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.

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

2. **CITY’S VISION/MOMENT OF ART**

3. **CONSENT ITEMS - APPROVE**

   b. Minutes - March 29, 2017 City Council Special Meeting.
   c. AB 2221 Approval of recommendation regarding an interim and new Series 11 Hotel/Motel Liquor License for Orchards Inn located at 254 N. Highway 89A, Sedona, AZ (License #11033059).
   d. AB 2222 Approval of recommendation regarding an interim and new Series 11 Hotel/Motel Liquor License for L’Auberge De Sedona located at 301 L’Auberge Lane, Sedona, AZ (License #11033060).

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 - None.**

8. **REGULAR BUSINESS**

   a. AB 2186 Public hearing/discussion/possible action regarding approval of a resolution adopting the Schnebly Community Focus Area (CFA) Plan.
   b. AB 2209 Discussion/possible action regarding approval of a resolution establishing an Entertainment District within the City of Sedona.
   c. AB 2220 Discussion/possible action regarding the approval of a new agreement between the City and the Sedona Chamber of Commerce and Tourism Bureau for tourism promotion and visitor services subject to final review and approval by the City Attorney.
   d. AB 2131 Discussion/possible action regarding Dockets E-01345A-16-0036 and E-01345A-16-0123, the rate case filed with the Arizona Corporation Commission by Arizona Public Service on June 1, 2016.
   e. AB 2207 Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.
   f. Reports/discussion on Council assignments.
   g. Discussion/possible action on future meeting/agenda items.

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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.
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.
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 John Currivan, Councilor Scott Jablow, Councilor Tom Lamkin, Councilor Jon Thompson, Councilor Joe Vernier.

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, Assistant City Attorney Lisa Weiler-Parsons, Chief of Police David McGill, Recreation & Aquatics Supervisor Lizzie Ginsberg, Recreation Coordinator Ali Baxter, City Clerk Susan Irvine.

2. City’s Vision

A video of the City's vision was played.

3. Consent Items


d. Approval of Proclamation, Fair Housing Month, April 2017.

e. Approval of Proclamation, Read Around Sedona Month, April 2017.


g. Approval of Proclamation, Walking Free Day, April 8, 2017.

h. AB 2215 Approval of a Special Event Liquor License for Rotary Club of Sedona Charitable Fund, Inc. for the annual Chili Cook-Off event scheduled for Saturday, May 6, 2017, located at Tlaquepaque, 336 State Route 179, Sedona, AZ.

i. AB 2219 Approval of a Special Event Liquor License for a Friends of Jack Jamesen Memorial Park fundraising event scheduled for Wednesday, April 5, 2017, located at Jack Jamesen Memorial Park, 25 North View, Sedona, AZ.

Motion: Vice Mayor Martinez moved to approve consent items 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, and 3i. Seconded by Councilor Currivan. Vote: Motion carried unanimously with seven (7) in favor and zero (0) opposed.

4. Appointments – None.

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

Councilor Jablow advised that the City hosted electronics recycling event on Saturday was very successful. Council recognized David Jakim for his hard work organizing this event every year. Vice Mayor Martinez stated that the Sedona Stumble Trail Run and the Food Truck Festival were well attended and both great events. Over 3,500 attended the Festival, and it will hopefully be done again next year. Rosie the Riveter Day was
March 21st and Cottonwood is working on a monument at their military park. This is very close to his heart as his mother-in-law worked on B-17 bombers during the war. April 8th is Walking Free Day beginning at 8:30 a.m. at Chimney Rock Plaza with a 4-mile walk to eradicate human trafficking. The Mayor thanked Ali Baxter for her lead on the Food Truck Festival. Councilor Thompson stated that the Arizona Corporation Commission is having a listening session regarding the APS rate case at the Yavapai College Campus in Clarkdale at 6:00 p.m. The City Council is also having a meeting at 3:00 p.m. tomorrow for input on the APS rate case.

6. Public Forum

Martin Glinsky, Sedona, Treasurer of the Verde Valley Cyclists Coalition, spoke about Forest Service trail funding. He stated that they need about $450,000 annually for trail maintenance. He thanked the City for their contributions and advised they would be asking for additional funding from the City in the future.

Jon Thompson, Sedona, stated that there is damage being done to the planet, and today President Trump signed an executive order undoing many of President Obama’s orders to protect the environment. He suggested that the City should set a 100% renewable energy target which many larger cities are beginning to do.

7. Proclamations, Recognitions, and Awards

a. Presentation of Proclamation, Read Around Sedona Month, April 2017.

Mayor Moriarty read the proclamation and presented it to Virginia Volkman. Ms. Volkman thanked the Council for the recognition and reviewed events related to Read Around Sedona Month.


Mayor Moriarty read the proclamation and presented it to Yavapai College Chief of Police Gerald Monahan. Chief Monahan thanked the Council for the recognition and talked about the impacts of sexual violence.


Mayor Moriarty read the proclamation and presented it to Linda Busuttil. Ms. Busuttil thanked the Council for the recognition and talked about her hopes to continue to raise awareness about human trafficking.

8. Regular Business

a. AB 2212 Presentation/discussion with Dr. James Perey, Executive Dean and Campus Executive Officer for the Verde Valley Campus, regarding a community outreach presentation for Yavapai College.

Presentation by Dr. James Perey, Executive Dean and Campus Executive Officer for the Verde Valley Campus.

Questions and comments from Council.

Presentation and discussion only. No action taken.

b. AB 2207 Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

Presentation by Justin Clifton.
Questions and comments from Council.

Presentation and discussion only. No action taken.

c. Reports/discussion on Council assignments

Councilor Vernier advised that the Library Board met last Wednesday and their focus was on the proposed expansion. Councilor Jablow stated that he attended the last Main Street meeting last week, and they will be officially shutting down in June. Councilor Lamkin advised that Sedona Recycles wants to make a report to City Council. Councilor Currivan stated that the Sedona Community Center received the Golden Plate Award which is based on high standards for food preparation, planning, and staffing. Vice Mayor Martinez asked about funding for the nitrogen monitoring with Yavapai County Water Advisory Commission.

d. Discussion/possible action on future meeting/agenda items

Mayor Moriarty advised that there is a special meeting tomorrow at 3:00 p.m.

9. 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 6:19 p.m. without objection.

I certify that the above are the true and correct actions of the Regular City Council Meeting held on March 28, 2017.

________________________________________ _______________________
Susan L. Irvine, CMC, City Clerk  Date
Action Minutes
Special City Council Meeting
City Council Chambers, Sedona City Hall,
102 Roadrunner Drive, Sedona, Arizona
Wednesday, March 29, 2017, 3:00 p.m.

1. Call to Order/Pledge of Allegiance/Moment of Silence
Mayor Moriarty called the meeting to order at 3:00 p.m.

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

Staff Present: City Manager Justin Clifton, Assistant City Manager Karen Osburn, Assistant City Attorney Lisa Weiler-Parsons, Police Chief David McGill, Lieutenant Lucas Wilcoxson, City Clerk Susan Irvine, Deputy City Clerk JoAnne Cook.

3. Special Business
   a. AB 2216 Discussion/possible action regarding Dockets E-01345A-16-0036 and E-01345A-16-0123, the rate case filed with the Arizona Corporation Commission by Arizona Public Service on June 1, 2016.

   Introduction by Justin Clifton. Barbara Lockwood, Vice President of Regulation for APS, Steve Quinn Northwest Divisions Manager for APS were available to answer questions.

   Questions and comments from Council.

   Opened to the public at 3:11 p.m.


   Brought back to Council at 3:54 p.m.

   Questions and comments from Council.

   By majority consensus Council directed staff to draft a letter to submit to the Arizona Corporation Commission advocating for customers who are not allowed to opt out smart meters, smart meter fees, and the use of analog meters for those who opt out of smart meters, and to bring the letter back to Council at a future meeting on April 11 or 12, 2017.

   b. Discussion/possible action on future meeting/agenda items- None.
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 5:16 p.m. without objection.

I certify that the above are the true and correct actions of the Special City Council Meeting held on March 29, 2017.

________________________________   __________________________
JoAnne Cook, Deputy City Clerk                     Date
Agenda Item: 3c
Proposed Action & Subject: Approval of recommendation regarding an interim and new Series 11 Hotel/Motel Liquor License for Orchards Inn located at 254 N. Highway 89A, Sedona, AZ (License #11033059).

Department: City Clerk

Time to Present: N/A
Total Time for Item: N/A

Other Council Meetings: N/A

Exhibits: Liquor License Application is available for review in the City Clerk’s office.

City Attorney Approval: Reviewed 4/4/17 RLP

Expenditure Required: $ 0

Amount Budgeted: $ 0
Account No. (Description): N/A
Finance 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.

The City has received an application for an Interim Permit and new Series 11 Hotel/Motel Liquor License for Orchards Inn located at 254 N. Highway 89A, Sedona, AZ (License #11033059). The liquor license application is available for review and inspection in the City Clerk’s office or by email. This is necessary due to a change in ownership of the business.

A Series 11 Liquor License is a non-transferable, on-sale retail privileges liquor license which allows the holder of a hotel/motel license to sell and serve all types of spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises. The restaurant on the licensed premises must derive at least forty percent (40%) of its gross revenue from the sale of food. The holder of this license may sell spirituous liquor in sealed containers in individual portions to its registered guests at any time by means of a minibar located in the guest rooms of registered guests. The registered guest must be at least twenty-one (21) years of age. Access to the minibar is provided by a key or
magnetic card device and may not be furnished to a guest between the hours of 2:00 a.m. and 6:00 a.m.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

**Community Plan Consistent:** ☐ Yes - ☐ No - ☑ Not Applicable

**Board/Commission Recommendation:** ☐ Applicable - ☑ Not Applicable

**Alternative(s):** Recommend denial of an interim and new Series 11 Hotel/Motel Liquor License for Orchards Inn located at 254 N. Highway 89A, Sedona, AZ (License #11033059). Reasons for this recommendation would need to be identified and stated.

**MOTION**

I move to: recommend approval of an interim and new Series 11 Hotel/Motel Liquor License for Orchards Inn located at 254 N. Highway 89A, Sedona, AZ (License #11033059).
Agenda Item: 3d
Proposed Action & Subject: Approval of recommendation regarding an interim and new Series 11 Hotel/Motel Liquor License for L'Auberge De Sedona located at 301 L'Auberge Lane, Sedona, AZ (License #11033060).

Department: City Clerk
Time to Present: N/A
Total Time for Item: N/A
Other Council Meetings: N/A
Exhibits: Liquor License Application is available for review in the City Clerk’s office.

<table>
<thead>
<tr>
<th>City Attorney Approval</th>
<th>Reviewed 4/4/17 RLP</th>
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<tbody>
<tr>
<td>City Manager’s Recommendation</td>
<td>Recommend approval of an interim and new Series 11 Liquor License for L’Auberge.</td>
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</table>

Expenditure Required: $ 0

<table>
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<tr>
<th>Amount Budgeted</th>
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SUMMARY STATEMENT

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A Series 11 Liquor License is a non-transferable, on-sale retail privileges liquor license which allows the holder of a hotel/motel license to sell and serve all types of spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises. The restaurant on the licensed premises must derive at least forty percent (40%) of its gross revenue from the sale of food. The holder of this license may sell spirituous liquor in sealed containers in individual portions to its registered guests at any time by means of a minibar located in the guest rooms of registered guests. The registered guest
must be at least twenty-one (21) years of age. Access to the minibar is provided by a key or magnetic card device and may not be furnished to a guest between the hours of 2:00 a.m. and 6:00 a.m.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

Community Plan Consistent:  ☐ Yes - ☐ No - ☒ Not Applicable

Board/Commission Recommendation:  ☐ Applicable - ☒ Not Applicable

Alternative(s): Recommend denial of an interim and new Series 11 Hotel/Motel Liquor License for L'Auberge De Sedona located at 301 L'Auberge Lane, Sedona, AZ (License #11033060). Reasons for this recommendation would need to be identified and stated.

MOTION
I move to: recommend approval of an interim and new Series 11 Hotel/Motel Liquor License for L'Auberge De Sedona located at 301 L'Auberge Lane, Sedona, AZ (License #11033060).
**Agenda Item: 8a**

**Proposed Action & Subject:** Public hearing/discussion/possible action regarding approval of a resolution adopting the Schnebly Community Focus Area (CFA) Plan.

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**Department:** Community Development

**Time to Present:** 15 minutes

**Total Time for Item:** 30 minutes

**Other Council Meetings:** January 25, 2017 & February 15, 2017

**Exhibits**

A. Draft Schnebly CFA Plan
B. Staff Reports for January 25 & February 15, 2017
C. Public Comments 2016-2017
D. Draft resolution to adopt the Schnebly Community Focus Area Plan

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**City Attorney Approval**

Reviewed 4/4/17 RLP

**Expenditure Required**

$ 0

**Amount Budgeted**

$ 0

Account No. N/A
(Description) Finance Approval

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**SUMMARY STATEMENT**

The City Council work sessions of January 25, 2017 and February 15, 2017 included in-depth presentations about the draft Schnebly CFA Plan. As a result of Council discussion and comments at the work sessions, several minor revisions were made to the draft plan (Exhibit A) which are summarized below. Exhibit B contains the previous Staff Reports from January 25 and February 15, 2017 which are included for reference.

Exhibit C includes the written public comments that have been submitted to date and has comments received during the Planning and Zoning Commission review of the first draft plan. The public comments are organized by the date submitted, with the most recent first. Additional comments not submitted in writing (such as by telephone or in meetings) are summarized in the previous staff report (Exhibit B). Exhibit D is the Draft resolution to adopt the Schnebly CFA Plan.
Background: Community Focus Areas are identified in the Sedona Community Plan as areas where the City will develop specific plans. The Schnebly CFA is addressed on page 45 of the Community Plan which lists the “Community Expectations” and a map of the CFA (located along Schnebly Hill Road, north of the SR 179 roundabout). These expectations include:

- Retain large parcels and rural character.
- Support agriculture as a key character element.
- Support non-residential uses (e.g., bed and breakfast, neighborhood cafe) if tied to the preservation of large land areas and generates less traffic than medium-density residential.
- Retain similarly affordable housing currently provided in existing mobile home/RV park.
- Protect riparian environment along Oak Creek.
- Evaluate potential for environmentally sensitive public creek access.
- Preserve historic resources (Gassaway House).

The CFA planning process was initiated when several residents of the area approached the City and offered to assist with planning efforts. They expected the planning process to be easier for a couple of reasons:

- they had informally organized and had a general consensus regarding their thoughts on the future of the area and were willing to assist in the preparation of a draft plan; and,
- an existing concept plan is contained in Appendix B in the Community Plan.

As a result, the City launched the CFA planning process in June 2015 with a stakeholders meeting consisting of 14 property owners to review and discuss the existing planning documents and their thoughts and ideas for the area. Staff later developed a draft CFA plan based on property owner input and additional research. The draft plan has been revised several times following feedback from the public and the Planning and Zoning Commission.

The Schnebly CFA is a unique area of the City with potential for future development due to the amount of undeveloped land in close proximity to the Uptown commercial area, Oak Creek, and the National Forest. The draft CFA plan focuses on preserving Oak Creek, protecting the hillside and scenic views, protecting and enhancing the rural character, and making the most of its prime location between Uptown and the National Forest. One of the key issues for this CFA area is the amount of vacant land with zoning that allows for a much higher density of housing than its current use and open rural feel. The CFA plan recommendations are intended to guide future development when it does occur in a manner consistent with the Community Plan, and the CFA vision, which is:

This CFA is located within the Heart of Sedona, a pedestrian-friendly area focused on Oak Creek and Sedona’s heritage. Future development and redevelopment is a mix of uses that preserves the Oak Creek riparian corridor, with natural hillsides, open fields, and a variety of modestly scaled buildings, thus sustaining the distinct historic context and character.
To provide a tool to implement the plan, a new zoning district is proposed that offers new options for landowners. As an incentive, the new zone proposes to allow for a mix of uses, including a limited amount of lodging in exchange for the preservation of open space, protection of the hillsides, scenic viewshed, and Oak Creek. Staff believes that, without this option, future development is likely to happen one parcel at a time at the higher density allowed by current zoning which would increase the amount of housing and thus traffic impacts while gaining few community benefits. Additionally, with the recent passage of SB1350, staff and property owners are concerned that these lots could be built as residential units with the purpose of functioning as lodging units without the oversight of development standards or community benefits.

Planning and Zoning Commission Review
The Planning and Zoning Commission considered this item in 2016 at the following meetings: September 29th, October 4th, October 13th, November 1st, and November 15th. The Commission’s meeting minutes can be found on the City’s website by clicking here and then selecting the dates listed above.

City Council Work Sessions
The January 25, 2017 work session included a lengthy presentation that covered the first half of the draft plan (pages 1-11). Each of the key issues and the vision were presented, along with the challenges of implementing the vision. The presentation then included a land use analysis with various development scenarios to provide a comparison of potential outcomes under current and proposed zoning. The February 15, 2017 work session was a continuation of the presentation and discussion, covering the recommendations and implementation portions of the draft plan (pages 12-27).

Revisions to the Draft CFA Plan
As a result of Council comments on January 25, 2017 and February 15, 2017, several minor changes were made to the January 25th draft plan. The April 11, 2017 revised draft plan (Exhibit A) includes the changes listed below (they are not denoted in the attached draft). The italicized text underlined below indicates additions, and strikethroughs are deleted text.

Page 2, Acknowledgements: The acknowledgments list was replaced with the following, which includes the individuals that participated in the stakeholders group.

Thank you to Council, Commission, Staff, and the Stakeholders Group: Ed Brown, Ralph Clemmer, Jerry Frey, Margaret Frey, Susan Garber, Jerry Helfrich, Margie Helfrich, Clare Licher, Max Licher, Erik Peterson, Geoffrey Roth, Katharina Roth, Helen Snyder, Tom Snyder, Janeen Trevillyan, and David Tracy.

Page 14, Preservation of Open Space, Strategy 1: The strategy was revised to emphasize the importance of agricultural uses to the historic character of the area.

1. A corridor of undeveloped open space along Schnebly Hill Road should be preserved as open space or a linear park or greenway and may include a trail, orchards, gardens, or other agricultural use.

Page 16: A correction was made to the Community Plan references.

See Community Plan: p. 15, p. 17 Goals 2, 3, 5; p. 53 Policy 8; p. 54 Policy 15
Page 25, Agricultural Uses: One of the historic agricultural uses was fruit orchards, and some trees are still found in the area, so “orchards” was added to the list of examples.

Agricultural uses:
- Gardens, nurseries, vineyards, orchards, and incidental operations.

Page 26, Multi-family Residential: The following was revised to include additional examples of community benefits.

Increased density may be considered on a case by case basis when associated with community benefits, such as affordable housing, creek access, or agricultural uses, are included in the proposal.

Page 26, Accessory Uses: To be consistent with other items on the list which do not go into such details, the following was removed. This type of detail is more appropriate to the district regulations.

RV Storage (must be screened from view)

Community Plan Consistent: □ Yes - □ No - □ Not Applicable
The Schnebly CFA is identified in the Community Plan as CFA 9, an area in need of further specific area/CFA planning. The Community Plan includes a Land Use Action Plan, and the Schnebly CFA plan is one of those listed as a priority level one action item.

Board/Commission Recommendation: □ Applicable - □ Not Applicable
The Planning and Zoning Commission in a six (6) for and one (1) opposed vote recommended adoption of the draft Schnebly CFA Plan to City Council on November 1, 2016 and amended their motion on November 15, 2016 to correct an administrative error in the motion.

Alternative(s): N/A

MOTION

Note: If Council intends to make revisions to the draft plan, it is recommended that the Council first vote to approve any revisions and then approve the resolution adopting the CFA Plan, as revised by Council.

I move to:

Motion 1: approve the Schnebly Community Focus Area Plan dated April 11, 2017 [as revised by Council, if applicable].

Motion 2: approve Resolution 2017-__, [as revised by Council, if applicable] adopting the Schnebly Community Focus Area Plan and authorizing staff to make final non-substantive format changes.
Schnebly Community Focus Area Plan - Draft

CFA Vision
This CFA is located within the Heart of Sedona, a pedestrian-friendly area focused on Oak Creek and Sedona's heritage. Future development and redevelopment is a mix of uses that preserves the Oak Creek riparian corridor, with natural hillsides, open fields, and a variety of modestly scaled buildings, thus sustaining the distinct historic context and character.
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Acknowledgments

Thank you to Council, Commission, Staff, and the Stakeholders Group: Ed Brown, Ralph Clemmer, Jerry Frey, Margaret Frey, Susan Garber, Jerry Helfrich, Margie Helfrich, Clare Licher, Max Licher, Erik Peterson, Geoffrey Roth, Katharina Roth, Helen Snyder, Tom Snyder, Janeen Trevillyan, and David Tracy.

Note:

References to existing conditions are as of 2016.

Relevant sections of the Sedona Community Plan may be listed on each page.
INTRODUCTION

This Community Focus Area (CFA) Plan is an addendum to the Sedona Community Plan and serves as a guide for future development of this area. The intent is to address issues that are specific to this geographic area in more detail than the City-wide Sedona Community Plan. This unique Sedona neighborhood is located across Oak Creek from the bustling tourist district of Uptown. Driving up Schnebly Hill Road from State Route 179, the shops and galleries are quickly left behind as you pass through a sparsely developed area that soon transitions to the National Forest. There are only 41 houses within this 91 acre area, most of which are hidden in the hills or set back from the road. Sedona’s only RV Park is here, hidden in the trees along Oak Creek, with 84 camping sites. Visible above the trees is the glass spire of the Creative Life Center, a draw for visitors and residents to its seminars and programs.

This area is bound to see significant growth and change in the future as only 56% of the lots in this area have been developed. The area is currently zoned single-family residential, and future growth would result in far more houses than today, changing the area from its open, rural character to a typical residential area. The intent of this CFA Plan is to guide future growth in a manner that will retain the unique character of the area.

Community Expectations
The Sedona Community Plan listed the following expectations for this CFA:

- “Retain large parcels and rural character.
- Support agriculture as a key character element.
- Support non-residential uses (e.g., bed and breakfast, neighborhood cafe) if tied to the preservation of large land areas and generates less traffic than medium-density residential.
- Retain similarly affordable housing currently provided in existing mobile home/RV park.
- Protect riparian environment along Oak Creek.
- Evaluate potential for environmentally sensitive public creek access.
- Preserve historic resources (Gassaway House).”

- Sedona Community Plan p. 45
History of the Area

Oak Creek was the original attraction for settlers to the Sedona area with its flow of water year-round. The first homesteaders settled along the creek in the 1880s with the new community forming at the base of the canyon. In 1902 "Sedona" was created when the community’s first post office was established. The core of the community was concentrated near the intersections of Ranger Road and Schnebly Hill Road where a bridge eventually crossed Oak Creek.

While this area grew into what is now known as Uptown Sedona with hotels, shops, and houses, the area along Schnebly Hill Road remained agricultural. The Farley family had the original homestead on the creek, and with their daughter’s marriage to W.C. Steele in 1924, the Farleys and Steeles owned most of the land along Schnebly Hill Road.

In the 1950s the land shifted away from agricultural as the Farleys and Steeles began to split and sell property. In 1952 Schnebly Hill Road was established officially as a county highway. It was in 1954 that the one platted subdivision built in the area was created (The Gem subdivision on Quail Ridge Dr.).

Development was not influenced by zoning until 1969, at which point most of the area was zoned residential by Coconino County. When the City of Sedona was incorporated in 1988, the residential zoning was carried forward. Despite the zoning and proximity to Uptown, development of the area has been minimal compared to the surrounding area.

Highlights in the History of the Area

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1896</td>
<td>Flagstaff residents petition for a new wagon road to Jerome (to become the Schnebly Hill Road)</td>
</tr>
<tr>
<td>1902</td>
<td>Schnebly Hill Road constructed</td>
</tr>
<tr>
<td>1907</td>
<td>Farley homestead patented on Oak Creek</td>
</tr>
<tr>
<td>1924</td>
<td>Minnie Farley marries W.C. Steele</td>
</tr>
<tr>
<td>1925</td>
<td>Farley cabin built (now City Historic Landmark)</td>
</tr>
<tr>
<td>c. 1927</td>
<td>Sedona and T.C. Schnebly House built</td>
</tr>
<tr>
<td>1930s</td>
<td>Steele cabins built (now in the Rancho Sedona RV Park)</td>
</tr>
<tr>
<td>1932</td>
<td>Farley house built (now City Historic Landmark)</td>
</tr>
<tr>
<td>c. 1937</td>
<td>Gassaway House constructed (now City Historic Landmark)</td>
</tr>
<tr>
<td>1950s</td>
<td>Schnebly Hill Road designated county highway, Steele Trailer Court established (now Rancho Sedona RV Park)</td>
</tr>
<tr>
<td>1954</td>
<td>The Gem subdivision platted (Quail Ridge neighborhood)</td>
</tr>
<tr>
<td>1969</td>
<td>Coconino County designates zoning of area as residential</td>
</tr>
<tr>
<td>1982</td>
<td>Church established at 333 Schnebly Hill Rd by the Aquarian Educational Group (site of Creative Life Center)</td>
</tr>
<tr>
<td>1988</td>
<td>City of Sedona incorporated</td>
</tr>
<tr>
<td>2000</td>
<td>Creative Life Center established</td>
</tr>
</tbody>
</table>
Planning Area Boundary

The Community Plan established the general planning area for this CFA. The specific boundary (shown here in blue) encompasses 91 acres of private land north of the State Route 179 roundabout at Schnebly Hill Road and bounded by Oak Creek on the west and National Forest to the east.

Figure 1. CFA Planning Area Boundary
KEY ISSUES

Character

The key issues for this CFA can be considered strengths and opportunities as well as limitations and constraints. The key issues, most of which are quite unique to this area include its character, Oak Creek, open space, traffic, walking and bicycling, and the potential for future development. The following (pages 6-11) will summarize those key issues.

Character

The unique character, identity, or “sense of place” that distinguish this area is the combination of features addressed throughout this plan: the presence of Oak Creek, open space, historic features, and the proximity to Uptown and the National Forest. The rural, agricultural nature of the area is characterized by the unpaved roads, remnant orchards and irrigation ditch, and large open lots. The area is also defined by a lack of features such as sidewalks, curb and gutters along the street, block walls, and stucco-sided buildings seen elsewhere in Sedona.

The open space of the undeveloped vacant land is one of the defining features of the area. Once agricultural farms and orchards, this open land now provides the pastoral setting and views seen from Schnebly Hill Road. This sense of open space could be retained as a positive feature of new development and not necessarily lost to future development.

One of the fundamental goals for this CFA is to ensure that its unique character is retained and enhanced as changes occur. Many of the recommendations in this plan are intended to provide incentives for future development that will cultivate the desired character.

Examples of the CFA character:

- Orchard trees
- Gassaway Place Historic Landmark
- Rural look of driveway and building
- RV Park and sycamore trees

See CFA Recommendations: Sense of Place, page 16; Preservation of Open Space, page 14
KEY ISSUES:

Oak Creek

Oak Creek’s riparian habitat of large Sycamore trees and lush plants are the prominent feature of this CFA. The creek is also a historic focal point of the City, as the original homesteads were located next to the creek, dependent on the water for homes, businesses, and agriculture.

Oak Creek is still a magnet for people that are drawn to the water, yet the creek is entirely on private land, prohibiting legal access by the public. People still access the creek, usually by crossing vacant land. This unmanaged access has led to some problems with trespassing, including trash and occasionally transient campsites and campfires.

The natural riparian habitat along the creek and tributary washes is important to accommodate flooding and to provide wildlife habitat. There is a higher diversity and density of plants found along the creek than seen in the surrounding arid uplands typical of Sedona. The original settlers may have thought of the creek as an oasis in the desert, and today it is still a treasured community asset.

See CFA Recommendations: Protection of Oak Creek, page 13
KEY ISSUES:

Circulation

Traffic
The majority of traffic on Schnebly Hill Road is from tourists heading to the National Forest, a historic use that continues today. The road historically provided access to the higher elevations of the National Forest, but is no longer maintained to accommodate passenger vehicles. The pavement ends at the Huckaby Trailhead, a parking and picnic area that leads to multiple trails popular with hikers and mountain bikers. Due to the deteriorated condition of Schnebly Hill Road, traffic beyond the trailhead is now primarily off-road vehicles. Most of this traffic is due to the increased popularity of guided jeep tours, and more recently the introduction of off-highway rental vehicles, in addition to private vehicles. This traffic is due to the proximity of the National Forest from Uptown, and the fact that Schnebly Hill Road is one of only 4 roads within the City that leads directly into the backcountry.

Schnebly Hill Road was once a viable route to Flagstaff until the highway through Oak Creek Canyon was improved. There has been speculation about improving the Schnebly Hill Road to Interstate 17. Only a half-mile of the road is within the city limits, and the remainder is on the National Forest within Coconino County. Improving the road to acceptable transportation engineering standards would be costly, and neither the County or National Forest have indicated any interest in doing so. Improving the road is not compatible with the recommendations of this CFA as it could significantly increase traffic and alter the character of the area.

Note:
The City of Sedona is conducting a comprehensive study of circulation issues throughout the city in 2017 which may result in recommendations that could affect this area.

Pedestrians and Bicycles
With the shops and restaurants of Uptown so close, it is only natural that residents and visitors would want to walk or bike to Uptown. Unfortunately for those walking and biking, there are no trails or sidewalks and Schnebly Hill Road is narrow with no shoulder and several blind curves that can make for a hazardous experience. There is one trail across private land that is used as a shortcut from the RV Park, but that does not go far until you are forced to share the road. Mountain bikes are also commonly seen on Schnebly Hill Road as they head to the National Forest trails.
**KEY ISSUES:**

**Development Potential**

**Existing Conditions: Built and Vacant Property**

56% of the lots in this CFA are built with at least one or more buildings (shown in gray in Figure 2). Most of these lots could be considered underdeveloped, because current zoning allows for a higher density of development than what exists.

The core of this CFA (the land between Schnebly Hill Road and Oak Creek) is currently zoned RS-10b Single Family Residential which allows for minimum size lots of 10,000 sq. ft., and a maximum of 4 units per acre. Much of the remainder of the CFA is zoned RS-18b, which allows a minimum lot size of 18,000 sq. ft. and a maximum of 2 units per acre.

Some of the lots do have limitations such as the Oak Creek floodway and steep hillsides which present challenges to development. Despite the limitations, there is a considerable amount of property that could be developed or redeveloped at a significantly higher density under current zoning.

![Figure 2. Current Land Use: Built and Vacant Lots](image)
Comparison of Lot Sizes
Figure 3
- Current lot boundaries are outlined in Figure 3
- The minimum lot sizes under current zoning is either 10,000 sq. ft. (RS-10b) or 18,000 sq. ft. (RS-18b) - see examples to the right
- Future development could subdivide larger lots to the minimum lot size to accommodate more units

Potential Development Scenarios
Figure 4 (following page)
To provide an alternative to existing zoning, this CFA Plan proposes a new zone: the Oak Creek Heritage District (see page 25). Figure 5 on the following page illustrates what future development may look like under existing zoning (Scenario 1) and the new zoning (Scenario 2).

The new zoning district would allow for lodging and camping which could serve a different niche that would diversify the City’s lodging inventory with camping and small, intimate options such as cottages and cabins. Although outside of the Lodging Area Limits designated in the Community Plan, allowing lodging in this area as an alternative to residential could be an incentive for development that is consistent with the desired character of the CFA.

Figure 3.
Comparison of Lot Sizes
The examples shown on the map are representative of the minimum lot sizes for either RS-10b or RS-18b zoning.
Figure 4. Comparison of Potential Development Scenarios

**Scenario 1**
**Existing Zoning**
- Existing zoning (RS-10)
- Single-family residential only
- Maximum density: 4 units per acre
- RV Park replaced with houses

**Scenario 2**
**Proposed Zoning**
- Proposed new zoning: Oak Creek Heritage District
- Mix of uses: lodging, camping, residential
- Maximum density for this scenario:
  - 1 unit/acre residential
  - 8 units/acre lodging
- RV Park remains
- Cluster development
- Open space along Schnebly Hill Road
RECOMMENDATIONS

The Recommendations section of this CFA Plan includes goals, objectives, and strategies. The Sedona Community Plan is the guiding document for the CFA Plan, with the goals of this plan taken from the Community Plan. The CFA objectives are statements describing the desired future of the area. The strategies (listed on the following pages) describe methods that will lead to achieving the goals and objectives. Two chapters of the Community Plan are not listed below ("Parks, Recreation, and Open Space" and "Economic Development") however those topics are covered by the other categories as shown in the summary below.

<table>
<thead>
<tr>
<th>ENVIRONMENT</th>
<th>LAND USE</th>
<th>COMMUNITY</th>
<th>CIRCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Community Plan Goals</strong></td>
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</tr>
<tr>
<td>• Protect Oak Creek and its riparian habitat.</td>
<td>• Reflect a unique sense of place in architecture and design.</td>
<td>• Preserve and celebrate the community’s history.</td>
<td>• Reduce dependency on single-occupancy vehicles.</td>
</tr>
<tr>
<td>• Reduce the impacts of flooding and erosion on the community and environment.</td>
<td>• Ensure harmony between the built and natural environments.</td>
<td></td>
<td>• Create a more walkable and bike-able community.</td>
</tr>
<tr>
<td>• Protect and preserve natural open space.</td>
<td>• Create mixed use, walkable districts.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>➢ See page 13-15</td>
<td>➢ See page 16-19</td>
<td>➢ See page 20</td>
<td>➢ See page 21-23</td>
</tr>
</tbody>
</table>

The CFA Objectives

- Oak Creek is permanently protected in its natural state as a vital resource for the natural environment, community, and region.
- Open space is a defining feature of the area, and preserved for its natural resource and scenic values.

- A distinct identity unique to the area which reflects its rural, agricultural, and historical qualities.
- The historic values that contribute to the character of the area are protected and interpreted.
- A system of trails that connects residents and visitors to destinations within the neighborhood and to Uptown that is safe and convenient for walking and bicycling.

- A system of trails that connects residents and visitors to destinations within the neighborhood and to Uptown that is safe and convenient for walking and bicycling.
ENVIRONMENT RECOMMENDATIONS

Protection of Oak Creek

Community Plan Goal:
- Protect Oak Creek and its riparian habitat
- Reduce the impacts of flooding and erosion on the community and environment.

CFA Objective:
Oak Creek is permanently protected in its natural state as a vital resource for the natural environment, community, and region.

Strategies:
1. Maintain the Oak Creek floodway in a natural state, with only minor improvements within the riparian corridor, such as trails, parks, or temporary structures such as yurts.

2. Permanently protect the Oak Creek corridor through land preservation measures.
   a. Property owners can partner with a public or non-profit organization to establish conservation easements on the property to ensure permanent protection.
   b. Land could be donated to or acquired by a public or non-profit organization.

3. Drainages flowing into Oak Creek should be retained unaltered, as linear corridors of natural open space.

Floodway:
The channel and overbank areas that carry the deeper, faster moving water during a flood.

Floodplain:
Land adjacent to the creek that is subject to flooding.

See Community Plan: p. 71 Goal 3 and 4; p. 78 Policy 3; p. 86 Policy 10

Figure 5. Oak Creek Flood Zones
Preservation of Open Space

Community Plan Goal:
*Protect and preserve natural open space.*

CFA Objective:
Open space is a defining feature of the area, protected for its natural resource and scenic values.

Strategies:
1. A corridor of undeveloped open space along Schnebly Hill Road should be preserved as open space or a linear park or greenway and may include a trail, orchards, gardens, or other agricultural use.

2. Scenic views from Uptown and Highway 89 should be preserved by limiting development on visible hillsides.
   ➢ See Figure 7 on the following page.

3. Oak Creek and its associated floodway shall be preserved as the spine of an open space system linked to corridors of open space along tributary drainages.

4. To enable the preservation of the Oak Creek floodway, open space, and hillsides, flexibility in site design standards will be considered.

See Community Plan: p. 53 Policy 5; p. 71 Goal 1; p. 78 Policy 10; p. 81 Goal 1; p. 86 Policy 10
Figure 7. Viewshed from Highway 89 in Uptown

The Schnebly CFA makes up the foreground of this scenic view from above S.R. 89A in Uptown. New development within the CFA should be sensitive to the high visibility of this area.
LAND USE RECOMMENDATIONS

Sense of Place

Community Plan Goals:
- Reflect a unique sense of place in architecture and design.
- Ensure harmony between the built and natural environments.
- Create mixed use, walkable districts.

CFA Objective:
A distinct identity unique to the area which reflects its rural, agricultural, and historical qualities.

Strategies:
1. The design of new development shall be of a style and scale that reflects the desired character and identity unique to this area.
   ➢ See the Development and Design Guidelines on pages 17-19 for examples of the desired character.
2. Cluster development in order to preserve open space, hillsides, and floodplains.
   a. This approach can be applied to all land uses.
   b. Open space that is contiguous with the open space on adjacent properties is preferred.
3. Establish the Oak Creek Heritage District to enable new development to meet the goals and objectives of this plan.
   ➢ See Implementation, pages 25-27 for a description of the proposed district.

➢ See Recommendations: Protection of Oak Creek page 13; and Preservation of Open Space page 14

See Community Plan: p. 15, p. 17 Goals 2, 3, 5; p. 53 Policy 8; p. 54 Policy 15
Development and Design Guidelines

The following illustrates the desired character of the area with representative design features. The following Design Guidelines are applicable to development projects within this CFA. In the case of conflicts with other guidelines or regulations, the developer shall consult with City Staff to determine which is most applicable and appropriate for the project.

Building Style and Materials

Use of natural materials representative of the local environment for an authentic appearance that blends with the landscape and neighborhood.
Development and Design Guidelines, continued

**Landscaping**
- Use of native or drought tolerant plants appropriate to the setting which may be riparian along the creek, historic orchard trees, or native uplands.
- Preserve and integrate natural features as part of the landscaping.

**Screening & Fencing**
- Buildings and other improvements should be screened from the road with appropriate vegetation, fencing, or other methods.
- Land uses other than residential shall be screened from adjacent houses.
- Fencing of open space areas should allow for open views.
- Fencing and screening materials should fit with the character of the area.

**Streets & Parking**
- Streets, driveways, parking lots, and walkways should be surfaced with gravel or permeable pavers.
- Permeable surfacing allows for water infiltration and creates a less urban, more rural look.
**Development and Design Guidelines, continued**

**Site Layout**
- Cluster buildings to preserve open space
- Multiple smaller buildings are preferable to one large building.
- Multiple buildings may form a courtyard or common space.
- Building placement appears scattered and at an angle, not lined up.
- Other land uses should be designed to have a residential appearance that will blend with the neighborhood.

Example of a 12 unit development on less than two acres. The four buildings are clustered together leaving an open space buffer along the road.

Example of a 15 unit development on one acre, with five buildings at an angle and not visible from the road.
COMMUNITY RECOMMENDATIONS

Historic Preservation

Community Plan Goal:
*Preserve and celebrate the community’s history.*

CFA Objective:
The historic values that contribute to the character of the area are protected and interpreted.

Strategies:
1. Support the adaptive reuse of historic buildings in order to preserve and maintain the historic integrity of the buildings.

2. Provide educational information to the public about the significance of historic features.
   a. Interpretive signs or other media should be accessible to the public, such as along a trail.

3. Recognize and protect historic resources, such as the historic irrigation ditch (west of Schnebly Hill Road).
   a. Determine the history and significance of historic features and include in the City’s inventory of historic sites (Sedona Historic Resource Survey).
   b. Designating the land to each side of the ditch as open space will protect its historic integrity.
   c. Placing a trail along the alignment of the ditch can provide for public use and interpretive opportunities of this and other historic features.

See Community Plan: p. 97
Goal 5; p. 106 Policy 9 and 10

Figure 8. Historic Sites
CIRCULATION RECOMMENDATIONS

Pedestrian & Bicycle Network

Community Plan Goal:
• Reduce dependency on single-occupancy vehicles.
• Create a more walkable and bike-able community.

CFA Objective:
A system of trails that connects residents and visitors to destinations within the neighborhood and to Uptown that is safe and convenient for walking and bicycling.

Strategies:
1. Provide a non-motorized alternative to Schnebly Hill Road with a pedestrian and bicycle trail.
   a. The trail should be set back from the road to improve the safety and experience wherever possible.
   b. To enable complete connectivity, the trail should provide a connection from the SR 179 roundabout to the Huckaby Trailhead and National Forest trails.

2. Develop a network of trails throughout the CFA to encourage walking and bicycling and reduce vehicular traffic.
   a. Establish access easements across private property to ensure future accessibility.
   b. Consider connections to National Forest trails where feasible, in partnership with the Coconino National Forest and landowners.
   c. Consider trail alignments that may also serve as open space corridors, such as along drainages and irrigation ditches.

➢ See page 23 for a map of the “Potential Pedestrian and Bicycle Network”

See Community Plan: p. 57, Goal 1 and 6; p. 66 Policy 1 and 2; p. 67 Policy 14; p. 86 Policy 6
Pedestrian & Bicycle Network continued:
Creekwalk along Oak Creek

3. A creekwalk along Oak Creek should be considered as a recreational and circulation amenity that can benefit residents, visitors, and businesses. Creek access for residents and visitors will be part of the pedestrian network, and not developed with vehicle parking as a destination in and of itself.
   a. The creekwalk should be designed to have minimal impacts on the riparian habitat and floodway of Oak Creek, with materials and construction that blends with the natural environment.
   b. Establish access easements across private property to ensure future accessibility.
   c. Bridges may be considered to cross the creek at appropriate and feasible locations.
   d. Include interpretive signage along the trail with information about Oak Creek, environmental stewardship, and the natural and cultural history of the area.

➢ See following page for a map of the “Potential Pedestrian and Bicycle Network”

Trail along the edge of Oak Creek in Uptown

Trail on the historic Owenby Ditch, on the west side of Oak Creek
Pedestrian & Bicycle Network continued:
Map of Potential Pedestrian and Bicycle Network

This map shows potential routes that could create a connected system of pedestrian and bicycle paths. The intent is to provide safe and convenient access to Uptown and the National Forest trail system. More people walking and biking means less cars contributing to traffic congestion.

Figure 9. Potential Pedestrian & Bicycle Network

Note:
The routes shown on the map are conceptual only, and the feasibility depends on many factors such as suitable topography and land ownership.
IMPLEMENTATION

This CFA Plan is an addendum to the Sedona Community Plan which provides the overarching vision for future development of the City. The CFA Plan provides a more specific vision and strategies for this area and is an important tool in the City’s development review process that evaluates new construction, redevelopment, and renovations, including residential, commercial, and lodging development. This plan will be used by City staff, the City’s Planning and Zoning Commission, and City Council when reviewing and evaluating proposed projects.

The CFA Plan is also a tool that can be used by property owners, developers, and residents preparing a development proposal. By using this plan as a guide when putting together a development proposal, the applicant will understand the community’s vision for the area.

This plan provides policy direction to guide development, whereas the Land Development Code sets forth the requirements. To make some of these strategies possible, the City of Sedona may need to amend existing regulations and processes, such as elements of the Land Development Code. The City may also consider providing incentives to encourage the participation of private developers in implementing the CFA Plan’s recommendations.

Implementation of the plan is likely to occur incrementally over time with property redevelopment, new development projects, and public infrastructure improvements. Whether it is a private developer, property owner, or a City of Sedona Capital Improvement Project, projects should be designed in alignment with the plan’s recommendations.

To realize the vision set forth in this plan, contributions and participation from both public, private, and non-profit entities will be necessary. The public-private partnerships to be developed might include the provision of public benefits, or financial participation which could include, but not be limited to, assisting in the offset of costs associated with development plan elements, capital improvements, or purchase of property for a specific community benefit. These community improvements or benefits might include, but are not limited to:

- permanent protection of the Oak Creek corridor,
- trails, parks, and open space, and
- preservation of historic resources.

**Proposed Oak Creek Heritage District**

To better enable new development projects to meet the objectives of this CFA Plan, a new zoning district is recommended. The Oak Creek Heritage District will offer options for multiple compatible land uses that may be more suitable to the area’s unique features than residential zoning. The new district will encourage creative site design that will preserve the area’s natural and cultural resources while strengthening the sense of place.

The new district will be an important tool in the implementation of this plan, and to facilitate the plan’s implementation the City will initiate the rezoning process at the request of the landowner following adoption of the CFA Plan. The CFA Plan and the new district regulations (in the Land Development Code) will both apply to development projects under the new district.

Rezoning to the Oak Creek Heritage District will provide property owners with more flexibility by expanding their land use options. Property owners may also consider partnering with neighboring landowners to further expand the development potential of their property. This is particularly important when a community resource such as Oak Creek or pedestrian paths cross property lines. Coordination and cooperation among neighboring landowners and the City will be key to realizing the vision for this CFA.
Proposed Oak Creek Heritage District

The Oak Creek Heritage District is a new zoning designation that provides the means for a land use that exemplifies the distinctive natural and cultural values of this area. Those features that set it apart, such as Oak Creek, the hillsides, and the historic sites are all valuable assets that should be considered a highlight rather than a hindrance for property owners. Under this district, property can be developed in a manner that maintains the historic character, scenic views, and natural resources that are the defining features of this unique setting.

One objective of this district is to encourage development that will best protect Oak Creek and the surrounding riparian habitat. Coordinated and consolidated development allows for designs that can cluster buildings and preserve larger areas of connected open space. The alternative is small, individual building lots with more driveways and more fences that will fragment wildlife habitat and eliminate the scenic characteristics of the area.

This district would also diversify the City's lodging options by offering a variety of unique alternatives that are not the typical hotel experience. This is an ideal location for low intensity lodging and camping where visitors can easily walk to the Uptown restaurants and shops and not contribute to traffic congestion.

Permitted Uses

Lodging:
- Lodging Density: not to exceed double the established residential zoning density of the property.
  - For example, if the property was zoned RS-10 which is a maximum of 4 houses per acre, the new zone would allow for a maximum of 8 units of lodging per acre.
  - Lodging will be limited to no more than half the acreage of the CFA to ensure a mix of land uses.
  - Lodging styles supported include small designer hotels, bed and breakfast inns, cottages, bungalows, and cabins.
  - Lodging may have associated amenities and accessory uses as listed below.

Campground/RV Parks:
- Campground density: 12 sites/acre
- Camp sites for recreational vehicles (RVs), tents, travel trailers, etc.
- Alternative camping experiences may include tent structures, yurts, RVs, and other temporary or mobile structures.

Agricultural uses:
- Gardens, nurseries, vineyards, orchards, and incidental operations.

Park and Recreation Amenities:
- Park amenities such as picnic tables, benches, etc.
- Trails
- Amenities may be publicly accessible or for customer use only

Commercial:
- To limit traffic impacts, commercial development should be located on Schnebly Hill Road within 750 feet of the roundabout.
- Appropriate businesses may include restaurants, markets, offices, galleries, studios, and retail shops.

Landowners with property in the CFA may voluntarily choose to rezone their property to the Oak Creek Heritage District to take advantage of this opportunity once the new zone district regulations are adopted. The City will assist landowners by facilitating the rezoning application process.

The new zoning district is being proposed as an option available only at the request of a landowner.
Proposed Oak Creek Heritage District, continued

Single-Family Residential:
- Density: not to exceed the established residential zoning density of the property
- The housing must be clustered in order to preserve areas of open space.

Multi-family Residential:
- Density: not to exceed established zoning density
- Increased density may be considered on a case by case basis when associated with community benefits, such as affordable housing, creek access, or agricultural uses.
- Multi-family housing may include duplexes, apartments, patio homes, courtyard bungalows, condos, or townhouses.
- The housing must be clustered in order to preserve areas of open space.

Accessory Uses:
- Employee, caretaker, or owner-occupied housing
- Spa, fitness, yoga, or other wellness studio
- Outfitter and guide services
- Outdoor recreation equipment supplies and rentals
  - Excluding motorized vehicle rentals
- Retail shop (gifts, gear, and supplies)
- Produce stand
- RV storage
- Café, bar, or restaurant

Examples of lodging accommodations:
Proposed Oak Creek Heritage District, continued

Development Guidelines:
The CFA Development and Design Guidelines (pages 17-19) and all other CFA strategies are applicable to this district, in addition to the following.

- Oak Creek Floodway: All structures are to be located outside of the floodway. This will preserve the Creek’s natural habitat, maintain the stormwater functions, and minimize flood damage.

- Open Space Viewshed:
  - A continuous corridor of open space along Schnebly Hill Road will preserve the viewshed from the road which is one of the defining features of the district.
  - Development may need to be clustered in order to preserve open space, including hillsides.

- Habitat Preservation:
  - Site design shall retain large native trees and as much of the natural vegetation as possible.
  - Open space should be uninterrupted and contiguous with open space and natural areas on adjacent properties.

- Historic Features: historic buildings and other historic resources should be preserved, adapted for reuse, and integrated with new development.

- Trails and pathways that connect across other properties are encouraged and will be publicly accessible, including the proposed Oak Creek creekwalk. Internal paths do not need to be publicly accessible.

- Limit the number of driveways off of Schnebly Hill Road by using existing driveways or private roads or sharing driveways wherever possible.

- Existing land uses would continue as non-conforming uses.

Examples of campground accommodations:
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The Sedona Community Plan introduces Community Focus Areas (CFA) “where the City will play a proactive planning role to implement the community’s vision. With participation from property owners, neighbors, and stakeholders, the City will develop a Specific Plan...” (Community Plan, page 34). CFA Plans are supplemental to the Community Plan and are intended to guide future development of a specific area. A draft of the Schnebly Community Focus Area Plan (Draft Plan) is attached and dated “1/25/17 Draft for City Council Review” (Exhibit B).

Description of the Area
The Schnebly CFA is located along a half mile stretch of Schnebly Hill Road north of the SR 179 roundabout. The road continues into the National Forest which makes up the eastern boundary of the CFA. Beyond the city limits is the Huckaby Trailhead, then the road turns to dirt which limits traffic to high clearance and recreational vehicles. The CFA’s western boundary is Oak Creek with large sycamore trees that are more noticeable than the creek itself. The creek setting is an attractive feature but also a limiting factor for development as the floodplain is 300 to 800 feet wide along this stretch of the creek. The CFA is 91 acres with large tracts of vacant land and 41 single family homes. Other uses include Sedona’s only RV campground with 84 RV sites, the Creative Life Center which often hosts seminars, and an office building located just north of the SR 179 roundabout.

History of Previous Planning
Most of the area is currently zoned residential, which is a carry-over of county zoning prior to city incorporation. The area has been addressed by the following plans and planning projects.
1993: The area was included in the Uptown Creek Area planning project.
1998: The 1998 Sedona Community Plan designated the area as the “Schnebly Hill Transitional Area” and listed criteria for development/redevelopment and recommended an expansion of uses in addition to residential.
2002: The 2002 Community Plan changed the future land use designation to “Special Planning Area” and listed community needs and benefits which are similar to the CFA Plan’s vision, such as “Preserve/create large parcels and lower densities relative to existing zoning to retain the distinctive historic ranch-style character of the area and to reduce traffic impacts to Schnebly Hill Road.”
2004: A portion of the area was addressed in the Heart of Sedona planning project
2012: The Citizens Steering Committee for the Community Plan facilitated a planning workshop that developed a proposal for this area.
2013: The Community Plan identifies this as a CFA and the Future Land Use Map designates it as a "Planned Area." Appendix B of the plan is the 2012 proposal: “Schnebly Hill Neighborhood Vision” which was intended to serve as an example for future CFA planning.

Planning Process
The planning process for the Schnebly CFA began at the request of several area property owners concerned about the potential for development to drastically alter the character of the area. They approached the City Manager’s office and requested that this CFA be considered a higher priority.
because some planning had already been done and they would provide assistance with the planning process.

A stakeholder group was convened in June 2015, which was comprised of 14 property owners representative of the area’s four zoning districts. There have been four meetings with an average of 12 people in attendance at each meeting. In addition to the stakeholder meetings, there was a neighborhood meeting to review the Draft Plan on August 25, 2016.

The approach taken to drafting the plan was to consider previous planning and stakeholder suggestions, the features unique to this area, and what would be most appropriate for this area in the context of the city as a whole. Traffic impacts of different land uses were a significant consideration, not just on the neighborhood, but also impacts to the already congested SR 179. As an example, high-density residential or senior housing may be more appropriate in West Sedona closer to resident services such as groceries, offices, and pharmacies.

The CFA Vision
The Draft Plan’s recommendations, as determined by the stakeholders, are intended to achieve a vision for the area that retains and enhances its unique characteristics:

- Oak Creek with its riparian area and large sycamore trees
- Open space and fields, especially as seen from Schnebly Hill Road
- The scenic views of the area from Uptown, especially of the creek corridor and hillsides
- The placement of buildings, which are not very visible from the street
- The small scale of the houses
- The heritage and historic resources of the area
- The natural features, such as the hillsides and creek corridors (Oak Creek and Bear Wallow Wash)
- The proximity to the shopping and restaurants of Uptown
- The location near the National Forest trail system and Schnebly Hill Road

The Schnebly CFA Vision:

This CFA is located within the Heart of Sedona, a pedestrian-friendly area focused on Oak Creek and Sedona’s heritage. Future development and redevelopment is a mix of uses that preserves the Oak Creek riparian corridor, with natural hillsides, open fields, and a variety of modestly scaled buildings, thus sustaining the distinct historic context and character.

Current Zoning
The CFA is 91 acres, and 92% of that is zoned single-family residential, either RS-10b (40 acres) or RS-18b (44 acres). What is seen today does not reflect the zoning, especially with the large amount of vacant land and non-conforming uses. There are currently 41 houses in the CFA and with additional development under the current zoning there could be up to 260 houses. Examples of future development could include: new houses on the vacant lots, existing parcels being split into smaller residential lots, and the RV Park property being developed as housing. There are limitations to development such as steep hillsides and floodplains however there are few incentives to preserve them under the current zoning.
Implementing the Vision

The fact that a large portion of this area is either undeveloped or under-developed provides a unique opportunity to accomplish the goals of both the Community Plan and CFA Plan. Achieving some of the goals, such as preserving Oak Creek as open space is more likely to happen with more innovative development that may be better accomplished with flexible standards that encourage clustering of development in order to set aside open space.

Given the fact that a CFA Plan is a guiding document and not regulatory, the challenge is to encourage innovative development consistent with the vision. Alternative land use options would be an incentive to implementing the CFA Plan. Other land uses could:

- Retain large parcels and rural character
- Preserve hillsides, Oak Creek riparian areas, open space, and view sheds
- Consolidate and cluster development
- Preserve historic resources (Gassaway/Farley Cabins)
- Reduce traffic (less daily trips generated than current residential zoning)

Proposed New District

Since the 1998 Community Plan this area has been designated a special planning area considered suitable for a mix of land uses. The CFA Plan proposes a new zoning district specific to this area – the Oak Creek Heritage District, which would offer an alternative to single-family residential zoning. This would expand the options available to a landowner that may be considering development or redevelopment of their property. The land uses would be limited to a density, scale, and style appropriate to the CFA with uniform design and development guidelines tailored to the area.

The proposed new district would not be mandatory, but an option for landowners interested in applying for a rezoning of their property. The Community Development Department would offer assistance with the rezoning process as another incentive to encourage implementation of the CFA Plan.

Under current zoning, landowners are permitted to subdivide larger parcels and develop numerous residential lots. When each lot is built separately, at different times, it can become difficult if not impossible to consolidate driveways and streets, preserve open space, secure trails, and retain the desired character of the area. Older developments in Sedona are an example of where there was little coordination and thus lost opportunities for connected streets, shared driveways, or trails which are no longer feasible. Cluster development is one way of achieving the vision for this area, and the new district would make that more feasible. The following illustration is an example of the differences between traditional and cluster development, with the same number of houses in a different arrangement.
Planning and Zoning Commission Review

The Commission discussed the Draft Plan on September 29th, October 4th, and November 1st, 2016. The Commission approved a recommendation of the Draft Plan to Council on November 15, 2016. Most of the Commission’s concerns were in regards to the proposed new district, such as suitable locations for commercial and multi-family housing, the appropriate density of lodging and residential, the amount of lodging, and the extent the new district.

Comments on the Draft Plan

The following is a summary of the public and the Commission’s comments and concerns about the Draft Plan. The public comments were made primarily by area residents and came from: public and stakeholder meetings, emails, phone calls, individual meetings, and the Planning and Zoning Commission work sessions and public hearings.

• Oak Creek
One comment was that development should be pushed into the floodplain in order to preserve the open land and views along Schnebly Hill Road. Another comment was that locating all structures out of the floodway was too restrictive and that federal regulations should be adequate, and that City regulations should not be more restrictive. There was also a comment that the plan did not put enough focus on Oak Creek.

• Design Guidelines
Not all agreed with the proposed design guidelines: “The old homestead architecture you want is not aesthetically pleasing” – in reference to the poor condition of some of the historic buildings. Other concerns: the guidelines would prohibit contemporary architecture; the proposed materials, such as rock are cost prohibitive. There was also reference to the city’s existing design regulations and that it should be sufficient to ensure tasteful designs and thus guidelines specific to this CFA are unnecessary.

• Trails
The Draft Plan proposes a connected network of trails through the area, including the possibility of a creekwalk along Oak Creek. The following were concerns about the proposed trails:
  o landowners do not want trails across their property;
  o trail users may stray off a proposed path and onto private property;
  o there are already people trespassing onto private property to access the creek;
  o there could be conflicts if pedestrians and bicycles are using the same trail;
  o there may be too much traffic on the trails;
  o trails could detract from high-end development; and
  o the creekwalk should be on both sides of the creek and there should be two footbridges.

• New District
Many of the concerns about the new district involve details that would be determined during development of the regulations for the new zoning district, which would be an amendment to the Land Development Code. This would be done following approval of the CFA Plan that is proposing the new district. Once the new regulations are developed and a landowner requests that their property be rezoned to the new district, there is a rezoning process to determine if the rezoning is appropriate. The next stage of review is when the project proposal is submitted to the City for development review to determine the suitability of the project. Each of these stages includes opportunities for public input, including residents that are concerned with what happens to their neighbor’s property.
After the release of the first draft, some people thought the city would be rezoning all properties to the new zoning district. The plan has since been revised so that the proposed new district is listed at the end of the plan, under the Implementation section. Other concerns about the proposed new district: residents expected adjacent properties to be residential and that the new district could allow for a less desirable use; the proposed uses are too limiting and should be further expanded. There was also a question as to how the new district would benefit existing homeowners. There was a comment in support of clustering development and designating building footprints in order to preserve the creek and open space and why a new district was necessary.

Density of Residential Housing:
There was a concern about the density of residential housing being either too much or not enough. The Draft Plan now proposes that residential housing in the CFA not exceed the established residential zoning density; and that single-family must be clustered to preserve open space. The Draft Plan states that increasing the density of multi-family housing may be considered when there are community benefits such as affordable housing.

Lodging:
The Planning and Zoning Commission did have concerns about too much lodging in the area. There was discussion about the fact that lodging provided an incentive to landowners to develop their property in a manner that was more consistent with the CFA vision than existing zoning. The Draft Plan does limit lodging in the new district to no more than half of the CFA area, and that lodging not exceed double the established residential zoning of a property. By allowing for twice the density of existing zoning, there is more of an incentive to develop under the new zoning district and CFA objectives.

Commercial:
There were suggestions that commercial should be allowed further up Schnebly Hill Road, while others did not want the increased traffic from commercial activities. The Draft Plan limits commercial to within 750 feet of the roundabout and that beyond that only appropriate commercial uses that are accessory to another listed use would be allowed.

Camping:
There is a concern about the potential expansion of RV camping as well as the proliferation of tent camping throughout the CFA. Concerns included: the potential to negatively affect property values of nearby residential lots; future high end land uses may not want to overlook an RV park, RV storage, or tents; the need for screening or another land use buffer between residences and the RVs; the potential for sewage overflow from RVs into Oak Creek; and that camping should not be an allowed use when it is currently prohibited in the city.

Summary
What makes this area unique is the combination of its history, natural features such as Oak Creek, and its location between popular Uptown and the National Forest. The area has thus far escaped the build-out that has occurred in other areas of Sedona. This CFA Plan anticipates that there will be future development by private landowners, and it provides the tools to help shape that development in a way that meets the community’s vision as presented in both the Community Plan and the CFA Plan.
Exhibit C

Draft Schnebly CFA Plan
Public Comments
2016-2017
From: David Tracy <mrdtracy@gmail.com>
To: Audree Juhlin <AJuHlin@sedonaaz.gov>, Cynthia Lovely <Clovely@Sedonaaz.g...
Date: 2/15/2017 11:11 PM
Subject: SHR CFA

All: Nice job presenting tonite. Very smooth and polished. Questions were handled quickly and competently.

My take-away was that a CC majority felt comfortable with the draft and ready to vote at the next mtg.

At the end, after comments by City Manager and Mayor, I was not clear as to whether there were still some unanswered questions, mainly from Councilman Currivan, that required research or that the answers would make a difference.

I do agree with the Mayor's position (re traffic issues) in that land use planning in general and CFAs in specific should be an input to consultant's transportation modeling rather than vice versa. A primary objective is to locate housing, primarily for visitors, within walking distance of services thus reducing vehicle trips. Not sure that this can be easily modeled. Better approach is as Justin explained, i.e. evaluate impacts and recommendations based on overall traffic increases.

Recall Andy Dickey's comments re traffic on SHR. Surveys show 1000 - 1200 average daily traffic (ADT) on SHR as compared to design capacity of 17,500 for 2 lane roads. On the other hand, SR 179, also a 2 lane road, has 18 - 20,000 ADT. So vehicle back-ups on SHR at the roundabout is not due to traffic generators (land uses) on SHR, but rather inability of vehicles traveling south on SHR to merge into congested traffic on SR 179. This will be true even if SHR is fully developed at worst case scenario.

The two instances that have been cited as examples of congestion at the SHR roundabout are RVs and egress from major events at the SCLC. RVs often travel in caravans and such large vehicles can not easily merge into bumper-to-bumper traffic on SR 179, esp when towing a tag-along vehicle. Similarly, when several hundred people exit from the SCLC at one time, a temporary back-up on SHR will occur if SR 179 is busy. These are both infrequent events and should be expected and accepted in a popular tourist destination like Sedona.

So asking the traffic consultant to input the land use planning process in the Schnebly area would not help the perceived congestion problem at the roundabout, esp as pertains to existing and future traffic generators on SHR. Consultant's recommendations would be more effective if targeted at macro level as Justin mentioned, such as SR 179 and SR 89A congestion issues.

...later...david
Cynthia Lovely - SHR CFA - Latest Draft for Nov 1 P&Z mtg

From: David Tracy <mrdtracy@gmail.com>
To: Cynthia Lovely <Clovely@Sedonaaz.gov>
Date: 10/26/2016 3:26 PM
Subject: SHR CFA - Latest Draft for Nov 1 P&Z mtg

In discussing this latest draft with others, a few questions have arisen:

In the proposed OCH zoning, campgrounds and RV parks are limited to 12 units per acre.

Is this considered a type of lodging and will it be counted towards the lodging uses limited to 1/2 the CFA?

Assuming that there is no limit on this form of transient lodging within the CFA, do we have to amend current City ordinance which precludes camping in the City limits?

Instead of being limited to the planned area as in the previous mtg, will camping be allowed anywhere in the CFA?

Lingering concern with RVs, tent camping, yurts, teepees, etc being located next to high end lodging or residential housing.

In previous mtgs, we have discussed visually screening large RVs from the Uptown visitor perspective, the SHR streetscape, and adjacent land uses. The most suitable location still seems to be the lower elevations, next to the creek, under the riparian tree canopy. If located outside this area, how do we screen?

Do we have similar screening issues with the tent camping, and the other mobile types noted in the draft?

As an aside, just as residential uses require screening from RVs, campers in $1M motorhomes may expect screening from tent campers.

...later...david
Schnebly Hill Community Focus Area Plan 3rd Letter

**Introduction:** 91 acres 75 lots 44% are undeveloped to date 41 houses on 30 acres note (would that leave 61 acres?) 1 office building, (note on the corner of 179 and Schnebly Hill), a religious institution and RV Park.

**Current Zoning is RS - 10b 40 acres RS -18b**

The Schnebly Community Focus Area draft is completely inaccurate. This is being proposed by a group of individuals that have been buying up property that live in the area. This plan they proposed is not good for all the people that live in this area. This plan is for their own personal gain. This is why there is a request for new zoning. Please note this area is very topographically challenged and is physically impossible to get 260 homes in this area more like 80 would be max this is not flat like Kansas.

**Concern for the expanding RV Park:**

Please see attached maps of 135 Bear Wallow Lane. The RV park has been buying new property and hoping to change the zoning to allow them to expand. If this is allowed you are going to have to allow other owners in this area to do the same. Please note if the proposed income they are making is accurate, then I would like to request that I would like to make the rest of my property an RV Park.

**Items of concern for commercial use:**

Please see attached map. The other group of individuals 115 Schnebly Hill Road, Thumb Butte and David Tracey is a bit confusing, when you look up the tax records. They are buying cheaper residential property hoping to profit by making it commercial and not keeping the area pristine as they have suggested.

**Best use for all of Sedona:**

Enclosing this could be the last time the City of Sedona can get creek access for everyone to enjoy, not just a few people trying to build their own portfolio. They are only suggesting this zoning change because it benefits them not all of Sedona.

My suggestion is for the City of Sedona to buy the property before it's too late. Please note no property owner, be it individual or business is ever going to work with the City to allow them access to the creek ever! The only way the city is going to gain access to the creek is if the city owns the property. There is always going to be a problem with traffic why make it worse. Note if the City of Sedona owns the property they could add a park and parking, which would help the congested area during events. This would provide extra parking and gain access to the creek, which the city has been trying to do for years. We propose the City of Sedona buy the property and make it available to all citizens of Sedona.

Kris Husa and Pandora Harris
Enter Search Here

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New Commercial Area 1, 2, 3, 4, 5, 6, 7, 8.
He owns 7 now.

https://gis.maps.coconino.az.gov/parcelviewer/
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**RV Expansion**

LOT 3, 4 1/2

1/C
We should meet before the Oct 13 mtg and discuss some issues. (Janeen mentioned some of these at P&Z mtg.)

P&Z believes that lodging is an entitlement, but existing RS 10b zoning allows 4U/acre and SB 1350 allows them to be nightly rentals, so lodging becomes a de facto reference point. So the only entitlement to lodging becomes the density.

Doubling the lodging density to 8U/acre sounds like an entitlement, but units would need to be clustered into larger buildings to accomplish this and still allow desired open space, but clustering in turn conflicts with small scale buildings. (Max suggested modest size at mtg.)

Development in view of Uptown, the SHR streetscape, or the floodway/plain, is discouraged which further limits the available land for development, thus amplifying the above conflicts.

Still not clear if senior housing is supported, even though has less traffic impact than either SF or lodging.

Similarly, clustering of buildings is encouraged, but MF is prohibited past 500', which then limits attached senior or lodging units.

Mix of uses is part of revised CFA vision, but form of buildings has been more important in previous mtgs. Since form follows function, should we allow some larger buildings to promote mixed uses and which could be used for common space such as the main lodge for an inn, or gathering spaces for senior living, or conference room for a retreat, or healing/spa/yoga center for a boutique hotel, etc. Presently the commercial office building on the south end of the PA and the SCLC on the north end are larger masses and do function to diversify the building forms in this area. Similarly, some development in the streetscape or floodway may be OK to facilitate other objectives.

Let me know how your schedules look Tues/Wed next week. You are off on Fri and we are gone until late Mon.

Thanks,

...later...david
Audree Juhlin - Comments to Draft Schnebly CFA; Opposition to Re-Zoning Recommendation; Opposition to Proposed Bike/Walk Path through Bear Wallow

From: christine wagner <cwagner1007@yahoo.com>
To: "ajuhlin@SedonaAZ.gov" <ajuhlin@SedonaAZ.gov>, "clovely@SedonaAZ.gov" <c...
Date: 10/4/2016 4:13 PM
Subject: Comments to Draft Schnebly CFA; Opposition to Re-Zoning Recommendation; Opposition to Proposed Bike/Walk Path through Bear Wallow
Attachments: response to draft Schnebly CFA Plan.pdf

Greetings.

Please find my comments to the Draft Schnebly CFA and opposition to the recommendation to re-zone the area. Please provide my comments to the Planning and Zoning Commission for their consideration at the meeting this evening, as I am not able to be in attendance. Please include me on any future discussions or actions related to this matter.

Thank you.

Christine Wagner
707-367-1709
via email clovely@SedonaAZ.gov
and Ajuhlin@SedonaAZ.gov

October 4, 2016

Planning & Zoning Commission
City of Sedona
102 Roadrunner Drive
Sedona, AZ 86336

RE: Comments on Draft Schnebly Community Focus Area (CFA) Plan and
Opposition to Proposed Re-Zoning to Create Oak Creek Heritage District and
Opposition to Proposed Bike/Walk Trail through Bear Wallow Lane & Creek

Planning & Zoning Commission:

Thank you for your consideration of our written comments, as we are not able to be in attendance at the meeting this evening.

My family owns the above listed property at 280 Bear Wallow Lane. We are at this time opposed to any re-zoning to accommodate increased development in the area. We are also opposed to any proposed bike/walk trail through Bear Wallow Lane and Creek drainage.

We currently maintain this property as a second family home. Our home is where we gather to rest and retreat from a very busy world, including the Uptown and Arts tourist areas of Sedona. The natural environment here calls for serenity and tranquility. The natural environment calls for as little human impact as possible in an increasingly overdeveloped world.

Our review of the Draft Schnebly CFA Plan, which we understand is being presented to the Planning & Zoning Commission this evening, looks to radically disrupt the quiet, natural setting of this area. This CFA Plan calls for development of the area that will severely alter its environmental and neighborhood character. When will people realize that we often receive more benefit from the natural environment the less we develop it.

We are concerned that you have failed to properly notify property owners and residents of the true intentions of the Draft Schnebly CFA Plan, which is to re-zone the area. Why is not the intention to re-zone the area specifically stated in the document Introduction or the CFA vision? Not until we get to page 20 of the draft plan does the true intention of the City become apparent. The vague language used to notify the public of this Agenda Item for tonight’s meeting is also suspect. We do not recall being notified of or invited to the Stakeholder meetings as referenced in the draft plan. This lack of transparency and lack of inclusion is disturbing, as it compromises the trust to be developed between property owners and the City.
We would like to know what environmental impact statements or studies have been prepared to support the proposed re-zoning plan.

With the Arts and Uptown tourist areas in close proximity, the impacts of greater traffic and population density are already being felt as an infringement upon our quiet enjoyment of property. We don’t believe it is wise planning to create increased congestion in this area.

We would like to see any and all environmental impact reports or studies that lead to the CFA Plan conclusion that single family residential zoning allows for higher density housing and increased impact on the natural environment. It seems that frequent and high density lodging in the area, as proposed, would have a greater impact. It is questionable, given the amount of visitor lodging accommodations located elsewhere in the City, why more of this housing stock is needed.

We oppose any bike/walk trail that comes through the Bear Wallow Lane area, which currently has no through traffic access. Any bike/walk trail, if created, should parallel the Schnebly Hill Roadway, similar to that along Highway 179. Visitors and residents have access to numerous existing bike and walk trails throughout the surrounding National Forest Lands. All traffic should be kept off of Bear Wallow Lane, with the exception of residents, their guests, and the guests visiting the Rancho Sedona RV Park. We would like to see any and all environmental impact reports or studies that led to the CFA Plan recommendation to create new road or pathways for recreational use.

With only one access road for Schnebly Hill, traffic impacts for any future development plans are of major concern.

Please keep us informed of your plans and intentions going forward.

Thank you for your time and consideration.

Sincerely,

Christine Wagner
NAME & resident on SHRoad = I am generally in support of the CFA as presented

1. From the beginning the stakeholders, property owners and staff have taken the approach on this CFA of how to INCENT owners to do the right thing vs. create a totally defined regulatory “box” which might inadvertently DIS-courage desired outcomes. Since most existing property owners don’t have immediate plans for development, and they NOR the City know what the next “Great Idea” in development standards or land use might be – we didn’t want this to be an out of date effort on day-one, but rather we hoped for building in flexibility for the future. The world and market demands change too fast today for traditional thinking.

It is a given that this area WILL be totally built-out one day. No matter what is here today as a result of timing or chance, the future of SHRd WILL be a totally built-out part of town. Now the only question is HOW will that build-out add to our town OR distract.

2. I think this CFA rightly focuses on FORM over function – or how to continue to keep this neighborhood special vs. letting it become a cookie-cutter sub-division, ALL the WHILE preserving the rights of private property owners by not down-zoning. This CFA allows for development – which WILL happen – that the town can be proud of vs. heart-sick about. This CFA rightly focuses on what happens outside of the buildings (FORM) vs. inside (FUNCTION).

3. Contemporary planning philosopies emphasize a mixture of uses that encourage easy access to commerce and amenities vs. leaving the suburbs to drive to activity centers. This CFA encourages a mixture of compatible, low intensity uses in desirable FORMS with desirable FEATURES. What is success? = ALL houses that require many trips to west Sedona OR mixed uses and good pedestrian and transit options.

4. The current RV Park has been an accepted neighbor because of the low visibility of big rigs to those who live and drive along SHRoad. That is because it is located on some of the lowest property and hidden behind natural berms and under tree canopies. Some expansion for large RVs might be possible on the lowest pieces of land, but tall shiny RVs on higher ground present a problem that traditional screening methods can’t mitigate.

5. I would like to see reconciliation of the statements on pg 20/para 2 about “encouraging coordinated... consolidated and cluster buildings”, yet on pg 21 the restriction of multi-family to within 500’ of the roundabout. By definition aren’t any type of Attached residences considered MF? If so, then these conflicting statements could be a problem for future owners, staff and P&Z commissions in trying to attain CFA goals.
6. This CFA lays the groundwork for a property owner to build-out = with alternative and hopefully more positive and less impacting = uses, traffic drivers, layouts that protect open space and the creek, etc. that current zoning simply can’t allow to happen.
Schnebly Hill Community Focus Area Plan

Introduction: 91 acres 75 lots 44% are undeveloped to date 41 houses on 30 acres note (would that leave 61 acres?) 1 office building, (note on the corner of 179 and Schnebly Hill), a religious institution and RV Park.

Current Zoning is RS - 10b 40 acres RS -18b

The Schnebly Community Focus Area draft is completely in accurate. This is being proposed by a group of individuals that have been buying up property, not for the good of all people that live in this area, but for their own personal gain. This is why there is a request for new zoning. This proposed CFA is not good for the existing homes and property owners, or the City of Sedona. I walked this area and found this area very steep (see attached map 1/A) this map of this area is owned by the individuals on attached map. Please note all of this property is topography challenged and way too steep to ever get the density as stated in the CFA. Also, it is more like 2 to 3 acres per home due to the steepness on a lot of this property. In the option stated by the CFA it is very miss leading to the other land owners in this area and was used to get this proposal passed. See attachment 1/B this is the actual area that is trying to change zoning for additional RV park or commercial property.

Please see attached maps of 135 Bear Wallow Lane (see attached map 1/B) with the acquired land for this CFA expansion at this time the RV park has not stated they will expend, but since this is a land use item on this CFA it would allow for RV parks, then you must assume they are wanting to expand.

Items of Concern for RV expansion:

(See attached 1/C, 1/D, and 1/E) for parcels

1) Traffic

The RV park which was grandfathered in has been buying up property to expand their RV park and to rezone to include camping. This would not be good for this area or the rest of Sedona. It lowers property values and creates traffic problems. Please note as a resident here I can tell you have to sit at the roundabout waiting for them to merge backing up traffic up to 4 to 5 cars at a time or more depending which way they go on 179 or 89a. The RV’s are slow moving thru the roundabouts on 179 some of these RV’s are huge plus most of them are pulling a second vehicle, which barely fit around the roundabout. The RV’s due to their length have to slow down to make the turns really impacting traffic.

2) Density

The RV creates a higher density per acre than residential homes. The current RV Park is on 10.75 acres and has a capacity of 83 spaces that is 7.72 vehicles per acre. Note if this was residential homes you would have 1 to 2 homes per acre, see page 11 proposed scenario.
3) Sewer: At this time the RV park is on sewer, but this impact to the system is much greater than a home. If there is 7.72 sewer connections per acre vs. a home with 2.5 bath per acre. This should be checked for the capacity of the sewer system.

Items of concern for commercial use:

See attached 1/F for parcels

4) Please see attached map. The other group of individuals 115 Schnebly Hill Road, Thumb Butte and David Tracey is a bit confusing, when you look up the tax records. However a lot of the property goes to one group with the same address. They are buying cheaper residential property hoping to profit, and not keeping the area pristine as they have suggested. Please note in the first part of this draft the Schnebly Community Focus Area Plan, which we were given a copy clearly spells out the permitted uses on page 20 of the CFA. The CFA is too broad of a list. Also, since these individuals have not spelled out what their intentions are, there is no way of knowing what it could be (Lodging or small designer hotels, retail, RV storage, produce stand, spa outdoor recreation ect...) all of the above could have some positive impact for this area, but this needs to be a shorter list in order to study the impact of traffic. Also, based on the list on page 20 of the CFA it would be hard to know how this would impact Sedona residents. What the residents of Sedona really need is a trail access to the creek and pedestrian walk way along Schnebly Hill Road for the safety of hikers and bikes. Please note Schnebly Hill Road is already over used by the Jeep companies, recreational vehicles, and tourist driving up and down the hill.

5) Please note what would be good for this area is to rezone for cluster 1 unit per acre and a safe walking trail up Schnebly Hill and a possible bridge to the other side of the creek, a creek walk and park. Sedona does not have enough parks for people to enjoy this area. Please note the area is already negatively impacted from the traffic incoming from 179A, the commercial traffic from the surrounding businesses from Hillside, Tlaquepaque. I highly recommend you keep this area residential.

Kris Husa and Pandora Harris
Note Most ARE VERY STEEP

1-2 Acre PEn Home
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<thead>
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<th>#</th>
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<th>Owner</th>
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<td>Frey CIV</td>
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<tr>
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<td>4</td>
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Figure 4. Comparison of Potential Development Scenarios

Scenario 1 - Existing Zoning
- Existing zoning (RS-10)
- Single-family residential only
- Maximum density:
  - 4 units per acre
  - RV Park replaced with houses

AT THIS TIME THERE IS 7.72 PER ACRE O RV PARK WHICH IS MORE THAN EXISTING ZONING

Scenario 2 - Proposed Zoning
- Proposed new zoning:
  - Oak Creek Heritage District
- Mix of uses: lodging, camping, residential
- Maximum density:
  - 1 unit/acre residential
  - 8 units/acre lodging
- RV Park remains
- Cluster development
- Open space along Schnebly Hill Road
Site Details

- Full hook up sites have picnic tables, electricity, water, sewer, digital cable TV and WiFi.
- Partial sites have picnic tables, electricity, water and WiFi.
- Most sites come with cement patios.
- Converter Boxes from Analog to Digital are available in office with a $40 cash deposit, refundable upon return of box.
- Reservations recommended

Pricing Details

- Rates are for two people
- Extra people (8 – 17 years) $ 5.00 each per night
- Extra people (18 and over) $10.00 each per night

83 UNITS

7.72 PER
42AC

E
<table>
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</table>

115 Schuylkill Hill
Hi Cynthia,

I took a quick cut at modifying the vision statement for your potential use in the CFA plan. You are welcome to use part or all of it if you like. David Tracy also reminded me that he & I put together a lot of language earlier relating to tho, and I think that he might re-forward this to you.

Max
Schnebly Hill Community Focus Area Plan

CFA Vision

The Schnebly Hill neighborhood will develop in a way that retains a natural historic setting reminiscent of its original agricultural heritage, and as a gateway to the rugged and scenic USFS lands to the east. A mix of homes and non-residential hospitality and small commercial uses will be encouraged in order to preserve larger parcels and crucial open space on the west side of Schnebly Hill Road, maintaining and improving upon the scenic foreground to the Oak Creek Corridor and Wilson Mountain. Pedestrian connections will be developed in character with the rural nature of the area, improving safety and reducing traffic. Low-key creek access for residents and visitors will be part of this pedestrian network, but not developed with automobile parking as a destination in of itself. Affordable housing will remain as part of the diverse mix in this neighborhood, where residents and visitors meet with easy access to tourist districts and red rock natural areas.
Schnebly Hill Community Focus Area Plan

Introduction: 91 acres 75 lots 44% are undeveloped, today 41 houses on 30 acres note (would that leave 61 acres?) 1 office building (note on the corner of 179 and Schnebly Hill, religious institution and RV Park.

Current Zoning is RS -10B 40 acres RS -18b (44 acres)

Please note if you took the maximum units, since there is a total of 91 acres and 30 of the acres have already been built on that actually leaves 61 acres. Note if you divide that between the two current zoning R -10B minimum 10,000 4 dwelling per acre. Since, there is 30 acres x 4 = 120 units maximum. Due to the topographic changes in some areas it is more likely to be 80 or less. Note some areas are so steep it would not be cost effective to build on RS-18B minimum 18,000 sq. ft. 2 dwellings per acre. Since there is 31 acres x 2 = 62 units maximum, and the same applies some areas are very challenge to build. Thus the estimate would be more likely 47 units. If you took the maximum of both zoning areas which is highly on likely, the maximum would be 182 units over 61 acres, since the average size of a home is 2500 to 3000 sq. ft. Please note there is 43,560 sq. ft. per acre x 61= 2,657,160 sq. ft. If you calculated the homes at 182 x 3000sqft = 546,000 sq. ft. The visual house area leaves 2,111,160 sq. ft. of untouched natural area. Please keep in mind it would actually be much less, since a lot of these areas are topographically challenged and would keep the area quiet residential feel. Note if you take what has been developed to date this is a good example 30 acres x 43,560 sq. ft. per acre = 1,306800, homes 41 x 3000 sq. ft. = 123,000 of visual house area, leaves 1,183800 sq. ft. of untouched area which is why the Schnebly Hill area looks more rural that other areas in Sedona. I would suggest you keep the zoning as is and establish a building envelope for homes.

Scenario 2 the proposed zoning

Which is being proposed by a group of individuals that have been buying up property, not for the good of all people that live in this area, but for their own personal gain. This is why there is a request for new zoning.

1) The RV park, which was grandfathered in has been buying up property to expand their RV park and rezone to include camping. This what would not be good for this area or the rest of Sedona. This would lower property values and creates traffic problems. Please note as a resident here, I can tell you that you have to sit at the roundabout waiting for the RV's to merge, which backs up traffic, up to 4 to 5 cars at a time or more then depending which way they are going 179 or 89a. The RV's are slow moving thru town and are worse on the roundabouts especially at the intersection of 179A. Also, expanding the RV park would put an impact on the sewer. When we first moved to Sedona in 2001 we thought what a great place to stay and signed a long lease, we left approx 3 weeks after having to deal with raw sewage that would over flow. You need to ask yourself why do you need a expanded RV park in the middle of Sedona, when it should not have been there in the first place.
2) The other group or individuals is a bit confusing, when you look up the tax records. A lot of the property goes to one group with the same address. They are buying cheap residential property hoping to profit by rezoning, and not keep the area pristine, as they suggested in the first part of this draft. The Schnebly community focus area plan, which we were given a copy of clearly spells out the permitted uses on page 20, of what this group of individuals are actually planning. This includes lodging or small designer hotels, actually expanding the RV park with tents and yurts. They do this thru agriculture uses with parks, with picnic tables, however they add in commercial within 500 feet of roundabout, to include restaurants, markets, offices, galleries studios and retail shop. I would suggest that the city of Sedona should actually study this plan. This would not benefit Sedona. The traffic grid lock from the Village of Oak Creek that occurs now is excessive. It is almost impossible to get out at the Schnebly Hill round about and would be even more so it became commercial use. Also, the double roundabout going from 179A to 89A backs up even more now that they finished Tlaquepaque North, as an example.

3) The only uses that would be good for this area would that it be rezoned for cluster 1 unit per acre and a safe walking trail up Schnebly Hill Road and a possible bridge to the other side of the creek. Also, a park would be nice since there is not many parks in this area.

Enclosing changing this zoning to profit the RV park owners to expand is unacceptable. This would not be allowed today to be in the middle of town. This not only creates traffic problems, impacts the sewer and causes unsafe contaminates to be so close to the creek. Rezoning to make this area commercial would be beneficial to only select group of individuals.

Kris Husa and Pandora Harris

287 Schnebly Hill Road

Sedona, Az 86336
I read the materials posted to the City's website and you have done a commendable job with a most difficult assignment. By definition, CFAs are challenging which is why they have been separated from the CP and subject to more detailed planning.

The SHR CFA is particularly problematic because of all the disparate issues involved: character retention during redevelopment, major tourist corridor thru a residential neighborhood, preserving open space and streetscape while respecting property rights, SF homes vs. alternative land uses, Oak Creek access and protection, the City's only RV park, Sedona Creative Life Center serving both visitors and residents, Forest Service recreational users including hikers, bikers, Jeep tours, and ATVs.

The staff report emphasizes the key issues while the draft furnishes supportive details and great photos and graphics; it is easy to follow. Proposing a new zoning district is a good example of thinking outside the box. While the CFA is still subject to more review from the public and P&Z and City Council, we appreciate all your work to bring us to this point.

...later...david
Cynthia Lovely - Re: Email contact from City of Sedona

From: Tim Kyllo <tkyllo44@gmail.com>
To: Cynthia Lovely <CLOvely@sedonaaz.gov>
Date: 9/1/2016 9:02 AM
Subject: Re: Email contact from City of Sedona

Cynthia,
Thank you for your response and clearing up my concerns, sorry I couldn’t attend the meeting. I am curious about the "opportunity of being in the OCHD" what are the homeowners advantages of being in the Oak Creek Heritage District?
Thanks
Tim Kyllo

On Thu, Aug 25, 2016 at 10:44 AM, Cynthia Lovely <CLOvely@sedonaaz.gov> wrote:

Mr. Kyllo,
Thank you for taking the time to look at and comment on the Draft Plan. The proposed zoning district would be voluntary, at the request of the property owner. Page 20 of the Draft Plan states: "Landowners with property in the CFA may voluntarily choose to rezone their property to the Oak Creek Heritage District to take advantage of this opportunity". Rezoning applications do go through a public hearing process which considers feedback from neighbors and the public prior to making a decision.

Let me know if you have any questions.

Cynthia Lovely, Senior Planner
City of Sedona Community Development
928-203-5035

>>> "Tim Kyllo" <timkyllo@msn.com> 8/25/2016 8:37 AM >>>
Attention
Sedona Community Development Department

We will not be able to attend the open house regarding the Schnebly Community Focus Area, however we generally agree with the direction of the plan with the exception of the change of the RS 18 zoning. This change will have an effect of taking value from our 1+ acre lot at 150 Schnebly Hill Rd. When we initially purchased the lot, we did so with the understanding that in the future we could divide it and be compliant with the existing zoning. If the City changes the zoning to disallow the division of our property it will be in effect Taking Value, and I believe compensation would be due. The City recently approved a zoning density immediately adjacent to our property far in excess of the RS 18 Zone which dramatically increased the value of that property. I believe the impact on the value of an individual’s property should be taken into consideration before any zoning change is taken.
Tim Kyllo
150 Schnebly Hill Rd.
Sedona, AZ 86336

Sedona City Hall is open for business Monday through Thursday from 7 a.m. to 6 p.m. and closed on Fridays. The Municipal Court and Wastewater system maintenance remain on a Monday through Friday, 8 a.m. to 5 p.m. schedule. Police and maintenance services are not impacted.
From: "Tim Kyllo" <timkyllo@msn.com>  
To: "Lovely, Cynthia" <CLOvely@SedonaAZ.gov>  
Date: 8/25/2016 8:38 AM  
Subject: Email contact from City of Sedona

Attention
Sedona Community Development Department

We will not be able to attend the open house regarding the Schnebly Community Focus Area, however we generally agree with the direction of the plan with the exception of the change of the RS 18 zoning. This change will have an effect of taking value from our 1+ acre lot at 150 Schnebly Hill Rd. When we initially purchased the lot, we did so with the understanding that in the future we could divide it and be compliant with the existing zoning. If the City changes the zoning to disallow the division of our property it will be in effect Taking Value, and I believe compensation would be due. The City recently approved a zoning density immediately adjacent to our property far in excess of the RS 18 Zone which dramatically increased the value of that property. I believe the impact on the value of an individual’s property should be taken into consideration before any zoning change is taken.

Tim Kyllo
150 Schnebly Hill Rd.
Sedona, AZ 86336
A new entry to a form/survey has been submitted.

Form Name: Schnebly CFA Draft Plan
Date & Time: 08/25/2016 12:53 PM
Response #: 3
Submitter ID: 124
IP address: 174.19.216.147
Time to complete: 28 min., 54 sec.

Survey Details

Page 1

The Schnebly Community Focus Area (CFA) plan will serve as a guide for future development of the area along Schnebly Hill Road. Please let us know your thoughts on the Schnebly CFA Draft Plan.

1. Please enter your comments on the Schnebly CFA Draft Plan below.
   1) Yurts would be a calling card for all the homeless might as well have a sign stating welcome all homeless people, we have a place for you to live. This is a large problem not being addressed by anyone. If you dont belive me go out in the woods and look. 
   2) I believe you should keep the lot size the same, this is the reason why this area looks better and not like all the other subdivisions, that have subdivided for more profit. 
   3) The old homestead architecture you want to is not aesthetically pleasing. The original Schnebly Hill house is a prefect example it has been added on over the years and is a shack. The City of Sedona already has a restrictive code and does not need to be altered. 
   4) The only valid point I see in this plan is a safe trail up Schnebly Hill Road This are is very dangerous to walk on for locals and visitors, why not add a trail along the creek for every one to enjoy. 
In closing it looks like the owners of the parcel or looking to increase there profits by changing the lot sizes and density.

2. Contact Information:
   Name: Kris Husa
   Address: 287 Schnebly Hill Road
   E-mail Address: kris@nrgbuildpros.com
Cynthia Lovely - Re: Schnebly Community Focus Area

From: mary kyllo <sedonawolff@gmail.com>
To: <clovely@sedonaaz.gov>
Date: 8/22/2016 4:01 PM
Subject: Re: Schnebly Community Focus Area

My husband and I live at 150 Schnebly Hill Road and recently received the invitation to attend the open house on the 25th at the Creative Life Center to view the updated DFA Draft Plan on Schnebly Hill Road. We are not going to be here that day as we have doctor's appointments in Phoenix and cannot make it back in time to attend the meeting.

Is there another time we can come to the city offices and view the plan? I went on the website to see any new proposed plan; however, it looked to me that it was the existing zoning and I could not see any changes.

Let me know if Tuesday or Wednesday this week (23rd or 24th) would be convenient to come to your office to view the new plan.

Thank you for your time,

Mary Kyllo
From:  David Tracy <mrdtracy@gmail.com>
To:  Cynthia Lovely <Clovely@Sedonaaz.gov>, Warren Campbell <wcampbell@Sedona...
Date:  8/12/2016 5:33 PM
Subject:  SHR CFA Comments
Cc:  janeen trevillyan <jtrevillyan1@gmail.com>

This is a follow-up to our meeting on 8-8-2016 re the proposed Oak Creek Heritage Zoning District.

1. The major land uses being added as options are basically 8 lodging units, or 12 MF or campsites. We should add 12 MF to the draft for clarity.

2. Before the CFA discussion, our plans for our 7.5 acres was predicated on 10,000 sf lots; the only allowable use, the lowest risk, and the lowest tax impact.  

3. So the primary objective of the CFA/OCH zoning is to offer some alternate uses that would be more attractive than the existing 4 SF per acre.

4. Janeen and I are getting older and have a number of family issues which may limit our ability and time for a major project. But since we have a vested interest in the community and neighborhood and living on SHR, we want to help guide future development.

5. That being said, the alternate land uses for our property depend somewhat on what happens with the RV park. For example, might be difficult to justify high end lodging overlooking an RV storage lot. Screening a 14' tall motorhome or a 60 foot long truck/campertrailer with shiny chrome is a challenge.

6. We will try to meet with the Freys and learn their plans and timeframe. As close neighbors, we recognize the value of working together on any development plans which impact the area.

7. A factor to consider is our 2.7 acres on the westerly side of SHR and the southerly side of Bear Wallow. This land is elevated so any development would look down on any RV storage lots along Bear Wallow plus infringe on the SHR open space/viewshed corridor. Alternatives include some type of "buffer" land use on adjacent lots or transferring development rights to our other lots or Freys may want to acquire.

8. Brown's property at present serves as a buffer between our property and RV park. Brown is willing to add his 4 acres to ours in a joint development.

9. We understand your concept of, and the benefit of, combining properties to oblitrate internal lot lines to create more open space and increase design flexibility.

10. Limiting soft commercial and MF to within 500' of roundabout to minimize neighborhood traffic might be overly restrictive, i.e. might need more units to be economically viable. MF has been a tough sell in Sedona. An alternative might be to not allow more driveways connecting to SHR, and preferably to consolidate existing ones.

11. We did not address senior living as a specific MF, but is this still a viable land use for this area? If so, should we add to MF list?

12. Also, is fractional ownership a possible MF? Will the City still be able to collect a TPT under SB 1350?

file:///C:/Users/clovely/AppData/Local/Temp/XPrpwzise/57AE084CSedonaPOA1100178327916... 8/15/2016
13. If an employee or innkeeper or owner lives on site, will that be included in allowable density? Will such a residential usage require a minimum of one acre as proposed in the OCH zoning?

14. You indicated that more than two stories might be possible, but would be evaluated on a specific basis.

15. With reference to parking, and to keep development farther away from SHR, what about locating parking adjacent to open space along SHR? Probably easier to shield cars via vegetative screening that taller buildings.

16. Although the vision was for a continuous strip of open space along SHR, both Max's planning concept and the photo onto which Cynthia imposed a number of B&Bs show some limited development in closer proximity to the road, similar to what exists today.

17. Mixed land uses are OK in this area. Doubtful that an expansion of SHR will be an option, same with City creekside park and public parking.

18. If RV park expands, will increase to 120 sites based on 12 units/acre and 10 acre land. Existing 84 sites will remain as non-conforming use. No.

19. Not clear how ADUs will function under SB 1350. Intent was for workforce housing vs. nightly stays.

20. Key issue for neighborhood has not been the land use function for alternative uses, but the form of the development.

21. Expect some resistance to lodging from P&Z, Council, and community, as SHR not in a lodging district.

22. Emphasis still on "destination" lodging that incorporate retreats, spas, healing, wellness centers, meditation, etc that bring in high end visitors who will stay more than a few days and do not add to traffic congestion.

23. Re: locating all structures out of floodway. Some construction might be desirable or necessary to accomplish other objectives. Suggest using existing FEMA standards which state that construction within the floodway must be mitigated by other measures to mitigate upstream flooding impact.

24. Obviously, the specifics of the new OCH zoning district such as lot coverage, setbacks, height limits, buffers, screenings, etc. are all elements that must be considered when evaluating alternative land uses.

25. We will try to solicit some feedback from developers as to their interest in this area and share their feedback. Conversely, if you learn about a suitable project that would fit well in this area, let us know and we can arrange a site visit.

...later...david
Ms Cynthia Lovely, Senior Planner  
City of Sedona- Community Development  
102 Road Runner Dr., Sedona, AZ 86336

RE. Stakeholders Meetings  
Schnebly Hill Road  
Community Focus Area Planning Study

Dear Cynthia,

Thank you for the time and effort that you have put into the subject meetings. I did a lot of listening, and wish to submit the following as part of my observations and living experience at 10 Bear Wallow Lane.

Overall I feel that David Tracy and Max Licher dedicated great effort providing background and proposals for the unusual opportunity to develop the Schnebly Hill Rd. properties, like few other communities ever have.

First of all, I strongly favor the proposed multi-use layout that Max Licher presented, plus a river walk connecting to Uptown, with whatever is ultimately decided upon. The river walk would lend an invaluable dimension to visitors and locals to experience the riparian benefits at Uptown’s doorstep.

I would like to add my feelings regarding the ATV and OHV traffic on Schnebly Hill Rd. Our house is situated at 10 Bear Wallow Lane, only 10 feet off the SHR right of way. I purchased this home prior to the commercial use of ATV’s and OHV’s. I feel that I am an expert in the analysis of adjacent noise, emission and misuse. It has greatly reduced the quality of life in this neighborhood. So, no matter what the final decision of the city planners is regarding the ATV/ OHV situation, it would have to be resolved before I would ever again make a commitment to invest or live in the proximity of SHR.

Respectfully submitted,

[Signature]

Mr. Jerome Helfrich  
273 Last Wagon Dr.  
Sedona, AZ 86330-3908
From: <clovely@sedonaaz.gov>
To: <clovely@sedonaaz.gov>
Date: 7/12/2015 12:59 PM
Subject: CFA9

Submission information
-------------------------------------
Submitter DB ID : 5305
Submitter's language : Default language
IP address : 174.19.238.160
Time to take the survey : 44 min. , 27 sec.
Submission recorded on : 7/12/2015 12:59:29 PM

Survey answers
-------------------------------------
What are the positive features or characteristics of the area that should be retained or enhanced?
Comments: Ranch like feel, open areas, a sense of community, people who live here who care about the future of this area. Historical aspect of Schnebly Hill Road.

Are there current problems or issues that are of concern to you about the area?
Comments: Approved density of the Gassaway and Farley properties, especially the Farley property. I know the Gassaway plan is within the zoning but the impact and feel will be that of high density. I am not quite sure why the city approved a plan for an additional 5 or 7 cabins on the Farley property, which is RS-18b zoning? Both of these properties are obviously historical, and I don't see that their character will be upheld. For the Farley property I would rather see a high end B & B that enhances the property than relatively inexpensive prefabricated cabins, which will not improve the quality of this area and maybe bring the property prices down.

What do you see as potential threats to this area in the future?
Comments: Developers who have no sense of history and of the preciousness of this area but rather build as many houses as possible and maybe as cheaply as possible.

ATVs etc/ more Jeep tours

Schnebly Hill Road made into a transitional road to Flagstaff.

What are potential opportunities for this area given its unique character and location?
Comments: What Max has been working on. Finding alternative uses, alternating open areas with high density, nicely done properties. To enhance the area with high quality buildings.

What do you think are suitable land uses for the area?
Comments: Senior housing, high end B & B (similar to El Portal), artist studios with possible retail.

Medium to high end homes that keep the ranch style character with lots of open space.

I am not so keen on regular retail or restaurants/cafes because I am not quite sure if this would be a good area for that. There is nothing sadder than empty retail spaces or restaurants/cafes.
What type of land uses, activities, or other changes do you feel are not suitable for this area?
Comments: High density developments, in actual density and feel.
Large or small hotels
Cheap construction
Regular retail, restaurants/cafes (see above)
Overnight rentals in private homes without an "innkeeper" on the property
ATVs
More Jeep tours (although I don't see a way to restrict them?)

Name:
  Katharina Roth

Address:
  200 Schnebly Hill Road, Sedona, AZ 86336

E-mail and/or phone:
  26kats@gmail.com
From: <clovely@sedonaaz.gov>
To: <clovely@sedonaaz.gov>
Date: 6/24/2015 10:03 PM
Subject: CFA9

Submission information

Submitter DB ID: 5295
Submitter's language: Default language
IP address: 65.49.147.139
Time to take the survey: 19 min. 33 sec.
Submission recorded on: 6/24/2015 10:02:25 PM

Survey answers

What are the positive features or characteristics of the area that should be retained or enhanced?
Comments: Rural character, meets & bounds properties rather than subdivisions, open space, historic homes, orchards and fields, mix of uses.

Are there current problems or issues that are of concern to you about the area?
Comments:
ATV vehicle rentals make too much noise on Schnebly Hill Road.

What do you see as potential threats to this area in the future?
Comments: Zoning would allow for conversion of open land to small-lot subdivisions. Lurking possibility of uptown bypass or paving Schnebly Hill Road to I-17.

What are potential opportunities for this area given its unique character and location?
Comments: Capitalize on the historic agricultural theme, develop positive agricultural open space as part of mixed use development. Bring back the irrigation ditch one way or another. Creek walk and pedestrian creek crossing could make for positive connections to Uptown & the Tlaquepaque area.

What do you think are suitable land uses for the area?
Comments: Artist Studios/galleries, small stores, Bed & breakfasts or small lodges, cafes/pubs (near the roundabout), age-in-place housing, home offices, guest house nightly rentals, neighborhood park, farmer's market, creek walk, vineyards/orchards, community garden

What type of land uses, activities, or other changes do you feel are not suitable for this area?
Comments: Subdivisions, large motels or resorts, large public creek park, large retail/shopping centers, large parking lots, anything out-of-scale or out of character (Santa Fe style, for example), widening the road or engineering standard curb & gutter.

Name:
Max Licher

Address:
16 Bear Wallow Lane

E-mail and/or phone:
mlicher@wildapache.net
Schnebly Hill Rd Community Focus Area Planning: We Need Your Thoughts!

#Livability, #Sustainability, #Parks in Yavapai County, AZ, Coconino County, AZ, Sedona, AZ

What do you envision as the best future land uses in the neighborhood along Schnebly Hill Road?

Diane Phelps
I don't know how much land is available and how it is situated. Is it near the creek? Best suited for hiking trails? Is it located before road gets so rough?

June 24 (Wednesday, June 24, 2015 at 8:49:07 AM) Like

Janeen Trevillyan
Residents of this neighborhood have been envisioning future uses for 100 years without consensus and with minimal artificial pressure. Don't do anything today that limits a great idea in the future.

June 24 (Wednesday, June 24, 2015 at 10:44:05 AM) Like

Lauren Browne
Diane, the area in discussion is the residential area before the road turns to dirt, and the creek is on one side. I wouldn't say so much that land is "available" as much as it is identified in our Community Plan as an area that is of interest and needs a Specific Area Plan, which lays out what is ideal for future uses. Collapse

June 24 (Wednesday, June 24, 2015 at 6:13:44 PM) Like
Top Uses Brought up
From: <clovely@sedonaaz.gov>
To: <clovely@sedonaaz.gov>
Date: 6/5/2015 8:04 AM
Subject: CFA9

Submission information
----------------------------------------
Submitter DB ID : 5279
Submitter's language : Default language
IP address : 216.19.26.129
Time to take the survey : 3 min., 27 sec.
Submission recorded on : 6/5/2015 8:03:39 AM

Survey answers
----------------------------------------
What are the positive features or characteristics of the area that should be retained or enhanced?
Comments: Rural character, low density residential homes and scenic vistas.

Are there current problems or issues that are of concern to you about the area?
Comments: No code enforcement for property maintenance.

What do you see as potential threats to this area in the future?
Comments: Increased commercial land use including lodging.

What are potential opportunities for this area given its unique character and location?
Comments: Trail Connections.

What do you think are suitable land uses for the area?
Comments: Low Density Residential.

What type of land uses, activities, or other changes do you feel are not suitable for this area?
Comments: Commercial activities and Lodging (Increased beyond current levels).

Name:
Krista Cline

Address:
160 Quail Ridge Lane, Sedona, AZ 86336

E-mail and/or phone:
Page 27 of the CFA “Will provide property owners with more flexibility by expanding their land use.”

This is a fallacy:

1. Half of my property will not be allowed to be built on.

2. We would have to allow public access across my property for walking and biking. (Page 26)

3. There is an ordinance in effect for no tenting within the city limits, so please do not allow this area for camping, tents or yurts. This is a completely different clientele than RV’s. We will be unable to control the noise, and as it is, we tolerate yelling, screaming and loud music every Friday and Saturday from L’Auberger, across the creek, with no help from the city.

4. This is a residential area, please do not approve the commercial area at the beginning of Schnebly. since it is not needed and will congest the area even more.

There are already plans in place to limit what I can and cannot do with my property. With this plan, there will be additional restrictions, and I feel there are already enough controls in place.

Think of this as your property. Would you like all these restrictions put on your property?

Margaret Frey
Rancho Sedona RV Park
Owner of 15 Acre Off Bear Wallow

Rancho Sedona RV Park
135 Bear Wallow Lane
Sedona, AZ 86336
(928) 282-7255
(888) 641-4261
info@ranchosedona.com
http://www.ranchosedona.com
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RESOLUTION NO. 2017-__
A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, ADOPTING THE SCHNEBLY COMMUNITY FOCUS AREA PLAN OF THE CITY OF SEDONA, ARIZONA.

WHEREAS, A.R.S. §§ 9.461.08 and 9-461.09 provide for authority and scope of Specific Plans and the procedure for adoption of Specific Plans by resolution of City Council; and

WHEREAS, the Sedona Community Plan which was ratified by citizens of the City of Sedona on March 11, 2014 recognized Community Focus Areas (CFA) as areas where Specific Plans will be developed to provide guidance for future development, and the Schnebly area is identified as a Community Focus Area in the Sedona Community Plan; and

WHEREAS, the Sedona City Council has identified the CFA planning efforts as a high priority in implementing the Sedona Community Plan; and

WHEREAS, the Schnebly Community Focus Area Plan is consistent with the vision and goals of the Sedona Community Plan and meets the CFA community expectations as listed in the Community Plan; and

WHEREAS, public participation in the planning process included a citizen stakeholder group, public meetings, and public hearings to provide input and comments on the Community Focus Area; and

WHEREAS, the City of Sedona Planning and Zoning Commission held a public hearing and recommended the draft Schnebly Community Focus Area Plan to City Council on November 15, 2016; notice of such hearing was published at least fifteen (15) days and not more than thirty (30) days prior to the hearing; and

WHEREAS, the Sedona City Council conducted a public hearing on the Schnebly Community Focus Area Plan on April 11, 2017 and notice of such hearing was published at least fifteen (15) days and not more than thirty (30) days prior to the hearing.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA THAT:

That the April 11, 2017 Draft Schnebly Community Focus Area Plan, as approved by the City Council on April 11, 2017 and incorporated herein as Exhibit A, is hereby approved and adopted as a specific area plan and addendum to the Sedona Community Plan.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 11th day of April, 2017.
EXHIBIT D

Sandra J. Moriarty, Mayor

ATTEST:

Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

Robert L. Pickels, Jr., City Attorney
Agenda Item: 8b
Proposed Action & Subject: Discussion/possible action regarding approval of a resolution establishing an Entertainment District within the City of Sedona.

Department: Community Development
Time to Present: 5 minutes
Total Time for Item: 30 minutes
Other Council Meetings: N/A
Exhibits:
A. Resolution
B. Exhibit A to Resolution – Map with proposed Entertainment District Boundaries
C. Map with Sedona Main Street and Character District Boundaries excluded

City Attorney Approval: Reviewed 4/4/17 RLP
City Manager’s Recommendation: Approve a resolution establishing an entertainment district.

Expenditure Required: $ 0
Amount Budgeted: $ 0
Account No. (Description): N/A
Finance Approval:

SUMMARY STATEMENT

Consistent with state law, the City Council may, on a case-by-case basis, approve an exemption from liquor license distance restrictions for churches and schools located within a designated entertainment district. The current 300-foot limitation affects several commercial properties in Uptown Sedona.

Background: Arizona state statutes establish retailers’ liquor license restrictions for premises within 300 feet of a school or church. These restrictions apply to operations such as tasting rooms and package retail, which are common uses found in a visitor-based commercial district such as Uptown. Both the Wayside Chapel and the Christian Science Society are within the Uptown area and within 300 feet of several commercial properties.

Based on Sedona’s population, the City Council may designate one entertainment district within the City where the Council may, on a case-by-case basis, approve an exemption to the
300 foot distance requirement within the district. State statutes define an entertainment district as follows:

- A specific contiguous area of no more than one square mile in area and no less than one-eighth of a mile in width.
- Contains a significant number of entertainment, artistic, and cultural venues, including music halls, concert facilities, theaters, arenas, stadiums, museums, studios, galleries, restaurants, bars, and other related facilities.

Staff proposes that the boundaries of the Sedona Main Street and Character Districts generally serve as the Entertainment District boundary, with a few exceptions. Some areas would be excluded as they do not meet the statutory 1/8-mile width requirement. The total area of the proposed entertainment district comprises about .34 square miles. The future Land Development Code will further refine and define this district and the boundaries.

**Community Plan Consistent:** ☐ Yes - ☐ No - ☑ Not Applicable

**Board/Commission Recommendation:** ☐ Applicable - ☑ Not Applicable

**Alternative(s):**

N/A

**MOTION**

I move to: approve Resolution 2017-___designating an entertainment district within the City of Sedona.
RESOLUTION NO. 2017-___

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA, ESTABLISHING THE UPTOWN ENTERTAINMENT DISTRICT WITHIN THE CITY OF SEDONA IN ACCORDANCE WITH ARIZONA REVISED STATUTES § 4-207(C)(4).

WHEREAS, the Sedona City Council seeks to promote the Uptown Sedona and Sedona Main Street Character Districts as a vibrant, pedestrian-oriented location with an established mix of hotels, restaurants, shops, and galleries; and

WHEREAS, A.R.S. § 4-207 prohibits the issuance of a retail liquor license for premises within three hundred horizontal feet of a church, public or private school, or fenced recreational area adjacent to such a school building; and

WHEREAS, new businesses desiring to locate within the Uptown and Main Street Character Districts may be prevented from locating there because of the three-hundred foot separation requirement; and

WHEREAS, A.R.S. § 4-207(C)(4) permits the governing body of a city or town to approve, on a case-by-case basis, an exemption from the distance restrictions applicable to a church or public or private school for a retailer's liquor license in a designated entertainment district; and

WHEREAS, the Sedona City Council has determined that the area to be established as the entertainment district consists of no more than one square mile, is no less than one-eighth of a mile in width, and contains a significant number of entertainment, artistic, and cultural venues; and

WHEREAS, the Sedona City Council has determined that the creation of an entertainment district within the Sedona Main Street Character Districts will provide a more active setting to welcome people to this area.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA THAT:

1. The Uptown Entertainment District, as set forth in "Exhibit A", is hereby established and approved pursuant to and as defined in A.R.S. § 4-207.
2. The future update of the City's Land Development Code will further refine and define this district and its boundaries.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 11th day of April, 2017.

Sandra J. Moriarty, Mayor
ATTEST:

________________________________
Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

________________________________
Robert L. Pickels, Jr., City Attorney
This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.

GIS, City of Sedona. 03/07/2017 gisprojpublic/uptowndistrict/EntertainmentDistrict/maps/
This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.

GIS, City of Sedona. 03/01/2017  g:\proj\cd\staff\mikeraber\entertainmentdistrict\mxds

Entertainment District
(0.34 square miles)

Excluded Section*

* Compared with Main Street Character Districts

This map is designed to provide as-is information only. The data is not accurate to engineering or surveying standards. The City of Sedona is not liable or responsible for loss or damages rising from the data contained on this map.

GIS, City of Sedona. 03/01/2017  g:\proj\cd\staff\mikeraber\entertainmentdistrict\mxds
Agenda Item: 8c
Proposed Action & Subject: Discussion/possible action regarding the approval of a new agreement between the City and the Sedona Chamber of Commerce and Tourism Bureau for tourism promotion and visitor services subject to final review and approval by the City Attorney.

Department City Manager
Time to Present 15 minutes
Total Time for Item 1 hour
Other Council Meetings January 11, 2017 & March 1, 2017
Exhibit A. DRAFT Tourism Promotion & Visitor Services Agreement

<table>
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SUMMARY STATEMENT

Background: On January 11, 2017, City Council held a work session to discuss how best to move forward with tourism promotion and other visitor services after June 30, 2017 when the current contract with the Sedona Chamber of Commerce and Tourism (SCC&TB) expires. By majority consensus, City Council agreed that the longstanding partnership with the SCC&TB should continue and directed staff to move forward with negotiating a new contract with the SCC&TB.

On March 1, 2017, City Council held a work session to provide direction regarding the development of a new contractual agreement with the SCC&TB. By majority consensus, Council agreed with the contract renewal recommendations presented by staff. Those included:

1. Clarification of Role of City Council and New Annual Work Session - Section 2.1

A new required activity has been added to the draft contract document Section 2. Scope of Tourism Promotional Activities. This section calls for a new joint work session (or sessions) to take place annually between the City Council and the SCC&TB prior to development of the
upcoming year’s program of work, budget, and marketing and development plan. This will be an opportunity for the City Council and the SCC&TB to engage in dialogue regarding current year goals and objectives, assess the current state of the tourism industry, respond to changing needs, identify priorities, and develop a coordinated tourism approach for the upcoming year. City Council will provide the input necessary to set the policy direction and the SCC&TB will obtain the guidance they need to develop a budget, program of work, and marketing plan that aligns with City Council goals.

This session or sessions, if necessary, shall take place no later than the end of January each year to allow the program to be fully developed from there, and completed and brought back to City Council for final approval before July 1st.

2. **Scope of Services – Section 2.3.5**

Product Development has been maintained as a third service category in the new contract, in addition to destination marketing and visitor services. From year to year, the SCC&TB will determine what resources are needed to pursue the policy goals established by the City Council for visitor services and destination marketing, and the remainder will be allocated to product development initiatives.

The contract document calls on the SCC&TB to continue to work with the Tourism Product Development Committee (TPDC) to determine which product development initiatives should be pursued, and a list of projects and programs will be presented to City staff by May 1st each year. City staff will then work with the SCC&TB to develop a final list of recommendations that will be presented as part of the Destination Marketing and Development Plan to the City Council for approval before July 1st each year, at the same time as the budget document.

The Destination Marketing and Development Plan will also indicate whether the City or the SCC&TB will be responsible for the execution of each project or program, depending on which organization is better suited to do so. The City shall retain the budget allocation(s) for those initiatives for which it is responsible. Reconciliation of product development funds assigned to the City is addressed in Section 7.3 and requires the City to return unspent budget funds to the SCC&TB for reassignment to other projects/programs, and for product development funds to be allocated in the following year to cover any budget shortfalls that the City may encounter when executing a product development initiative.

3. **Performance metrics – Section 2.5**

Performance metrics have been refined over the last several years. The new measurements have been incorporated into the new contract and include monthly tracking and quarterly and annual reporting of:

- Sales Tax Collections
- Bed Tax Collections
- Annual Daily Room Rate for Hotels (ADR)
- Hotel Occupancy
- Number of visitors assisted in-person at the visitor center, and/or electronically
- Visitor service satisfaction measured by survey at the Visitor Center, and/or electronically
The metrics will be reported to the City in accordance with Section 6 (Reports).

4. **Funding levels – Section 7.1.2**

The existing commitment to dedicate 55% of the bed tax revenues to tourism promotion activities has been maintained in the new draft contract.

5. **Audit vs. Financial Review – Section 5**

The new contract maintains the same requirements for annual reviews of the SCC&TB financials as the existing contract. That is, for the first year of the contract, the SCC&TB shall have an independent CPA complete a full audit of its financial statements. Each subsequent year, the City may require a full financial audit, or may simply require a financial review. The City Council shall provide this direction to the SCC&TB each year during the December/January retreat(s).

The following summarizes the differences between a full audit and a financial review:

- **Audited financial statements** provide the user with the auditor’s opinion that the financial statements are presented fairly, in all material respects, in conformity with the applicable financial reporting framework. The auditor obtains an understanding of the entity’s internal control and fraud risk and corroborates the amounts and disclosures included in the financial statements. **Reviewed financial statements** provide the user with comfort that based on the accountant’s inquiry, the accountant is not aware of any material modifications that should be made to the financial statements in order for the statements to be in conformity with the applicable financial reporting framework. A review is substantially less in scope than an audit and does not contemplate obtaining an understanding of the entity’s internal control, assessing control risk, testing accounting records, or other procedures performed during a full audit.

6. **Term – Section 9**

Council’s previous discussion and direction was that the contractual relationship with the SCC&TB is intended to be a longstanding one, and as long as there are systems built in to revisit the goals, objectives, strategies, and budget allocations annually, then the actual contract terms should not need to change from year to year.

The draft contract contemplates a seven-year contract with automatic two-year renewals after the initial term. These renewals are proposed to continue provided each party is satisfied with the terms, relationship, process and performance, and does not wish to revisit the contract document.

The contract document also contains a provision that allows either party to terminate for any reason with 60-day written notice.

The purpose of this agenda item is to request City Council’s approval of the Tourism Promotion and Visitor Services Agreement. While several components of the Agreement have been highlighted above, the complete draft document is attached as Exhibit A.
Community Plan Consistent: ☒Yes - ☐No - ☑Not Applicable

Board/Commission Recommendation: ☐Applicable - ☑Not Applicable

Alternative(s):

**MOTION**

I move to: approve the tourism promotion and visitor services agreement between the Sedona Chamber of Commerce & Tourism Bureau and the City of Sedona subject to review and final approval by the City Attorney.
TOURISM PROMOTION & VISITOR SERVICES AGREEMENT

THIS AGREEMENT ("Agreement") entered into by and between the Sedona Chamber of Commerce & Tourism Bureau, hereinafter referred to as "SCC&TB" and the City of Sedona, a municipal corporation, hereinafter referred to as "City", this 11th day of April, 2017.

WITNESSETH

WHEREAS, the SCC&TB will initiate, implement, and administer a comprehensive sales and marketing program designed to attract visitors and meeting delegates to the City, thereby gaining revenues to the community and contributing to the overall economic growth of the Sedona business community and the City in general; and

WHEREAS, the SCC&TB recognizes the need to create a destination marketing program that emphasizes the attraction of visitors during the off-season and mid-week, in recognition of the existing limitations on City infrastructure during peak seasons, in an effort to mitigate the impacts of traffic congestion and crowds on the visitor experience and the quality of life for our residents; and

WHEREAS, the SCC&TB and the City believe that tourism product development initiatives can help enhance and expand the destination’s appeal to visitors and/or improve the quality of life for residents by mitigating some of the unintended consequences of a robust tourist economy; and

WHEREAS, the City has adopted a 3.5% transient bed tax to be collected by motel and hotel operators, with the intention that portions of the proceeds be used to develop a tourist and meetings promotional program, service visitors, and pursue tourism product development initiatives in Sedona; and

WHEREAS, pursuant to Sedona City Ordinance No. 2013-07, the City has elected to devote 55% of transient bed tax collections to the promotion of tourism and to allocate the use of said Tourism Promotion Funds by way of contract to a destination marketing organization (DMO); and

WHEREAS, the City and SCC&TB desire to continue their longstanding partnership and establish a general framework for future cooperative efforts, including the general procedures by which the SCC&TB will prepare and carry out tourism activities;

NOW, THEREFORE, in consideration of the foregoing, the City and the SCC&TB do mutually agree as follows:

1. ADMINISTRATION

   1.1. In carrying out the terms of this agreement, the SCC&TB agrees to continue to follow all of its bylaws which are also incorporated, by reference, into this agreement.

   1.2. The SCC&TB shall continue to operate as a 501(c)(6) non-profit corporation and be governed by a Board of Directors that has the ultimate authority for oversight and approval of the SCC&TB’s programs.

   1.3. The SCC&TB shall utilize an accounting system which will comply with generally
accepted accounting principles. The SCC&TB shall establish and maintain a line item budget that identifies expenditures from all funding sources.

1.4. The City hereby designates the Assistant City Manager or his/her designee as the City’s representative and Contract Administrator. The Contract Administrator shall work with the SCC&TB in coordinating the execution of this Agreement. Any reports and correspondence from the SCC&TB shall be channeled through the Contract Administrator.

2. SCOPE OF TOURISM PROMOTIONAL ACTIVITIES

Required Activities.

2.1. Annual Work Session. In recognition of the City Council’s fiduciary responsibility for the tax dollars that support tourism promotion activities, and their interest in providing input and policy direction in the setting of specific goals and objectives for tourism from year to year, a joint work session (or sessions), between the City Council and the SCC&TB Board of Directors or subcommittee thereof, shall be held annually prior to the SCC&TB’s development of the upcoming year’s program of work, budget, and marketing and product development plans. During this session(s) the City Council will identify priorities and provide policy direction that will assist the SCC&TB in developing a budget, program of work, specific marketing strategies, and product development programs or projects that best align with City Council goals and objectives. This session(s) shall provide an opportunity to develop a coordinated tourism approach for the upcoming year, and shall be set up in a way that promotes dialogue between two partners with mutual interests, recognizing that tourism is a dynamic process requiring constant evaluation, monitoring, and adaptation as conditions change.

This session, or sessions if necessary, shall take place no later than the end of January each year to allow the tourism promotion program for the following fiscal year. The fully developed program, including the Destination Marketing and Development Plan and Fiscal Year Budget, will be brought back to Council for final approval prior to July 1 of each year.

Based on the input received during the annual joint meeting, SCC&TB shall perform the following Activities:

2.2. Destination Marketing and Tourism Product Development Committees. The SCC&TB shall manage the Marketing Committee and Tourism Product Development Committee (TPDC) who will have the responsibility to develop a clear understanding of existing strengths and weaknesses and how existing tourism products and activities are aligned with current and future visitor targets and with the overall Sedona brand. The SCC&TB is responsible for communicating the goals and objectives outlined in the annual meeting with the City Council to the Marketing Committee and TPDC so that the SCC&TB and its committees can develop marketing strategies and prioritize new product development initiatives in accordance with those goals.
2.3. Destination Marketing and Development Plan. SCC&TB shall prepare a Destination Marketing and Development Plan for submission to the City as follows:

2.3.1. No later than June 1 of each year during the term of this Agreement, SCC&TB shall deliver to the City a proposed Destination Marketing and Development Plan for the subsequent year. The Destination Marketing and Development Plan will be presented to City Council for final consideration prior to July 1 each year. If the Sedona City Council approves the proposed new Destination Marketing and Development Plan prior to the end of such year, and if this Agreement will be in effect in the subsequent year, then the proposed new Destination Marketing and Development Plan shall be the Plan under this Agreement during the subsequent year. If the City does not approve the new Destination Marketing and Development Plan, then the current Plan will remain in effect.

2.3.2. City staff and SCC&TB shall conduct a semi-annual review of the objectives, expenditure estimates, estimated effects and other aspects of the Marketing Plan.

2.3.3. The parties understand and agree that non-substantive changes to the annual Destination Marketing and Development Plan may be necessary in order to react to new opportunities, resource availability, industry trends, price increases, etc. Any such changes will be reported in quarterly reports to the City. For example, these factors may necessitate changes to individual media and sales activities listed in the schedule attached to the annual Destination Marketing and Development Plan that do not otherwise change the Plan such as advertising in a different magazine or changing sales calls to a different city.

2.3.4. Destination Marketing. The Destination Marketing and Development Plan shall include, but not be limited to, the following marketing components:

2.3.4.1 SCC&TB shall promote Sedona as a travel destination using major tourist-oriented festivals, competitions and other events that advance the Marketing Objectives as part of an overall marketing program.

2.3.4.2 SCC&TB shall carry out marketing communications by implementing marketing strategies that position Sedona as a destination and that generate leisure and business travel from individual, meeting, and leisure group markets. Those strategies are: advertising; event and consumer promotions; database relationship marketing; public relations; web site maintenance, enhancements, and development; and on-line marketing program and promotions.

2.3.4.3 SCC&TB shall carry out sales and marketing activities to tour operators, travel agents, incentive buyers, and receptive operators
serving high-end leisure groups, and individual travelers in target markets identified by SCC&TB in order to promote visitation to Sedona.

2.3.4.4 SCC&TB shall carry out programs that reinforce relationships with existing clients, and that seek out sources of new business from small to medium size corporate groups, incentive travel programs, and key industry association meetings.

2.3.5 **Product Development.** The Destination Marketing and Development Plan shall address Product Development as follows:

2.3.5.1 The SCC&TB and TPDC shall consider enhancing existing products, identifying new areas of development focus that would address future opportunities, and/or directing resources when necessary and appropriate towards ameliorating some of the negative impacts of high visitation.

2.3.5.2 The SCC&TB and TPDC shall identify a range of potential options for product development and recommend product development programs and/or projects to pursue in the upcoming year.

2.3.5.3 From year to year, the SCC&TB shall determine what resources are needed for visitor services and destination marketing in order to pursue the policy goals established by the City Council. The remainder will be allocated for product development initiatives.

2.3.5.4 The SCC&TB shall meet with the City Manager and Contract Administrator no later than May 1 to review the product development recommendations for the upcoming fiscal year. The SCC&TB, the City Manager and Contract Administrator shall agree upon a final list of recommendations that work within available funding.

2.3.5.5 Depending on the nature of each project/program, those projects/programs and corresponding funding allocations shall be directed to either the SCC&TB or the City depending on which organization would be better suited to execute that project or program. For example, projects such as new parking, transportation, beautification, wayfinding, and public amenities may be more appropriate for the City to undertake given its in-house resources and experience with executing capital projects. Other destination management projects or programs that provide enhancements to the visitor experience, or that require leveraging or heavy participation from the SCC&TB partners, may be more appropriately administered by the SCC&TB.

2.3.5.6 Project/program assignments shall be determined annually on a case
by case basis through mutual agreement between the City and the SCC&TB and the final list of product development recommendations, including project/program assignment, shall be memorialized in the Destination Marketing and Development Plan and approved by Council in accordance with Section 2.3.1.

2.4 **Visitor Services.** The SCC&TB shall maintain and staff a Visitor Center at 331 Forest Road in Sedona, or other mutually agreed upon location within the City. The Visitor Center will be open to the public seven days a week to answer all inquiries for general information relating to Sedona. The Visitor Center will be open no less than 57 hours per week, except on weeks that include Christmas, Thanksgiving, or the New Year’s holiday. City funded Visitor Center service costs include, but are not limited to:

a) Utilities  
b) Telephone  
c) Facility Repairs and Maintenance  
d) Insurance  
e) Wages and Benefits for paid visitor center staff  
f) Supplies and Copier  
g) Rent  
h) Costs for managing sales (maps, Red Rock Passes, etc.)  
i) Postage, mailing costs, freight  
j) Fulfillment piece(s), such as  
   i. Sedona Brochure  
   ii. Sedona Community Profile  
   iii. List of Schools and Churches  
   iv. List of Clubs and Organizations  
   v. Things to See and Do  
   vi. Hiking Maps and Guides  
   vii. Area Maps

The City will provide, as a separate expense to the City, an appropriate level of janitorial service for the public restrooms at the Visitor Center.

2.5 **Performance Metrics.** As part of the quarterly and annual reporting, the SCC&TB shall report on the following metrics, which will be used as one indicator of the effectiveness of marketing programs and activities. Metrics should be tracked and reported by month (or as made available by the City) to assess seasonal changes and influences:

- Sales Tax Collections  
- Bed Tax Collections  
- Annual Daily Room Rate for Hotels (ADR)  
- Hotel Occupancy  
- Number of visitors assisted in-person at the visitor center, and/or electronically  
- Visitor service satisfaction measured by survey at the Visitor Center,
2.5.1 Changes to the Performance Metrics shall be mutually agreed upon by SCC&TB and City, reflected in the annual Destination Marketing and Development Plan, and adopted by Council through the approval of the annual Destination Marketing and Development Plan.

3. TOURISM BUREAU FEES

3.1. In order to maintain fairness between the businesses inside and outside the city limits, the SCC&TB will maintain a fee structure that assesses every tourism level partner outside of the city limits at a higher rate than in-city members.

3.2. In order to maintain fairness between the Lodging industry inside and outside the city limits, the SCC&TB will require that partners outside the city limits pay increased fees for leads generated by the SCC&TB.

4. ANNUAL BUDGET

4.1. The SCC&TB shall submit to the City Council an annual line item budget approved by the SCC&TB’s Board of Directors, by June 1 of each year. The proposed line item contract budget shall:

a.) Include a description of proposed programs and staffing requirements along with their respective budgeted amounts. The budget will delineate between those City funds proposed to be spent on destination marketing, product development, and visitor services. Within each of these categories, SCC&TB shall identify resources for direct costs such as materials and labor and for indirect costs such as overhead.

b.) List all funds that SCC&TB proposes to receive or expend under this Agreement. The total amount of Bed Tax Funds that SCC&TB proposes to receive during the following year shall be clearly listed by itself on a single separate line of the proposed contract budget. SCC&TB’s proposed contract budget shall also list all funds that SCC&TB otherwise proposes to receive or expend during the year. The proposed SCC&TB contract budget shall clearly indicate which funds SCC&TB anticipates receiving from City under this Agreement and which funds SCC&TB anticipates receiving from other sources.

c.) Indicate which product development funds shall be retained by the City vs. the SCC&TB to execute product development initiatives.

4.2. The final Contract Budget for the following fiscal year shall be presented to the City Council for final consideration prior to July 1 each year, at the same time as the Destination Marketing and Development Plan.

5. ANNUAL AUDIT AND FINANCIAL REVIEW

5.1. For the first year of the contract, Fiscal Year 2017-2018, the SCC&TB shall have an independent CPA complete a full audit of its financial statements. The
SCC&TB shall pay for all services rendered by the CPA. All reports and documentation (financial statements, compliance and management letters, internal control documentation and opinion letters) from the CPA shall be submitted to the Assistant City Manager one hundred eighty (180) days after the end of the fiscal year (by 12/31/2018).

5.2. For the remaining years of the contract, the City of Sedona reserves the right to require the SCC&TB conduct a full audit. Should the City require the SCC&TB to conduct a full audit for any subsequent fiscal years, the City Council shall provide that direction at the annual meeting so that the SCC&TB may incorporate the expenditure for the audit into the upcoming fiscal year budget. The SCC&TB shall pay for all services rendered by the CPA. All reports and documentation (financial statements, compliance and management letters, internal control documentation and opinion letters) from the CPA shall be submitted to the Assistant City Manager one hundred eighty (180) days after the end of the fiscal year.

5.3. If the City does not request the SCC&TB conduct a full audit, the SCC&TB shall, at a minimum every year, have an independent CPA conduct an annual review of its financial statements. The SCC&TB shall pay for all services rendered by the CPA. All reports and documentation (financial statements, notes to financial statements, independent accountant’s review report) from the CPA shall be submitted to the Assistant City Manager hundred-eighty (180) days after (by 12/31 of each year).

5.4. With reasonable notice the City shall have the right to audit the books of the SCC&TB for the purpose of confirming the expenditures of City funds.

6. REPORTS

6.1. The SCC&TB agrees to report on the performance of its programs by submitting a report to the City within ninety (90) days of end of each of the first three quarters of the fiscal year, i.e. September 30; December 31; and March 31. A final annual report will be produced and submitted to the City within one-hundred-twenty (120) days after the close of the fiscal year (June 30) and shall include an analysis of the effectiveness of the various programs.

6.2. At the request of the City Manager and/or Contract Administrator the SCC&TB will provide periodic oral reports to the City Council.

7. PAYMENT OF FUNDING

7.1. City Funding. City’s payment of the Tourism Promotion Funds shall be subject to the following:

7.1.1 All Tourism Promotion Funds and other City support SCC&TB expenditures and activities under this Agreement shall comply with the approved Contract Budget.

7.1.2 The total amount of Tourism Promotion Funds that City shall provide under this Agreement for each year shall be equal to fifty-five percent (55%) of the Bed Tax Funds estimated to be collected during the year, to be paid in bi-
annual installments. The first shall be paid within 30 days of budget approval and the second by January 1 of each fiscal year. The Actual Bed Tax Funds Collected, as articulated in Section 7.2, will be included in the first bi-annual payment. Should the Actual Bed Tax Funds Collected, as articulated in Section 7.2, require a decrease to the following year’s funding, that decrease will be taken from the second bi-annual payment.

7.1.3 No later than thirty (30) days before City’s payment of an installment of Tourism Promotion Funds is due, SCC&TB shall deliver to City an invoice for the amount.

7.1.4 City and SCC&TB shall meet semi-annually to discuss actual Bed Tax Funds. No later than April 10 each year, City shall provide to SCC&TB an estimate of the total amount of Bed Tax Funds that City anticipates City will collect during the following fiscal year. SCC&TB shall have an opportunity to provide input about City’s estimate before City provides the estimate to SCC&TB under this Agreement. SCC&TB’s proposed contract budget shall be based on City’s estimate.

7.2. Actual Bed Tax Funds Collected. City’s payments under this Agreement shall be adjusted based on actual Bed Tax Funds Collected as follows:

7.2.1. By December 15 the Contract Administrator will notify the SCC&TB of the results of the reconciliation of actual bed tax receipts for the previous fiscal year.

7.2.2. Those funds will become part of the annual budget for the following fiscal year and the following fiscal year budget and contract amount will be increased or decreased to adjust for actual collections for the previous fiscal year.

7.3. Reconciliation of Product Development Funds assigned to City Should the City have unspent funds from any Product Development initiatives assigned to the City, the City shall remit those unspent funds to the SCC&TB for reassignment to other future projects/programs within 30 days of completion of the project. If a project costs more than the budget allocation, the City, upon approval of the City Council, may temporarily cover the overage through its General Fund Contingency. The overage amount would then be budgeted as part of the next year’s product development budget, the City would retain those funds, and the General Fund reimbursed.

8. HOLD HARMLESS AND INSURANCE PROVISIONS

8.1. The SCC&TB agrees to defend and save harmless the City, its Mayor and Council, appointed boards and commissions, officials, officers, employees and insurance carriers, individually and collectively from all losses, claims, suits, demands, expenses, subrogation's, attorney's fees or actions of any kind and nature resulting from personal injury to any person (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of either (1) the SCC&TB’s
performance of the terms of this contract, or (2) any of the SCC&TB’s acts or omissions in its capacity as a DMO.

9. TERM

9.1. The term of this Agreement is from July 1, 2017 to June 30, 2024 and shall be automatically extended in two-year increments unless either party gives written notice to the other, on or before May 1 of its intent not to renew for the following year. In addition, either party may terminate this Agreement, without penalty, upon 60 days written notice to the other party. In the event of such early termination, the reimbursement provisions of Paragraph 9.2 shall apply.

9.2. If a party defaults in the performance of any of the covenants, agreements, terms or conditions of this Agreement and such default is not cured within 30 days after notice of such default is given by the non-defaulting party, or such longer period as may be necessary provided the defaulting party has commenced curing within such 30 days and diligently pursues such curing to completion, the non-defaulting party shall have the right, at its option, to immediately terminate this Agreement, whereupon it shall have no further obligation or liability under this Agreement, or to seek full and adequate relief by injunction or other legal and equitable remedies (or all of the above). In the event of early termination of the city's contract with the SCC&TB, the city will reimburse the SCC&TB for all SCC&TB prepayments of future year contracted items and the SCC&TB will turn those items over to the city's representative. Should the SCC&TB have unspent proceeds from the City’s pre-payment of contract installments, the SCC&TB will reimburse the City for the pro-rated amount of the prepayment less the expenses addressed in the preceding sentence or other outstanding encumbrances. For example, should the contract be terminated on December 1, the SCC&TB has already been pre-paid for the period beginning July 1 and ending December 31. The SCC&TB would reimburse the City for 1/6 of the first installment to repay the City for services not provided in December, less any prepayments or outstanding encumbrances.

10. LEGAL COMPLIANCE

10.1. The SCC&TB agrees to comply with all Federal, State, and City laws or regulations applicable to the SCC&TB’s business or services or to the performance of these services.

11. INDEPENDENT CONTRACTOR

11.1. The parties agree that the SCC&TB provides specialized services and enters this contract with the City of Sedona as an independent contractor. Nothing in this contract shall be construed to constitute the SCC&TB’s, nor any of its personnel, volunteers, or directors, as agents, employees, or representative of the City. As an independent contractor, the SCC&TB is solely responsible for all labor and expenses in connection with this agreement and for any and all damages that may arise during the operation of this agreement.

11.2. The SCC&TB shall carry appropriate insurance and shall indemnify and hold the City and its officials, employees, and agents harmless from any and all claims, demands actions, and causes of action (including administration or alternative
dispute resolution proceedings) penalties or costs (including attorney's fees) or liability for damages for personal injury or property damage resulting from the acts of omissions of the SCC&TB’s officers, directors, agents, employees, or volunteers, in connection with the agreement or in any way arising from the activities or services of the SCC&TB as set forth in this agreement. The SCC&TB shall provide a copy of the insurance certificate, which lists the City of Sedona as an additional insured, to the City Manager’s Office prior to the first installment release.

11.3. It is understood and agreed that the SCC&TB is free to contract with other parties or to otherwise provide additional services.

[SIGNATURES ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first given above.

Sedona Chamber of Commerce & Tourism Bureau, Inc., an Arizona non-profit corporation

By: _____________________________
Lonnie Lillie
Its: Chairman of the Board

By: _____________________________
Jennifer Wesselhoff
Its: President & CEO

CITY OF SEDONA,
An Arizona municipal corporation

By: ______________________________
Sandra J. Moriarty, Mayor

ATTEST:

_______________________________
Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM BY
CITY ATTORNEY’S OFFICE:

_______________________________
Robert L. Pickels, Jr., City Attorney

CITY CONTRACT ADMINISTRATOR:

_______________________________
Karen Daines, Assistant City Manager

CITY MANAGER:

_______________________________
Justin Clifton, City Manager
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**Agenda Item:** 8d  
**Proposed Action & Subject:** Discussion/possible action regarding Dockets E-01345A-16-0036 and E-01345A-16-0123, the rate case filed with the Arizona Corporation Commission by Arizona Public Service on June 1, 2016.

**Department**  
Legal/City Manager’s Office

**Time to Present**  
10 minutes

**Total Time for Item**  
30 minutes

**Other Council Meetings**  
June 28, 2016, September 13, 2016, October 11, 2016, March 29, 2017

**Exhibits**  
A. Proposed Letter to Arizona Corporation Commission

### SUMMARY STATEMENT

This agenda bill is meant to take action on a draft letter to the Arizona Corporation Commission (Commission) concerning the Arizona Public Service (APS) rate case. At the March 29, 2017 meeting, City Council directed staff to compose a letter to the Commission taking the position that all customers ought to be able to opt out of having smart meters. At least some Councilors indicated that a $5 monthly fee would be an acceptable charge for opting out and that customers ought to be able to use existing analog meters at least until they fail.

**Background:**  
APS has filed a rate case with the Arizona Corporation Commission which addresses both demand charges for residential customers and the net metering program for rooftop solar customers.

In its original filing, APS wanted the Commission to approve a new rate structure with three demand charge rates — R-1, R-2, and R-3. The new rates would include the higher fixed charges, lower volumetric rates, and the demand charge. In Docket E-01345A-16-0036, APS
is seeking changes to residential customers’ rates, shifting nearly all of them to one of three
demand charge options, accompanied by a lower per-kWh volumetric charge. Under the rate
plan, net metering credits for rooftop solar would fall from the retail rate, presently
$0.128/kWh, to an avoided cost rate of $0.0299/kWh. Customers who have already installed
rooftop solar and those who install before July 1, 2017, would be "grandfathered" and
allowed to keep the retail rate credit for the full life of their solar arrays. The rate case also
proposed implementing news fees meant to recover costs associated with manual meter
reading for those who have opted out of smart meters.

The City of Sedona applied and was approved to act as an intervenor in this rate case.
Among the issues which the City had identified as being relevant for the purpose of its
intervention were: 1) Net metering; 2) Mandatory demand charges; and, 3) Smart meter opt
out fees.

The net metering issue was rendered moot for purposes of this rate case by virtue of a
decision issued by the Commission in December, 2016 which fully addressed the future of
net metering.

Between February 6 and March 2, 2017, a number of settlement discussions were facilitated
between APS and the intervenors by Commission staff. The settlement discussions were
structured so that two (2) isolated categories (revenue needs and rate design) were each
addressed separately. In regard to rate design issues, mandatory demand charges and
smart meter opt out fees were the focus of attention for the City Attorney.

As a means of compromise, the City Attorney suggested that a prior decision of the
Commission be recognized which would establish a $5 monthly meter reading fee for opt-out
customers (as opposed to the $15 monthly fee requested in the APS filing). The $5 fee was
agreed upon as an appropriate compromise for purposes of settlement.

Demand charges were addressed by a number of different intervening parties, which led to
the development by APS of new options for customers that would not be mandatory, but
voluntary.

Ultimately, a draft settlement agreement was reached and support, or lack thereof, was
indicated by the intervenors. On behalf of the City, the City Attorney indicated support for the
settlement agreement pending authorization from the City Council to sign a final settlement
agreement. This position was taken as a result of what the City Attorney believed were
favorable resolutions to both the demand charge and smart meter opt-out issues.

The terms of the draft settlement agreement were included in the Docket by APS. A final
settlement agreement bearing the signatures of those parties and intervenors wishing to
formally declare their support was filed in the Docket March 24, 2017.

At the March 29, 2017 meeting city council held a listening session with members of the
public and representatives of APS. Members of the public primarily addressed the smart
meter issues, encouraging council to take a position that all customers ought to be able to
opt out of smart meters free of any fees or charges. APS representatives provided answers
to questions posed by councilors.

Community Plan Consistent: □Yes - □No - □Not Applicable
Board/Commission Recommendation: ☐Applicable - ☒Not Applicable

Alternative(s):

**MOTION**

I move to: authorize the Mayor to sign a letter of direct testimony, as amended, to be filed in the Docket.
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April 5, 2017

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona 85007

Re: Docket Nos. E-01345A-16-0036; E-01345A-16-0123

Dear Commissioners:

This letter is intended to clarify various positions of the City of Sedona (City) in regard to the above-referenced Dockets (hereinafter referred to as the “APS Rate Case” or “Rate Case”). As you probably know, the City is an intervenor in the Rate Case. In the City’s role as an intervenor, the City actively participated in the settlement discussions coordinated by Commission staff and APS. Due to logistical challenges in obtaining public input before making a formal decision on whether or not to support the eventual settlement reached by the parties (“Settlement Agreement”), the City took no action in that regard. However, the City believes that it is important for our position on several key issues to be addressed. Accordingly, we will attempt to outline those issues herein.

I. Automated Metering Infrastructure

The first issue which we would like to address is the Automated Metering Infrastructure (hereinafter referred to as “AMI” or “smart meter”) opt-out program. Although the terms of the Settlement Agreement allow for the opt-out of residential customers, such opt-out requires the payment of a conversion fee for existing AMI customers and a monthly meter reading fee for all opt-out customers.¹ Further, the opt-out provisions are limited to residential customers and specifically exclude commercial and rooftop solar customers.

Although APS has indicated that business turnover creates an administrative burden and that prohibiting commercial customers from opting out of smart meters would reduce that burden, the City believes that commercial customers may have the same concerns that residential customers have and the right of both customer classes to opt-out ought to be preserved.

¹ The monthly meter reading fee was the subject of negotiation during the settlement discussions. The City, through its authorized representative, advocated for the reduction of the proposed $15 monthly meter reading fee to $5, which was ultimately accepted by APS and included in the final Settlement Agreement. The City continues to support that component of the rate design as a reasonable compromise.
In regard to solar customers, APS has indicated that prohibiting solar customers from opting out helps APS manage the overall energy generation system. However, it appears to the City as though the system is reasonably managed currently while solar customers are allowed to opt-out. APS customers who generate solar energy and opt out of smart meters constitute a very small portion of the overall APS customer base. Hence, the significance of identifying this class of customer for differential treatment appears to have little, if any, operational impact to APS and the ability of solar customers to opt-out should be preserved.

II. Monthly Meter Reading Fees

The City’s position upon filing its Application for Intervention in this Rate Case was that customers choosing to opt-out of the smart meter program should not have to incur any fees for simply maintaining their analog or digital meter as it currently exists, or for removing a smart meter and replacing it with a non-standard meter. There was, and continues to be, strong opposition within the community toward the requirement for any fees to be assessed on customers simply for choosing to opt-out of smart meters.

During the settlement discussions with the parties, the City’s representative suggested, for the purpose of compromise on the monthly meter reading fee, that a previous action of the Commission in Decision No. 74871 be adopted which authorized APS to charge a $5 monthly meter reading fee for customers. Support for that compromise position has been mixed. Some within the community believe that no monthly meter reading fee is appropriate, whereas others understand that the compromise position was a reasonable attempt to mitigate the overall impact of the Rate Case. Regardless, the City believes that the monthly meter reading fees should be as low as is practical to ensure that opting out is not overly burdensome to customers choosing to do so.

III. Analog Meters

The City understands that the APS application and proposed AMI opt-out program would limit customers choosing to opt-out of smart meters to having analog meters replaced with digital meters. As justification for this limitation, APS has indicated that analog meters are inaccurate, are inefficient to maintain, and will eventually fail altogether. Despite those assertions, there has been no evidence provided in support of the claim that all analog meters need to be replaced immediately.

Because there is a lack of reasonable cause for existing analog meters to be replaced, customers with analog meters should be allowed to keep those meters for the remainder of the useful life that meter or until actual failure of the analog meter occurs.

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2 Although authorized to charge the $5 monthly meter reading fee, APS chose not to implement that fee until after the current Rate Case was concluded. Its application under the current Rate Case included the request for a $15 monthly meter reading fee.
In closing, the City appreciates its ability to have played a meaningful role in the Rate Case process. We believe very strongly that the collective participation by those within our community choosing to express themselves be considered not only by the City Council, but by the parties to the Rate Case and the Commission itself. Only through a constructive consideration of all factors and viewpoints can the Commission be expected to arrive at a well informed decision that is of mutual benefit to both the utility and the customers it serves.

Sincerely,

Sandra J. Moriarty
Mayor, City of Sedona
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**Agenda Item:** 8e  
**Proposed Action & Subject:** Discussion/possible action regarding proposed State legislation and its potential impact on the City of Sedona.

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<tr>
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**City Attorney Approval**
Reviewed 4/4/17 RLP

**Expenditure Required**
$ 0

**Amount Budgeted**
$ 0

**Account No.**
N/A

**Description**

| Finance Approval |

**SUMMARY STATEMENT**

**Background:** During the course of the State Legislative Session, many bills are introduced that have a potential impact on the City of Sedona. The Arizona League of Cities and Towns and City staff routinely monitor bills of interest as they progress through the legislative process.

This item is scheduled in order to provide a summary update on relevant bills, to answer questions that the City Council may have in regard to any individual bill, and to consider the need for the City Council to take a formal position in support or opposition of any particular bill. During the 2014 Legislative Session, the Council agreed by unanimous consensus to allow staff and the Mayor to weigh in on issues at the Legislature on behalf of the City, requesting only that the Council be notified via email of issues on which the City takes a position. Such a practice is a very effective method of ensuring appropriate City involvement with legislative issues. On February 14, 2017, Council agreed by majority consensus to continue this practice.

**Community Plan Consistent:** ☐Yes - ☐No - ☑Not Applicable

**Board/Commission Recommendation:** ☐Applicable - ☑Not Applicable
Alternative(s):

MOTION

I move to: for informational purposes only, unless there is a preference to take a position on a particular bill.