

**Minutes of a Regular Session of the Common Council of the Town of Clarkdale
Held on Tuesday, December 11, 2012**

A Regular Meeting of the Common Council of the Town of Clarkdale was held on Tuesday, December 11, 2012, at 6:00 P.M. in the Men's Lounge of the Clark Memorial Clubhouse, 19 N. Ninth Street, Clarkdale, Arizona.

CALL TO ORDER – Meeting was called to order at 6:18 P.M. by Mayor Von Gausig.

Town Council:

Mayor Doug Von Gausig
Vice Mayor Richard Dehnert
Councilmember Rennie Radoccia

Councilmember Bill Regner
Councilmember Curtiss Bohall

Town Staff:

Town Manager Gayle Mabery
Town Clerk/Financial Director Kathy Bainbridge
Community Development Economic Director Jodie Filardo
Community Services/Human Resources Director Janet Perry
Utilities/Public Works Director Wayne Debrosky
Police Chief Randy Taylor
Senior Planner Beth Escobar
GIS Planner II Guss Espolt
Deputy Clerk Mary Ellen Dunn

PUBLIC COMMENT – The Town Council invites the public to provide comments at this time. Members of the Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. §38-431.01(G), 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. Persons interested in making a comment on a specific agenda item are asked to complete a brief form and submit it to the Town Clerk during the meeting. Each speaker is asked to limit their comments to five minutes.

Robyn Prudhomme-Bauer, Clarkdale resident and business owner: Extended invitation to the Made in Clarkdale show and gave recap of the successful event.

Katie Keller and John Tavasci, Clarkdale residents: Stated that as they receive no services from the Town i.e., road maintenance, water, sewer, gas, or other services they are requesting a reduction of tax rate reflecting that.

REPORTS

Current Events – A brief summary of current events. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary.

Mayor's Report –

November 13: Returned from Tel Aviv, Israel – 10-day water management tour
November 14: Attended ASU/Global Institute of Sustainability Stakeholders Meeting at ASU – regarding study of ecosystem services

- November 15: Attended Dorothy FireCloud Installation as superintendent of Tuzigoot and Montezuma Castle
- November 16: Had lunch with Dorothy FireCloud – discussion about how the Verde River fits into plan – she wants to find ways to tie the Verde River to Montezuma Castle; strong environmental ethic
- November 19: Attended VRVNO Board Meeting
Lunch with Nikki Check
- November 28: Verde River Kayak Trip with George Christianson, Max Castillo, Town staff; Had numerous negotiations with American Rivers regarding a grant; Town of Clarkdale has received a grant with American Rivers from the ALTRIA organization who will be sending approximately 18 people to our area in early June and providing approximately \$20,000 in funding as well as capital equipment needed to groom the Verde River from the Tapco RAP to the Tuzigoot RAP;
Continuing work with the Walton Foundation on grants
- November 29: Traveled to Boston for the National League of Cities Conference on behalf of AZ League of Cities and Towns (as Arizona League President and paid for by the League)
Attended State League President's Reception
Attended Arizona Reception honoring Marie Lopez Rogers as new President
- December 1: Attended Annual NLC Business Meeting at Boston conference
- December 3: Conference call with Matt Lore regarding Newly Elected Officials training
- December 4: Met with Chip Davis and YC election officials regarding consolidated election bill 2826
- December 5: Met with Russ Martin at Jerona Café regarding Camp Verde's desire to improve safety and mobility for Hwy. 260 between Camp Verde and Cottonwood
Met with VRBP
Verde River Institute Meeting
- December 6: Mesa Convention Center – Panel on Mayor and Manager Roles and Responsibilities
VRVNO discussion about event planner position
- December 11: Verde Valley Medical Center meeting regarding replacement of Administrator

Vice-Mayor's Report –

Participated in the Cottonwood Christmas parade representing Clarkdale.
Attended Made in Clarkdale event.
Participated in the Clarkdale Christmas card photo on the Verde.

Councilmember Bohall's Report –

Participated in the Cottonwood Christmas parade representing Clarkdale.
Attended opening night of Made in Clarkdale.

Councilmember Regner's Report –

Attended State of Our State conference.
Participated in the Cottonwood Christmas parade representing Clarkdale.
Attended Made in Clarkdale event.

Participated in the Clarkdale Christmas card photo on the Verde.

Councilmember Radoccia's Report –

Attended Intergovernmental Meeting – much of conversation involved the Route 260 discussion.
Attended Made in Clarkdale event.

Town Manager's Report –

Reminders: Made in Clarkdale event through December 15th – incorporated some new entertainment

Friday, December 14th - Caroling in the Park event beginning at 6:30 p.m.

December 15th - Clarkdale Home Tour and Time Capsule Dedication

There is new signage in complex – kudos to staff team particularly in community development who designed and implemented the new signs.

Organizational Reports – Reports regarding regional organizations.

CAT/ VVTPO – Councilmember Bohall – was not able to attend VVTPO meeting but minutes were presented to council as well as a written report regarding the ridership.

NACOG – Vice Mayor Dehnert – no report

NAMWUA – Councilmember Radoccia – no report

VRBP – Mayor – no report

VVLP – Councilmember Radoccia – highlight was that 70 miles along the river various groups have been eliminating invasive species and most of that work is complete; potential of grant funding and next year's expectations

WAC – Mayor – no report

VVREO – Councilmember Regner – was not able to attend but provided agenda to Council

YCL – Councilmember Regner – exploring ideas on how college can be more involved effective in supporting economic development in the region; Greater Verde Valley Chapter looking for presentations and programs that focus on the Southwest Wine Center

CONSENT AGENDA - The consent agenda portion of the agenda is a means of expediting routine matters that must be acted on by the Council. All items are approved with one motion. Any items may be removed for discussion at the request of any Council Member.

- A. **Approval of Minutes of the Common Council** - Approval of the minutes of the Regular Meeting held November 13, 2012 and Special Meetings November 1 & 27, 2012.

- B. Claims** - List of specific expenditures made by the Town during the previous month. November 30, 2012 check log and PPE dated 11-03-2012 and 11-17-2012.
- C. Board and Commission Minutes** – Acknowledgement of receipt of minutes and draft minutes of the previous month’s Board and Commission Meetings.
Board of Adjustments Notice of Cancellation for meeting November 28, 2012
Design Review Board Notice of Cancellation for meeting December 5, 2012
Planning Commission minutes of the meeting held November 20, 2012; Notice of Cancellation for meeting December 18, 2012
Library Advisory Board minutes of the meeting held November 1, 2012
Parks and Recreation Committee minutes of the meeting held November 14, 2012
- D. Approval for a Request for Extension of the Financial Assurance Time Requirement for Wildhorse Acres Estates Minor Subdivision** - Approval for a request for extension of the financial assurance time requirement for Wildhorse Acres Estates Minor Subdivision.
- E. Town of Clarkdale/ Cottonwood Area Transit – Regional Transportation Service IGA** – Approval of an Intergovernmental Agreement for a public transit system within the Clarkdale Town limits with the City of Cottonwood department known as C.A.T.
- F. Acceptance of a grant from the Walton Family Foundation relating to the Sustainable Clarkdale Project** – Approval of accepting a two year grant from the Walton Family Foundation relating to the Clarkdale Sustainability Park in the amount of \$420,496.00.
- G. Yavapai County Free Library District Library Service Agreement**– Approval of the 2012-2013 Yavapai County Library District Library Service Agreement with the Town of Clarkdale.

Mayor Von Gausig pulled Item D.

Councilmember Radoccia moved to accept Consent Agenda items A, B, C, E, F, and G as presented. Councilmember Regner seconded the motion. The motion was approved unanimously.

Senior Planner Escobar elaborated on Item D and explained that ownership had not changed. Community Development department does not believe there are opportunities to improve what they are asking for. Plat was recorded and realized they couldn’t sell the land but they are hoping to finish this off next year.

Councilmember Radoccia moved to accept Consent Agenda Item D as presented. Councilmember Bohall seconded the motion. The motion was approved unanimously.

NEW BUSINESS

Mayor requested Item 7 be moved to the first item of new business to accommodate the speaker and there was no objection.

WORKSESSION TO DISCUSS PROPOSED CHANGES TO THE SIGN ORDINANCE – A worksession to discuss the draft sign ordinance of the Zoning Code with the recommended changes from the Design Review Board and Planning Commission.

The Design Review Board and staff began discussions regarding proposed changes to Chapter Seven – Sign Code of the Zoning Code on June 6, 2012. Through application of the code and review of sign permits by the Design Review Board, issues with the current sign code had been identified. Staff and the Design Review Board worked to clarify the language in the existing code and to format the ordinance in a more logical layout. Data from other municipalities in the region was compared to prepare the proposed changes. In addition, changes were made to the code to encourage and support commercial businesses, including the allowance of portable signage (A-frames).

Two subsequent worksessions, July 11 and October 3, were held with the Design Review Board as revisions to the code were refined. At the October 3 meeting, the Board recommended the Planning Commission hold a public hearing on the proposed revised ordinance.

Per Section 17-5-3 of the Town Code, the Planning Commission shall hold public hearings to discuss changes to the zoning code and make a recommendation to the Town Council. The public hearing was held on November 20, 2012. At this meeting the Planning Commission suggested some changes to the draft ordinance and recommended the draft move forward to Council for review and action.

Sign Code

The following changes are being recommended:

- The Purpose and Intent were combined for clarity, page 1.
- In this same section, a paragraph was added providing guidance for sign design. The Design Review Board will use this section to guide the development of attractive signage.
- Section numbers have been changed throughout the document. The formatting matches the recently adopted Subdivision Code.
- Language was added requiring ongoing maintenance of existing signs. (Section 7-2-K)
- Electronic signs have been added to the list of prohibited signs. (Section 7-5-B)
- The Commercial Uses Section was created to address sign requirements for B & B's and Home Occupation uses in residential zoning districts. (Section 7-7)
- A suggestion for landscaping or hardscaping of monument sign bases was added. (Section 7-8-B-3)
- Neon was added as a permitted type of sign in commercial districts. (Section 7-8-E)
- A Portable Sign section was added allowing A-frame signs in commercial zoning districts with specific requirements. (Section 7-8-G). Portable signs will be subject to Design Review Approval.
- The Projecting Signs Section was amended to allow projecting signs in all commercial districts. (Section 7-8-H)
- A Sign Walkers Section was added to reflect conformance with state requirements. (Section 7-8-K)
- A Special Events Section was added. This section will be referenced in the new Special Events Chapter of the Town Code. (Section 7-8-L)
- The Temporary Sign section was expanded to require a permit for this type of sign. Presently there is a 30-day limit to banners and temporary signs; however, staff does not have a mechanism to track this limit without a permit being required.

- A section was added regarding permitted signage in the 89A Corridor Commercial Overlay District per Chapter 3-14 of the Zoning Code. (Section 7-8-R)
- A new section was added changing the calculation for maximum sign size based on linear street frontage. (Section 7-9)

The cumulative maximum sign size includes all awnings, wall, window, projecting, and freestanding signage but not temporary or portable signs. This maximum will apply to commercial businesses only and not to subdivision signs, which already have specified size maximums, or to other types of permitted signs. The new cumulative maximum sign size calculations connect allowable signage with the size and the street frontage of the building. The larger the property, the more signage is allowed.

All signs, except temporary and portable signs, must receive Design Review approval based on specific criteria, including items such as architectural merit, proportion, pattern and spacing. These criteria will be used to ensure that the sign plan presented is well balanced in proportion to the structure and fits into the location.

The goal of the changes being recommended to the Sign Code is to encourage economic development while maintaining the Clarkdale small town character.

No changes to existing rights regarding signage are being recommended in the revised Sign Ordinance, so there are no Private Property Rights Protection Act (Prop 207) ramifications.

Senior Planner Escobar and GIS Planner Espolt presented information on this agenda item. Design Review Board has been contacted by Clarkdale businesses with regard to how the Town could help them grow their businesses. As a result, major formatting of the whole sign code has been drafted.

Discussion followed regarding portable signs, bed and breakfast signage, special events, temporary signs, etc.

Bed and Breakfasts

Mayor Von Gausig stated he personally objected to the “monument” type sign allowable in front of a bed and breakfast due to the tendency of commercialization of a residential area. Councilmember Radoccia concurred. Escobar stated that because this regulation is allowed in the current code, we may need to consult with the Town attorney.

The Mayor also noted that the maximum allowable total sign size for a B & B is 32 sq. ft. and feels that this size is too large and the sign height of 6’ is too high. Vice Mayor Dehnert said that if you only allow a sign on wall of house you assume house can be seen from the street and this is sometimes not adequate. Councilmember Regner stated he is not opposed to a small sign at the end of a driveway that is not internally illuminated.

Portable Signs

Mayor Von Gausig stated that staff did a good job of making sure the signs don’t proliferate which he feels is a problem with portable A-frame signs. The Mayor stated that the draft says ‘one portable sign per business and no more than 3 per 50 ft. of linear feet of street frontage’. The determination of which businesses are allowed the signs is by who gets the first permits. The Mayor suggested that the special

event sign restrictions might have an explanation included so that the reason (safety) is not misinterpreted.

Sign Walkers

The draft does not address whether the sign walkers can be off-premises and the Mayor suggested a clarification in the final product such as “we meet State law”.

Yard Sale Signs

There was discussion about whether there should be size restriction for these signs. Escobar stated that this could be difficult for code enforcement and time consuming. Escobar noted that intensive public information releases will be provided once process is ready to be in place and can include information about yard sale signs. Town Manager Mabery noted that the size of the signs has not historically been the issue as much as the placement of the signs.

Ideological Signs

Vice Mayor Dehnert stated he liked the approach of promoting commerce and business. He asked about the fact that there was no size restriction mentioned for ideological signs and was informed that there was a free speech issue with regard to these types of signs and they can't be regulated with the exception that they can't incite a riot or reference a hate crime category.

Prohibited Signs

Escobar noted there would be clarification of this section because neon signs will typically have animation and reference is made in the draft that flashing/motion signs are not permitted. Signs that promote events outside of Clarkdale would be prohibited under this section and Escobar agrees that revisions would be in order if the Council prefers. Escobar also suggested that discussion with other towns might be appropriate so an agreement regarding advertising throughout the Verde Valley could be discussed.

Councilmember Radoccia suggested changing the home occupation signs from 2 square feet to 3 square feet.

Councilmember Regner suggested that color palates be used for new business. Escobar noted that it could be scheduled as a work session. Also noted that yard sale signs should be weighted so they don't blow around and likes the idea of including an address on the sign.

Mayor opened to public comment.

Bill Snyder, Clarkdale resident and business owner: Commented specifically on section on portable signs to say that he agrees that they detract from the attractiveness of the district; however he notes that the way the staff has put together this draft, everything will be fairly regulated. He believes that the Design Review Board serves the community well and will make decisions that will benefit the Town. Recapped article in the November 11th issue in the Arizona Living section of the Arizona Republic about recent development in Old Town Cottonwood. He made the point that the business community and municipal staff were united in their cooperation of promoting the businesses. He also stated that currently you can't read business signs because the trees cover them up. Therefore he believes the portable signs are a good alternative.

Robyn Prudhomme-Bauer, Clarkdale resident: The staff did an excellent job of presenting the issue to the board. Clarity and thought has been given to the sign code. Sixteen years ago the sign code discussion began and these measures taken by the board and staff is a huge accomplishment.

Mayor closed public comment.

This was a worksession only.

FISCAL YEAR 2011-2012 ANNUAL FINANCIAL STATEMENTS – Presentation of the Annual Financial Statements and consideration of approval of the 2011-2012 Annual Financial Statements.

The annual audit and the auditor reports have been completed for Fiscal Year 2012. The Annual Financial Statements and Independent Auditors' Report summarizes all funds including General, Streets, Water, Wastewater, Sanitation, and Cemetery, and is presented on the basis of accounting prescribed by the Uniform Expenditure Reporting System (UERS), as required by the Arizona Revised Statutes, and in accordance with the voter-approved alternative expenditure limitation. Included in the report is the Management's Discussion and Analysis, starting on page iii, which was written by Finance Director Kathy Bainbridge and provides an overview of the financial activities for the fiscal year ended June 30, 2012, along with an introduction to the basic financial statements. The Independent Auditors' Report on compliance applicable to the uses of Highway User Revenue Fund monies is located at the end of the report.

Financial Director Bainbridge introduced Scott Graf, partner with Colby and Powell, our auditors, who reviewed the statements for the Council. Scott stated that the audit was very good. The Town received a clean opinion on our financial statements. They test for balances and numbers in our financial statements. They were free of material errors, 'material' meaning something significant that someone would care about that would be 'off' by a certain dollar amount. Many towns don't have adequate finance directors but has worked with Financial Director Bainbridge and she has the knowledge and ability to provide important information. The main question he is asked is, "Are we better off or worse off than last year?" and our financial statements provide those answers. The Management Discussion and Analysis provided by Bainbridge gives an easy to read and understand analysis of the financial statement. The condensed statement of net assets provides the best indicator of better off or worse off than last year. Last year, 2011, the Town had an increase and showed improvement. 2012 shows an increase from 2011 of 22.89% further improvement. Financial health of city or town has to be cumulative financial statement numbers.

The Mayor stated that the Council has great confidence in our auditors and Finance Director Bainbridge who has turned around the whole process for the Council and provides education for the Council.

Scott stated he has made suggestions for improvements over the years and Town staff takes suggestions to heart and values the suggestions.

Vice Mayor Dehnert moved to approve the Annual Financial Statements and Independent Auditors' Report dated June 30, 2012. Councilmember Bohall seconded the motion. The motion was approved unanimously.

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE

EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA FROM ITS DRINKING WATER REVOLVING FUND PROGRAM; DELEGATING THE DETERMINATION OF CERTAIN MATTERS RELATING THERETO TO THE FINANCE DIRECTOR OF THE TOWN; PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH LOAN AGREEMENT AND THIS RESOLUTION AND DECLARING AN EMERGENCY – Discussion and consideration of Resolution #1418, a Resolution authorizing execution and delivery of a Loan Agreement with WIFA for the Twin 5's Water Line Replacement Project.

At the April 24, 2012 meeting, the council agreed that staff should proceed to the point of being shovel-ready on the Twin 5's Water Line Replacement Project, and bring it back to the Council when the costs and funding sources for the project were determined.

The Preliminary Probable Cost of Construction for the Twin 5's Water Line Replacement Project, including a 20% contingency is \$1,800,000.

On July 24th, WIFA informed staff that the Town of Clarkdale could qualify for an Environmental Protection Agency (EPA) "Fix It First Project" program, in which WIFA could provide Clarkdale with up to \$800,000 of forgivable principle towards the Twin 5s Water Main Replacement Project.

On October 17, 2012, the Board of Directors of the Water Infrastructure Finance Authority (WIFA) approved Loan Resolution No. 2013-007 authorizing WIFA staff to execute a \$1,600,000.00 loan agreement with the Town of Clarkdale. WIFA Loan No. 920235-13.

Please note that the loan documents reference an estimated CIFR of 4%; however, the actual rate charged on the amount of the loan required to be repaid will be based on market activity on the Wednesday or two days prior to closing, which has a tentative date of December 14, 2012.

There were some issues regarding WIFA parity with the City of Cottonwood Water Bond and the coverage ratios necessary for all of our outstanding debts that WIFA, our bond counsel and we did not originally anticipate. Although \$800,000 of the \$1,600,000 loan is considered "forgivable principle", we've all now learned that the coverage ratios must be based on the full \$1,600,000 amount of the loan, instead of the \$800,000 that will ultimately be re-paid. Because this is WIFA's first "Fix It First" project that involves forgivable principle, and because of the unique situation with our loan with the City of Cottonwood, this situation has caused a lot of creative thinking from all those involved in the project.

Although we will be repaying our debt for this project through system revenues (tied to the recently approved rate increase), we will also have to pledge a portion of our local sales tax revenues in order to give WIFA the parity they need with regard to coverage of the entire \$1,600,000 loan amount. When we are able to refinance the water bond loan with Cottonwood, the WIFA loan agreement will be amended to delete the local sales tax revenue pledge and the loan will be secured through system revenues (water rates).

If the Town fails to demonstrate compliance with the provisions of Davis Bacon wage rate requirements during construction, including those set forth in the Wage Rate and Forgivable Principal Addendum by the date which is the third anniversary of the loan closing: WIFA will provide a revised Exhibit A for the Loan Agreement to amortize the entire Total Financial Assistance Amount with the Forgivable

Principal Portion set to \$800,000, adjusted, as necessary, to incorporate, previous principal payments; and the Town will repay the Total Financial Assistance Amount. The Town has had to follow the Davis Bacon wage rate requirements for other grants we have administered along with the construction of the wastewater treatment plant. Staff is aware and confident that these provisions through construction will be monitored and completed in full compliance.

Approval of this Resolution requires a 2/3 majority vote.

Utilities/Public Works Director Debrosky and Finance Director Bainbridge presented information on this agenda item. Bainbridge noted the hard work on the part of WIFA staff to help Clarkdale qualify so they would be able to take advantage of the \$800,000 forgivable principle. In addition, refinancing with Cottonwood, which would have cost a lot more, was unnecessary because of the efforts made to help the Town qualify.

Councilmember Radoccia moved for the approval of Resolution #1418, a Resolution of the Mayor and Council of the Town of Clarkdale, Arizona, approving the form and authorizing the execution and delivery of a loan agreement with the Water Infrastructure Finance Authority of Arizona from its Drinking Water Revolving Fund Program; delegating the determination of certain matters relating thereto to the finance director of the town; providing for the transfer of certain moneys and making certain covenants and agreements with respect thereto; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such loan agreement and this resolution and declaring an emergency in the amount of \$1,600,000.00 for assistance in funding the construction of the Twin 5s Water Main Replacement Project. Councilmember Regner seconded the motion. The motion was approved unanimously.

WORKSESSION DISCUSSION REGARDING THE 89A CORRIDOR COMMERCIAL OVERLAY DISTRICT – A worksession regarding proposed alterations to the SR 89A Overlay District Ordinance.

In early September, Community Development Department staff began analyzing the SR 89A Overlay District Ordinance in great detail in response to an inquiry regarding a parcel located at the intersection of SR 89A and Lisa Street. During this analysis several issues and concerns regarding practical application of the Ordinance were identified.

The 89A Corridor Commercial Overlay District, Section 3-14 of the Zoning Code, was adopted by ordinance on September 12, 2006. The Ordinance provides guidance for commercial development along the highway corridor between Cottonwood and Clarkdale. The Ordinance encourages preservation of open space, pedestrian connections, and clustering of development as opposed to a ‘strip mall’ model.

When the SR 89A Overlay District Ordinance was crafted and reviewed, the assumption for this corridor was it would develop as a series of stop-lights and four-way intersections, so there was a valid concern this area would develop as a stretch of linear commercial buildings. Instead, the round-a-bouts constructed create natural focus areas around the five traffic intersections. The central median restricts highway access along the corridor.

The Overlay District Ordinance serves to identify a critical area of future development. However, the practical application of the Ordinance may not provide the best solution for this corridor due to the following issues:

1. **50-foot front setback requirement**

The Design Guidelines Section contains the following language:

‘Construction envelope setbacks shall be fifty feet in the front yard. Side and rear yard setbacks for the overall master planned limited commercial node shall be limited to the exterior boundary of the master planned area. This shall be a minimum of fifty feet. Side and rear yard setbacks for interior parcels may be zero so building development may occur in clusters.’

The requirement of a fifty-foot front yard setback appears to be in conflict with the goal to promote pedestrian friendly development. Current trends in community planning, including Form Based Code Planning, encourage storefronts to border pedestrian walkways.

The 50-foot setback requirement drives development away from the new sidewalks along the highway corridor, losing the optimum pedestrian connection.

Since many of the commercial properties in the Overlay District are long and narrow, the 50-foot front setback requirement would compress the development and push the commercial development closer to residential areas adjacent to the highway corridor.

Staff has prepared an exhibit showing how a property in the Overlay District might develop under the existing code requirements and how it might develop in a more pedestrian centered and visually appealing manner.

2. **Lot coverage maximum of 50 percent.**

Additional language in the Design Guidelines Section of the Ordinance states:

‘Lot coverage allowed for building, parking, driveways, and accessory buildings is fifty percent with fifty percent of the parcel's gross area maintained as permanent undisturbed desert.’

Staff has been unable to determine the underlying logic behind this restriction. It is standard planning practice to calculate lot coverage and floor area ratio based on ‘under roof’ square footage which does not include parking areas or driveways. The Town’s Commercial Zoning District does not contain lot coverage or floor area ratio maximums. Hypothetically, properties with Commercial zoning not adjacent to residentially zoned property could be developed from property line to property line. The Overlay District reduces the developable portion of the properties within the district to 50 percent.

Staff is unclear as to whether this specific requirement was reviewed by the Town Attorney. Staff is concerned this portion of the Ordinance provides grounds for a regulatory-taking law suit. Even before Prop 207, legislation was in place in United States to allow property owners to sue for fair compensation when a government regulates a property to such a degree it diminishes the value of the property.

In staff’s opinion, the inclusion of parking areas and driveways in the 50-percent lot coverage maximum will compress the building and parking areas. There is no specific height limitation in the overlay zone, so the height maximum of 50 feet in the Commercial Zoning District would apply. Developers may choose to go higher in the building in order to gain the square footage they desire. In order to obtain the

optimum building size, parking and access will be designed to be linear, actually creating a 'strip mall' effect.

3. Landscape Requirements.

The Design Guidelines of the 89A Overlay District require 'fifty percent of the parcel's gross area be maintained as permanent undisturbed desert.' This assumes all of the existing vegetation on the undisturbed portion is worth retaining and releases the developer from planting new, appropriate, landscaping as part of the development.

The requirement to keep 50-percent of the property as undisturbed desert constricts the development of a comprehensive, attractive landscape plan. If the 50-foot front setback is included in the undisturbed area, this does not necessarily create an attractive street frontage. (See Exhibit B)

4. Viewshed protection

The Ordinance attempts to preserve viewsheds along the corridor; however there are no specific guidelines included in the code. Section C defines what a viewshed is, however the Ordinance does not include any provisions to preserve a viewshed. In Section D, developers are required to identify potential view corridors; however there is no preservation requirement in this Section either. The lack of specifics in this section of the code would make it hard to enforce.

5. Comprehensive Development

The overlay district applies all along the highway corridor for a width of 500 feet from the highway centerline. A map of the entire district is included at the end of this report.

Several large parcels along the highway corridor have a portion of the property within the overlay district and a portion of the property outside of the district boundary. This will make it challenging to develop the parcels in a comprehensive manner.

Two significant commercially zoned properties along the corridor, the first at the intersection of Clarkdale Parkway and SR 89A, the second the commercial area to the north of Mescal Spur, are bisected by the overlay district. (See Exhibit C). It would be difficult to develop these properties comprehensively under two sets of requirements.

Summary

Staff sees three possible alternatives to address the discordances in the existing code:

1. The entire Ordinance could be vacated. In staff's opinion, it would not be possible to adopt a new ordinance with similar land use restrictions today post Proposition 207. The beneficial portions of the code addressing preservation of washes and open space and the requirement of pedestrian connections would therefore be lost. However, these goals are expressed in the General Plan. Also, the site plan review criteria in Chapter Eleven of the Zoning Code includes the preservation of natural drainage areas, the preservation of viewsheds and the importance of pedestrian connections. Therefore the only valuable tool lost in vacating the entire Ordinance is the 50 percent lot coverage. However, in staff's opinion, the inclusion of parking area and driveways in the lot coverage is too restrictive.

Generally, since parking requirements are based on the square footage of the building, the size of the building is constrained by the parking requirements. When a developer evaluates a property, the ratio of building square footage to parking requirements is a major factor when determining a building's size.

2. Portions of the code could be struck or modified, specifically the sections relating to lot coverage, setbacks and landscaping.
3. An alternate code could be adopted that allows developments to incorporate desirable elements into the project design in exchange for relaxation of existing requirements of the overlay district. A sample draft 'Alternate Code Table' is attached to the end of this report.

The Planning Commission has discussed the above issues in two worksessions and provided staff with direction to explore adoption of an alternate code to be used to encourage developments that incorporate sustainable design concepts.

Senior Planner Escobar presented background information on this agenda item.

Escobar stated that the Planning Commission's recommendation was to develop an alternate code. The Department tried to focus on sustainability elements that the Town wants to encourage. The Mayor likes this and thought this could lead to the whole overlay district getting services collectively.

Councilmember Radoccia stated that because of the 50 foot setback, because of shape and restrictions, the outlined area is a very difficult space to design on. It encourages parking in front which is costly and a waste of space. Believes setback should be reduced significantly with parking in the rear. He further stated that he likes that the Planning Commission is taking the time to work on a point system that would reward. He would like to encourage more research and add water reduction considerations.

Councilmember Regner questioned how we are addressing access to businesses along the 89A route with respect to the difficulties caused to businesses by the roundabouts. Escobar stated that she is not sure how to get a frontage road now because it's all private property but we could encourage connections behind the property. Escobar stated that reduction of the 50' setback and encouraging buildings toward the sidewalk will help develop back access to properties. Regner suggested adding hefty points for allowing for interconnectivity.

Vice Mayor Dehnert expressed agreement with Councilmember Regner regarding the difficult situations the roundabouts have created for these businesses and further compliments the Community Development department for identifying this problem. Alleyway access between businesses and side streets might be a feasible solution.

Escobar requested clarification from the Council as to whether they recommend to vacate certain parts of the code and have an alternate code or leave as it is and offer a menu of choices and alternatives.

Councilmember Regner stated he would like to take a whole fresh look at the code and re-evaluate what needs to happen to fix the problem. Vice Mayor Dehnert stated he agrees.

Councilmember Radoccia noted the comparison matrix regarding the way the 50% lot coverage is defined is a problem and agrees with giving the code a fresh look.

Escobar noted that Flagstaff just adopted a brand new full set of zoning ordinances and to avoid Prop 207 issues they chose to offer an alternative code. These options can be explored by Clarkdale as well.

Town Manager Mabery stated that if we fix all the problems with the code we lose some leverage in what options we can offer.

Escobar stated that perhaps we need to look at a sustainability overlay for the entire town where we award points for certain elements.

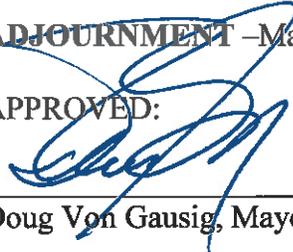
Councilmember Radoccia stated that the heat island issue is not addressed in our code and needs to be reviewed.

This was a worksession only.

FUTURE AGENDA ITEMS - Listing of items to be placed on a future council agenda.

ADJOURNMENT - Mayor Von Gausig adjourned the meeting at 8:43 p.m. without objection.

APPROVED:



Doug Von Gausig, Mayor

ATTESTED/SUBMITTED:



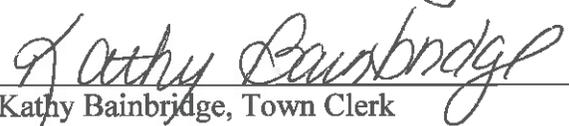
Kathy Bainbridge, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 11th day of December, 2012. I further certify that meeting was duly called and held and that a quorum was present.

Dated this 10 day of January, 2013.

SEAL



Kathy Bainbridge, Town Clerk