Vacation Rental” or “Short-Term Rental” means any individually or collectively owned single-family or one-to-four-family house or dwelling unit or any unit or group of units in a condominium, cooperative or timeshare, that is also a transient public lodging establishment or owner-occupied residential home offered for transient use if the accommodations are not classified for property taxation under A.R.S. § 42-12001. Vacation Rental and Short-Term Rental do not include a unit that is used for any nonresidential use, including retail, restaurant, banquet space, event center, or another similar use.

“Transient Lodging” means the business of operating for occupancy by transients, a hotel or motel, including an inn, tourist home or house, dude ranch, resort, campground, studio or bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home or house trailer at a fixed location, or other similar

structure, and also including a space, lot, or slab that is occupied or intended or designed for occupancy by transients in a mobile home or trailer furnished by them for such occupancy.

“Emergency Point of Contact” means the identity and a 24-hour telephone number for the person, enterprise, or agency who is the owner, proprietor, or representative of a Short-Term Rental or Transient Lodging establishment. [Ord. 2016-___; Code 2008 § 5.25.010. Code 2006 § 8-4-1].

5.25.040 Business License Requirement.

Every Short-Term Rental, Vacation Rental, or Transient Lodging establishment located within the jurisdictional boundaries of the City of Sedona or which is obligated to remit transaction privilege taxes for the operation of a Short-Term Rental, Vacation Rental, or Transient Lodging activity in the City of Sedona shall obtain a City of Sedona business license as required pursuant to Chapter 5.05 of the Sedona City Code. [Ord. 2016-___; Code 2008 § 5.25.010. Code 2006 § 8-4-1].

5.25.050 Emergency Contact.

An application for a City of Sedona business license for every Short-Term Rental, Vacation Rental, or Transient Lodging establishment shall be accompanied by the designation of an Emergency Point of Contact on a form provided which shall include a current, valid telephone number at which an immediate, 24-hour response may be obtained to address an accident, medical emergency, natural disaster, law enforcement response, or other serious incident that requires immediate attention at the premises on which the Short-Term Rental, Vacation Rental, or Transient Lodging activity is occurring. The Emergency contact information shall be posted in a prominent and visible location ~~both inside and outside the front entrance at~~ the Short-Term Rental, Vacation Rental, or Transient Lodging establishment. [Ord. 2016-___; Code 2008 § 5.25.010. Code 2006 § 8-4-1].

5.25.060 Use Regulations.

The Sedona Land Development Code District Regulations shall be applied to a Short-Term Rental, Vacation Rental, or Transient Lodging establishment in the same manner as other property classified under A.R.S. §§ 42-12003 and 42-12004. The use of any Short-Term Rental, Vacation Rental, or Transient Lodging establishment in any single-family residential district shall be limited to the uses identified in the Sedona Land Development Code for that particular single-family residential zoning district. [Ord. 2016-___; Code 2008 § 5.25.010. Code 2006 § 8-4-1].

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ORDINANCE NO. 2016-__

AN ORDINANCE OF THE CITY OF SEDONA, ARIZONA, AMENDING THE CITY CODE CHAPTER 5.25 (SHORT-TERM RENTAL REGULATION); PROVIDING FOR A SAVINGS CLAUSE; AND PROVIDING FOR REPEAL OF ANY ORDINANCE OR PARTS OF ORDINANCES OR CODE PROVISIONS IN CONFLICT HEREWITH.

WHEREAS, it is the intention of the City Council to provide further clarity and ease of administration of those provisions set forth in Chapter 5.25 relating to the rental of residential properties for less than thirty (30) days.

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

Section 1. Amendment of Chapter 5.25 (Short-Term Rental Regulation)

Chapter 5.25 of the Sedona City Code is hereby amended by incorporating by reference those changes set forth in that public record entitled “2016 Amendments to the City Code Short-Term Rental Regulation Provisions” and established as a public record by Resolution No. 2016-__ as though said provisions are fully set forth herein.

Section 2. Savings Clause

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

Section 3. Repeal

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

PASSED AND ADOPTED by the Mayor and City Council of the City of Sedona, Arizona, this 13th day of December, 2016.

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney