

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY

**TUESDAY MARCH 26, 2019
6:00 P.M.**

The Town Council of the Town of Chino Valley met for a Regular Meeting in the Chino Valley Council Chambers, located at 202 N. State Route 89, Chino Valley, Arizona, on Tuesday, March 26, 2019.

Present: Mayor Darryl Croft; Vice-Mayor Jack Miller; Councilmember Mike Best; Councilmember Cloyce Kelly; Councilmember Corey Mendoza; Councilmember Annie Perkins; Councilmember Lon Turner

Staff Present: Town Manager Cecilia Gritman; Town Attorney Andrew McGuire; Finance Director Joe Duffy; Public Works Director/Town Engineer Frank Marbury; Development Services Director Joshua Cook; Planner Alex Lerma; Community Services Director Scott Bruner; Administrative Technician Kathy Frohock (videographer); Town Clerk Jami Lewis (recorder)

1) CALL TO ORDER, PLEDGE OF ALLEGIANCE; ROLL CALL

Mayor Croft called the meeting to order at 6:00 p.m. and led the Pledge of Allegiance.

2) INTRODUCTIONS, PRESENTATIONS, AND PROCLAMATIONS

- a) Proclamation declaring April 2, 2019, as *National Service Recognition Day*, sponsored by Arizona Serve. (Mayor Croft)

The Mayor read and presented the proclamation to AmeriCorps State Members Patty Kardash with Yavapai Regional Transit and Maureen Owen with Horses with Heart.

Ms. Owen and Ms. Kardash outlined the work and services that members provided to organizations throughout the community and acknowledged Annie Reifsnyder for her leadership in AmeriCorps.

- b) Proclamation declaring March 29, 2019, as *National Vietnam War Veterans Day*. (Mayor Croft)

Mayor Croft recognized those in the room who served in Vietnam and read the proclamation.

3) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Council on any issue within the jurisdiction of the Council that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 30 minutes per meeting. Council action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

4) **RESPONSE TO THE PUBLIC**

Response to the Public is an opportunity for the Mayor to inform the public about how Town officials addressed matters raised during Call to the Public at a previous meeting.

- a) Comments regarding the Town establishing a pickleball court at one of the Town parks.

Mayor Croft explained that the request for a pickleball court had been forwarded to the Town's Parks and Recreation staff to research the level of interest, possible location, cost to implement the program, and any possible funding sources. If feasible, this item will be included with many other funding requests for consideration by staff and Council in developing the upcoming budget.

5) **CURRENT EVENT SUMMARIES AND REPORTS**

This item is for information only. The Mayor, any Councilmember, or Town Manager may present a brief summary or report of current events. If listed below, there may also be a presentation on information requested by the Mayor and Council and questions may be answered. No action will be taken.

- a) Status reports by Mayor and Council regarding current events.

Mayor Croft reported on the Session Two of the Citizen's Academy on April 4.

Annie Perkins spoke about the recent loss of two Chino Valley High School seniors from a car accident, as well as a Paulden family who lost their home to fire. She commended the community for their response and support to those families.

- b) Status report by Town Manager Cecilia Grittmann regarding Town accomplishments, and current or upcoming projects.

- c) Introduction of Joshua Cook, new Development Services Director. (Cecilia Grittmann, Town Manager)

Ms. Grittmann introduced Mr. Cook, the new Development Services Director, who detailed his background and 20 years of experience.

- d) Report regarding road conditions impacted by the February snow storm. (Frank Marbury, Public Works Director/Town Engineer)

Frank Marbury reported on the following via photos and description:

- Most of the roads in the photographs were old chip sealed roads that had not been touched for years, and the snowstorm, along with the subsequent softening and weakening of the base, was destructive for the road surface.
- Examples of damage were shown from the following areas: Sunrise Subdivision; Chino Meadows Subdivision; west side of highway near Casa Grande and also Perkinsville Road; Luna Estates; Mariposa Manor; Road 1 East at Road 1 South; and Road 2 North at Peppertree. Some of these roads were damaged as much as 75%. Staff patched Road 1 East at Road 1 South as best as they could.
- Road 2 North at Peppertree was one of the heaviest traveled roads in Town. The damage

to the road was related more to drainage than the snow, but it was beginning to lose both edges of the road. Some of the road fixes, particularly those with drainage issue, could have a cost in the six-figure range.

- He may come back to Council to ask prioritization for use of the flood control money to address the side drainage. There could also be a right of way issue.
- Repairing the damage on some of the roads would be rehab and reconstruction costs of \$50,000 per mile up to \$1.5 million a mile.
- Staff was now combatting growing weeds, road disrepair, and Perkinsville Road where the lakes had overtopped the road.

- e) Presentation regarding the May 21, 2019, Special Election Ballot Questions. (Frank Marbury, Public Works Director/Town Engineer; Joe Duffy, Finance Director)

Frank Marbury reported on the proposed Road Maintenance Program:

- The Roads Committee and Council worked on a plan within their means, to better maintain the roads. There was 153 miles of Town road, with one third being arterial and collector roads and 70% residential and rural roads. Arterial and collectors had more traffic and required more maintenance. Roads degrade over time slowly and then starts to get bad very quickly.
- Road surfaces consisted of approximately 80 miles of chip sealed roads (tar and gravel layers), 40 miles of a combination of chip seal and hot mix asphalt, and the remaining miles were divided between gravel roads, and dirt roads. Highway 89 was maintained by the State.
- Simply filling cracks and adding a fog seal could cost \$11,000-\$30,000 per mile. Adding chip seal doubled the price. Overlays and heavier rehabilitation were from \$50,000-\$300,000 per mile. To rebuild a road like Road 2 North would cost \$1.5 million plus per mile.
- The Town's current annual budget was only \$300,000-\$400,000. With that budget, only one mile a year could get overlay work completed.
- If the Town could keep the good roads good using seal coat type treatments, the roads could be maintained for approximately \$120,000 per mile over 20-years. If not maintained properly, that cost would be four to five times higher over 20 years.
- It would cost approximately \$16 million over 20 years for the Town's arterial and collector road system and \$16 million for residential and rural roads. That would be \$1.6 million per year at a minimum for the next 20-years. Using the HURF money only created a shortfall of \$1.2 million each year. The ballot question for \$1.5 million added funds to continue to improve the roads.
- Road funding would be managed through a pavement management program that would help plan which roads would be improved each year. The roads list would be determined by staff and the Roads and Streets Committee with the Council's approval through the capital budget process.
- With the proposed Road Maintenance Plan, 15-20 miles per year could be maintained every seven years as opposed to the current 3-5 miles every 30-50 years.
- Community concerns were the funding amount compared to the Town's neighbors. Prescott averaged \$35,000 per mile, Prescott Valley was \$20,000 per mile, Yavapai County was \$17,000 per mile and Chino Valley was currently at \$6,000 per mile. If the ballot measure passed, Chino Valley would be at approximately \$16,000 per mile.

Joe Duffy reported on the proposed Property Tax:

- The Highway User Revenue Fund was approximately \$400,000, which included \$75,000 from the general fund. The Roads and Streets [Committee] recommended the \$1.5 million property tax increase because they wanted to properly maintain the Town's roads and have money left that could be used for major road improvements when necessary.
- The Town had 6,901 properties: 3,500 were residential and 909 were non-primary residences. On average the properties were assessing at \$92,000-\$117,000, which was approximately 50% of the market value. Citizens would pay 2% on the assessed value of their home. On average the additional property tax would be \$183-\$226 per year.
- The money would not be used for employee salaries or raises, services or supplies, office supplies, furniture, or overhead. The funds would be audited each year to ensure they were being used in accordance with the ballot measure. A report of fund revenue and spending would also be posted to the website.
- Most of the work would be completed by contractors. The program would expire in 20 years, allowing the Town three cycles of road maintenance.

6) **CONSENT AGENDA**

All those items listed below are considered to be routine and may be enacted by one motion. Any Councilmember may request to remove an item from the Consent Agenda to be considered and discussed separately.

- a) Consideration and possible action to accept the March 12, 2019, regular meeting minutes. (Jami Lewis, Town Clerk)

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to accept Consent Agenda as written.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

7) **ACTION ITEMS**

The Council may vote to recess the public meeting and hold an Executive Session on any item on this agenda pursuant to A.R.S. § 38-431.03(A)(3) for the purpose of discussion or consultation for legal advice with the Town Attorney. Executive sessions are not open to the public and no action may be taken in executive session.

- a) Consideration and possible action to approve Ordinance No. 2019-866 to rezone 12.35 acres (approx. 535,788 sq. ft.) of real property located approximately 0.25 miles east of the southeast corner of North Road 1 West and West Road 4 North at 683 West Road 4 North, Assessor's Parcel No. 306-14-003S, from SR-1 (Single Family Residential-1 acre minimum) zoning district to CL (Commercial Light) zoning district to allow a wholesale nursery. (Owner of Record: Donald K. Cox and Catherine Cox) (Alex Lerma, Planner)

Recommended Action:

(i) Adopt Ordinance No. 2019-866 rezoning 12.35 acres of real property from SR-1 (Single Family Residential- 1 acre minimum) zoning district to CL (Commercial Light) zoning district per Staff recommendation; OR

(ii) Uphold Planning and Zoning Commission recommendation to deny Ordinance 2019-866 rezoning 12.35 acres of real property from SR-1 (Single Family Residential- 1 acre minimum) zoning district to CL (Commercial Light) zoning district.

At Council's request, Mr. Lerma presented items 7a and 7b together. The following is a summary of the discussion pertaining to 7a.

Mr. Lerma presented the following:

- *Request:* The applicants had been in the wholesale landscaping business since 1991. The applicants also owned the property to the east of the subject property, which was used as a wholesale landscaping business. While the current AR-5 zoning district allowed the wholesale nursery use, staff recommended the CL district, as the applicant wanted to open the wholesale nursery for retail use in the future.
- *Conformance:* The General Plan Land Use designation was commercial/multi-family residential, which was in conformance with the Commercial Light zoning district. Any property outside the General Plan designation could not be used commercially without an amendment to the General Plan. Improvements to the property included a single-family residence and an accessory structure. The property was surrounded by low to medium density residential and commercial properties. Zoning classifications surrounding the subject property included single-family residential one-acre minimum, low to medium density residential, commercial light, and commercial heavy. There were four active business permits for nurseries that were all zoned commercial light or commercial heavy with only one being zoned AR-5, but all their growing was done in a greenhouse.
- *Public comment:* One neighbor to the west was opposed to the zone change due to decreased value of his property and additional traffic created by the business. If approved, he requested that the owner install a privacy fence or barrier to decrease the impact to his residence. Four other residents expressed concern about increased traffic and setting a precedence of pushing the commercial zone further west.
- *Commission recommendation:* Additional concerns expressed included that future use of the property could include anything allowed under the CL zoning district. The Commission asked about conditions or constraints being put on the property to limit uses, but staff research showed that limits could not be put on any allowed zoning uses. The Commission voted 4-3 to forward a recommendation of denial due to concerns about future uses that were expressed by the neighbors.
- *Staff recommendation:* Staff recommended that Council adopt the Ordinance 2019-866 to rezone the property from SF to CL.

Ralph Pew, representing the applicant, related that:

- The facts presented by Mr. Lerma were supported and agreed upon by the applicants.
- The current zoning was inconsistent with the General Plan. The applicant wanted to change the zoning to CL so that they could have the nursery and outdoor retail sales. The quality of the nursery would be the same as the applicant's other nursery property to the east which was in meticulous condition.
- The General Plan protected the zoning of the surrounding properties, which could not be changed to commercially zoned property without a General Plan amendment.
- The request was positive for the Town because it would expand a well-run and reputable business and any retail sales would benefit the Town. Fear of future use could be controlled by the Town's zoning code and the use of site plan reviews. This property would not be detrimental to the surrounding properties, as it was consistent with the

neighborhood and surrounding uses.

Staff and Council discussed the following:

- Council and staff indicated a typo in the ordinance related to the size of the second residence, which should be 1,200 square feet.
- The property would have its own entrance on Road 4 North. The applicant's other property was maintained and built nicely.
- Staff believed the vegetative barrier would be sufficient for any impact to the surrounding properties. It would only be wholesale sales and once it became retail, staff would have to re-assess the design standards for mitigation.
- Staff concluded that CL zoning was a better fit than AR-5 because of the applicant's desire to open it up to retail sales in the near future. The retail portion was encouraged due to the sales tax benefit.
- Council recommended that staff look at bringing the main roadway in on the east side of the property in the middle of the two properties and keep the parking the same to alleviate impact to the neighbors to the west.
- Council requested to receive more information regarding denial decisions.

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to adopt Ordinance No. 2019-866 rezoning 12.35 acres of real property from SR-1 (Single Family Residential-1 acre minimum) zoning district to CL (Commercial Light) zoning district per staff recommendation.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

- b) Consideration and possible action to approve a Conditional Use Permit (CUP18-006) for 12.35 acres (approximately 535,788 sq. ft.) of real property located approximately 0.25 miles east of the southeast corner of North Road 1 West and West Road 4 North at 683 West Road 4 North, Assessor's Parcel Number 306-14-003S, to allow the existing single family residential use within the CL (Commercial Light) zoning district. (Owner of Record: Donald K. Cox and Catherine Cox) (Alex Lerma, Planner)

Recommended Action:

- (i) Approve Conditional Use Permit (CUP18-006) for APN 306-14-003S to allow the existing single family residential use within the Commercial Light zoning district with conditions recommended by staff; OR
- (ii) Uphold Planning and Zoning Commission recommendation to deny Conditional Use Permit (CUP19-001) for APN 306-14-003S to allow the existing single family residential use within the Commercial Light zoning district.

At Council's request, Mr. Lerma presented items 7a and 7b together. The following is a summary of the discussion pertaining to 7a.

Mr. Lerma presented the following:

- *Request:* The applicant was requesting a CUP because if the zone change was approved,

the existing home would become a legal non-conforming structure. Approval of the CUP would make the residence in conformance for the zoning district. The existing house would be used as a caretaker's residence and the applicant also wanted to build a second home on the property. The applicant's conceptual drawing showed a property buffer of trees and shrubs to help mitigate any negative impacts on the surrounding properties.

- *Recommendations:* For the reasons expressed under item 7a, the Commission voted 5-2 to recommend denial. Staff recommended approval with stipulations that no more than two residential structures be allowed on the property and the second residence be limited to 1,200 square feet.

MOVED by Vice Mayor Jack Miller, seconded by Councilmember Kelly to approve Conditional Use Permit (CUP18-006) for APN 306-14-003S to allow the existing single-family residential use within the Commercial Light zoning district with conditions recommended by staff, amending 12,000 sf to 1,200 sf.

Council questioned the second home, believing it would not fit within the new commercial zoning district.

Town Attorney McGuire advised that Council could change the two stipulations, in that the first one would specify there would be no more than one residential structure and stipulation two would be deleted.

Applicant Jim Cox and Mr. Pew explained that the property was a farm and they had a need for people taking care of the property. The current home could be lived in and the second home would be for caretaker use. The extra home would provide space and privacy for workers.

Development Services Director Cook related that if the existing residence was considered a caretaker's home, it did not need a CUP because it was allowed under permitted uses in the CL district. However, he believed the secondary home was not allowed and the question should be if it was a primary use, secondary use or an accessory use; or if it's a secondary primary use on a single property. Only one caretaker home was allowed by code and adding a second home would change the entire makeup of the property by turning it into multifamily residential use of the property

Mr. McGuire advised that Council could continue the CUP item to a specific date so that staff and legal counsel could research the second residence further

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Lon Turner to move this item to the April 9, 2019 meeting to allow staff to further work on it and provide answers to the Council.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

- c) Consideration and possible action regarding a proposed modification to the Town's Tax Code to increase the transaction privilege tax rate for manufactured housing sales. (Joe Duffy, Finance Director)

Recommended Action: (i) set a public hearing for May 21, 2019, on the proposed modification to the Town's Tax Code to increase the transaction privilege tax rate for manufactured housing sales, (ii) adopt the Notice of Intent attached hereto, (iii) direct staff to, at least 60 days prior to the public hearing on the increase, (a) submit the proposed change to the Arizona Department of Revenue, and (b) post the Notice of Intent and the supporting report and data on the Town's website, social media and other electronic communication tools, and (iii) direct the Town Clerk to publish the Notice of Intent in a newspaper of general circulation in the Town not later than May 13, 2019.

Joe Duffy reported that:

- Staff had been directed to start the process of changing and reviewing the tax rate change. Approving the item would inform the public that the Town was considering changing the tax rate and a public hearing would be set for May 21, 2019. Staff prepared the required report and the earliest the tax could be adopted and go into effect was August 1.
- The gross sales for manufactured homes dealers in Chino Valley averaged \$100,00 per home. Since 2015 there had been a revenue growth every year in this industry as well as the entire housing industry.
- Some new information showed that the lower tax rate seemed to help that local industry grow and be more competitive. Since the tax rate was cut in half, they would have to double the sales to break even, which the industry had not done in 2017, but sales tripled in 2018. Since the tax cut, there had been more homes sold in Chino Valley than the Town collected sales tax on, as it included homes purchased for use outside of Town.

MOVED by Mayor Darryl Croft, seconded by Vice-Mayor Jack Miller to continue Item 7 c to the April 9, 2019 meeting.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best, Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie Perkins, Councilmember Lon Turner

PASSED - Unanimously

8) EXECUTIVE SESSION

Council may vote to recess the Regular Meeting and hold an executive session, which will not be open to the public, for the following purposes.

- a) An executive session pursuant to A.R.S. § 38-431.03(A)(4) for discussion or consultation with the Town Attorney in order to consider the Town's position and instruct the Town Attorney regarding the Town's position regarding an intergovernmental agreement with the City of Prescott. (Cecilia Gritman, Town Manager)

MOVED by Vice-Mayor Jack Miller, seconded by Councilmember Cloyce Kelly to go into executive session at 7:47 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie
Perkins, Councilmember Lon Turner

PASSED - Unanimously

9) ACTION ITEMS RESUMED

After the Executive Session, Council will reconvene the Regular Meeting.

Mayor Croft reconvened the meeting at 8:28 p.m. and reported that Council gave instruction to their attorney and no action was taken.

10) ADJOURNMENT

MOVED by Councilmember Lon Turner, seconded by Vice-Mayor Jack Miller to adjourn the meeting at 8:29 p.m.

AYE: Mayor Darryl Croft, Vice-Mayor Jack Miller, Councilmember Mike Best,
Councilmember Cloyce Kelly, Councilmember Corey Mendoza, Councilmember Annie
Perkins, Councilmember Lon Turner

PASSED - Unanimously


Darryl L. Croft, Mayor

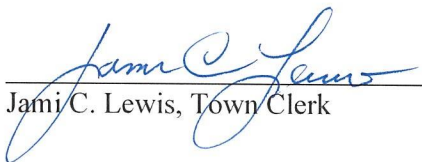
ATTEST:


Jami C. Lewis, 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 Chino Valley, Arizona held on the 26th day of March, 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 23rd day of April, 2019.


Jami C. Lewis, Town Clerk