

DRAFT MINUTES

TUSAYAN TOWN COUNCIL REGULAR MEETING

PURSUANT TO A.R.S. § 38-431.02 & §38-431.03

November 2, 2011 @ 6:00 P.M.

Best Western Squire Inn, Zuni Conference Room
74 State Route 64, Tusayan Arizona

TOWN COUNCIL REGULAR MEETING AGENDA

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor Bryan called the meeting to order at 6:04pm and the Pledge of Allegiance was recited.

2. ROLL CALL

Upon Roll Call the following were present:

MAYOR BRYAN

VICE MAYOR MANIACI

COUNCILMEMBER MONTOYA

COUNCILMEMBER RUETER

COUNCILMEMBER FITZGERALD

The following were also present: Town Manager Ochoa

Town Clerk Sutton

Special Project Planner Reddie

Office Assistant Garver

Special Project Team Leader Tim

Pickering

3. CALL TO THE PUBLIC FOR ITEMS NOT ON THE AGENDA

No public comments were made.

4. CEREMONIAL AND INFORMATIONAL MATTERS

Steve Munroe, a construction engineer from ADOT, said that ADOT and FANN Construction recently came to a decision that they would not continue with Phase 2 of the Highway 64 construction until the spring. They will lay a base coat of asphalt on those areas of the road that are exposed. The concrete work will continue as well as the landscaping. The final coat of asphalt will hopefully be laid by mid-June. They expect that the earthwork on Phase 2 will be easier and weather dependent should be done in April and May. A PR employee will go door to door to the businesses and update them on the change.

5. CONSENT AGENDA

A. Consideration and possible approval of Administrative/Treasurer's Report

ii. Approval of the Payment of Bills

Council Member Montoya moved to accept the payment of bills.

Council Member Rueter seconded the motion. All were in favor.

6. COMMITTEE REPORTS

No Committee reports were made.

7. ACTION ITEMS

Council Member recused himself from the meeting because of his relationship with Camper Village as they are his employers.

A. Discussion, consideration and possible approval of the Pre-annexation and Development Agreement between the Town of Tusayan, Arizona and the Stilo Development Group USA.

Town Attorney Sims stated that there had been significant changes to the Development Agreement since the starting process. He said that it must be consistent and conform to the Tusayan Area Plan. A provision had been added to the Camper Village application that it could revert if the requirements had not been met. There has been a temporal limit to the temporary housing located at Camper Village. The agreement requires the developer to apply for a CC&N and that an adequate water supply is proven prior to a site plan or plat. If the agreement is signed and finally approved, in 15 days the developer would be moving homes onto Camper Village. The agreement states that there is an MOU between the Grand Canyon School District and the developer. There is not an MOU but it will be provided at a later date.

David Uberuaga, Superintendent of the Grand Canyon Park, stated that he had concerns about the time frame and that their previous comments had not been incorporated into this plan. With no plan in place for the school, he said that it would push all of the responsibility back on to the Park. The development agreement allows the developer to drill wells and he had been told otherwise.

Tim Uquala, Havasupai Tribal Council, came to voice his opposition to the development. Their elders have recently been to the Snowbowl, Bill Williams Mountain and the TenX Ranch to locate traditional areas and hunting sites. They are also concerned about the water that could be drawn from the aquifer which would affect their grandchildren.

Helen Burtis, Water Council for the Havasupai Tribe, Rosette LLP, said that the assurances that the developer has given do not speak to the concerns of the tribe. The Havasupai have senior legal priority rights on ground water.

Carolyn Oberholtzer, legal representative of Red Feather Properties, RP Stage and Thurston Holdings, said that the rezoning request that is before you does not meet the Tusayan Area Plan. Legally the development agreement must be consistent with the Area Plan at the time it is signed. The main focus has been for the town to obtain land. The agreement includes 20 to 40 acres to be given to the town. It is meaningless until the 25 lots are in place at TenX which if not done in 4 years, the developer can do one of 4 things: 1) Stilo must construct necessary infrastructure to the individual lots that comprise the Town Housing parcel, or 2) Stilo must construct 5 single family homes on the Town Housing Parcel, or 3) Stilo must contribute \$80,000 to the Town or the purchase of a Town Park, or 4) Stilo must

contribute \$80,000 to the Town to be used by the Town Housing Authority. In 4 years and 6 months, the developer would have to choose another, at 5 years another and at 6 years the final remedy. Ms. Oberholtzer suggested that the developer would choose from the least expense to the highest and in the end the Town would still not own the 20 to 40 acres as it reverts back. She also raised concerns about Section 71, that if the developer provides housing for the town, the town pays them back. This is smart, but what if the land reverts back.

John McCulloch, from Flagstaff, said that he and his wife owned the Grand Canyon Dubois Hostels. They had presented 10 years ago to the Grand Canyon Park about hostels in the Park and they had declined. The Concession Contract is being reviewed again in 2012 and needed to be reviewed by the Town as the Park may allow hostel to be built within the Park at that time and may change the developer's plans.

Sharyl Allen, Grand Canyon School District, said that the governing board had met last night and their direction was to continue with discussions with Stilo. She appreciated the time that was spent with them but the governing board wanted 30 days to review. There should be a successful MOU afterwards.

David Uberuaga, Superintendent of the Grand Canyon Park, commented that the National Park Service has serious concerns about this project and potential impacts and demands this could place on the park resources, visitor experience and the park's aging infrastructure. He suggested that the developer be responsible for a transit system; look into active or passive solar systems to provide all energy needs; have them install flow meters to log withdrawals and allow Park personnel access for water level checks and chemistry samples; implement water conservation practices and wastewater treatment. Mr. Uberuaga suggested the Town ordinances include dust control and reduce speeds on unpaved roads. Dark Night Sky should be a priority to the town with restrictions on fixtures, signs and displays. He suggested that there be a noise ordinance developed and the Park could provide expertise in this area. He suggested the developer follow state and local noxious weed best management practices per the Tusayan Landscape Ordinance and that the developer include wildlife habitat connectivity as part of the plan. The Park would like to be a partner at the table.

Mayor Bryan closed any further public input on the Development Agreement.

Mark Reddie, Staff Planner, said that the Town has already adopted a dark night skies ordinance. The noise ordinance should be addressed by the Town and not be part of the developer agreement. The applicant has agreed to all future ordinances that are adopted by the Town.

Council Member Montoya said that the Council has been reviewing the agreement for the past several months. He appreciated the Havasupai's and the attorneys representing those that oppose the agreement comments and concerns but they have made decisions based on what is best for their constituents. Clarinda Vail suggested that another alternative would be for the Town to purchase some inholdings or land swap with the Forest Service, but there would be no one to foot

the bill and there would still be the same issues and take the same amount of time. There will be some growing pains but people are still wondering where they are going to live and it must start now.

Vice Mayor Maniaci stated that there will always be issues. She asked if not now, when? When businesses are done with their employees, they are done offering housing.

Mayor Bryan said that as he looked at the developer agreement and what it holds, he is quite aware of the time and what holds it all together. When the Town incorporated, people were expecting that there would be housing available within 6 months and did not understand that it could be 3 years later. He understood that 40 acres will not be enough for the Tusayan population and that these parcels should be reserved for affordable housing for now and future generations. The Mayor said that he got into the process of incorporation when there was an option to have land donated. He knew that leadership would burn out quickly but the land would bring in and grow additional leaders for the future. He will continue to look at other options but no matter if land is purchased or the Township Act is implemented, the Town will pay for the development and they will do that as the Town grows. He has been asked if the Council has given away too much for 40 acres. His response was that the Town currently has nothing and believes that developer's plan will not be fully developed, which has been a concern of those who are in opposition. The Council is getting the framework for the Zoning Ordinances in place and the developers have agreed to abide by them. When the Canyon Forest Village plan came through, the Mayor said he was against it as they did not want to be a part of the Town. The comments had been that if the developer had just come to Tusayan that it might have happened. The plan had been to create a downtown outside of Tusayan and that the light rail would have started there and gone by Tusayan. This agreement gives Tusayan the chance to meet its needs while meeting the developer's needs. It has not been the Council's desire or intent to impact the Havasupai's way of life and that if studies show that the plans do, then they will have to do something different. The influx of Park visitors will have to be addressed whether they come from Flagstaff or Williams or London or Bejiing. The Park needs to be a part of the efforts as their employees and concessionaires are part of Tusayan and so they should be a part of the solution. He suggested that the Park might have someone on the Housing Authority when it is created. The Town has needs that must be addressed. This has not been a quick process, took hours of meeting and there has been times that he has wanted to pull the plug. He asked, if not now, when, and whether waiting a couple more weeks would make any changes. The Mayor said that there were concerns that need to be addressed and they will be.

Frederico Pellicoli, President of Stilo Development Group USA, LP, said that they were fully prepared to deliver what has been promised and there will be 6 houses up prior to Christmas as long as the agreement is not challenged.

Bill Sims stated that the evaluation process has just begun. The requirements for Cultural Surveys, and evaluating the water sources are there and are all under overarching Federal Regulations. There are many stages of reviews and

processes that the Town will go through. Manjula Vaz confirmed that the Town can restate the agreement as a contract if the form of the development agreements is challenged. Mr. Sims said that one of the stipulations was that one or both of the parcel's re-zoning can revert. The developer will not build housing without infrastructure and they are required to build infrastructure on both Kotzin and TenX. The benchmarks were set to induce success. It is stated that the developer may advance the Town money to build infrastructure at an interest free loan for a year. No commercial development can be built until the developer has addressed the Town's housing needs.

Replacing an earlier motion, Council Member Montoya resolved to approve the Pre-Annexation and Development Agreement as amended with the Grand Canyon School District MOU.

Vice Mayor Maniaci seconded the resolution. There were three votes in favor and Council Member Fitzgerald voted against. The resolution passed.

B. Discussion, consideration and possible Ordinance approval of the Petition for Annexation of TenX Ranch and surrounding properties.

Mr. Reddie gave Mayor Bryan his complete assurance that the attached map was accurate.

Council Member Montoya said that this annexation was part of the process of the Town becoming a community.

Council Member Fitzgerald stated that he did not think that Stilo had provided proof that there was an adequate water supply and that the question had been asked in the past 18 months and had been asked 10 years ago. It still had not been answered adequately or why they haven't answered it yet. He did not think they had an answer and felt they should have proof at the same time they received the annexation. He asked where the emergency water supply would come from. As the P&Z is still not in place, the Town can't take care of its current violation. Council Member Fitzgerald sympathized with the people who spoke on housing issues and he is in the same situation living in employer housing but did not think that without knowing the price of utilities that the developer should receive 354 acres for 40 acres. No questions have been asked what the residents could afford for homes. Nothing has been done to look at other viable housing solutions. He wanted to see the development scaled back and he was concerned about the density. He suggested that the Camper Village parcel be given to them and see what they did with that and then re-apply for the rest. He wanted to see the annexation withheld.

Council Member Montoya moved to approve the ordinance of the Petition for the Annexation of the TenX Ranch and surrounding properties.

Vice Mayor Maniaci seconded the motion. There were three votes in favor and Council Member Fitzgerald voted against.

The motion passed Ordinance No. 2011-11-02-01.

C. Discussion, consideration and possible Ordinance approval of Planning and Zoning Commission recommendation regarding Proposed Equivalent Zoning in connection with the Annexation of TenX and Surrounding Properties.

Vice Mayor Maniaci said that this is part of the hope for housing that allows pets, more businesses, places of worship, town parks, technology, pharmaceutical, gas stations, stores, giving the Town choices.

Council Member Fitzgerald wondered why these opportunities had not been taken advantage of prior to this, because it had always been there. As far as competition, he did not think the new businesses would be able to charge less as they would have similar expenses if not more.

Council Member Montoya moved to approve the Ordinance of the Planning and Zoning Commission recommendation.

Vice Mayor Maniaci seconded the motion. All were in favor.

The motion passed Ordinance No. 2011-11-02-02.

D. Discussion, consideration and possible Ordinance approval of Planning and Zoning Commission recommendation regarding Zoning Ordinance Text Amendment, Modifying Section 13.3-3.C of the Tusayan Zoning Ordinance. This section would be modified to read: “The area contained within a proposed PC Zone shall not be less than 10 acres.”

Council Member Fitzgerald agreed that this ordinance was good for all future developers, small and large.

Council Member Montoya moved to approve the Ordinance for the Planning and Zoning Commission recommendation regarding Zoning Ordinance Text Amendment, modifying the PC Zone shall not be less than 10 acres.

Vice Mayor Maniaci seconded the motion. All were in favor.

The motion passed Ordinance No. 2011-11-02-03.

E. Discussion, consideration and possible Ordinance approval of Planning and Zoning Commission recommendation regarding Request to Rezone Camper Village, a 19.3 acre property, from RM/10A and CG-10,000 to Planned Community Zone.

Council Member Fitzgerald recused himself as he lives in Camper Village.

Bill Sims said that there was an additional stipulation added to the application. The attorney for Red Feather Properties disagreed with the applicant’s legal staff about whether the second access easement was public or not. The language was revised to add that the second point of access would be located in a different spot; the documentation would be revised in the next 30 days.

Council Member Montoya moved to approve the Planning and Zoning Commission recommendation regarding the request to rezone Camper Village from a RM/10A and CG-10,000 to Planned Community Zone.

Vice Mayor Maniaci seconded the motion. All were in favor.

The motion passed Ordinance No. 2011-11-02-04

F. Discussion, consideration and possible Ordinance approval of Planning and Zoning Commission recommendation regarding Request to Rezone Kotzin Ranch, a 160 acre property, from General to Planned Community Zone.

Council Member Fitzgerald returned to the meeting.

Mark Reddie said that there was a change in the wording in reference to the wastewater per the request of the Grand Canyon Sanitary District.

Council Member Montoya moved to approve the Planning and Zoning Commission recommendation regarding the request to rezone Kotzin Ranch from general to planned community zone.

Vice Mayor Maniaci seconded the motion. There were three votes in favor and Council Member Fitzgerald voted against.

The motion passed Ordinance No. 2011-11-02-05.

G. Discussion, consideration and possible Ordinance approval of Planning and Zoning Commission recommendation regarding Request to Rezone TenX Ranch, a 194.6 acre property from General to Planned Community Zone.

Mark Reddie said that stipulations 3, 24 & 25 were changed.

Council Member Montoya said that this was one more piece of the puzzle to continue the process. He moved to approve the Planning and Zoning Commission recommendation regarding the request to rezone TenX Ranch from general to planned community zone.

Vice Mayor Maniaci seconded the motion. There were three votes in favor and one vote against.

The motion passed Ordinance No. 2011-11-02-06.

Council Member Rueter returned to the meeting.

H. Discussion, consideration and possible approval of Resolution No. 2011-11-02-07 expressing Tusayan Town Council position and request to the Arizona Independent Redistricting Commission to keep Tusayan and Grand Canyon Village as one integral community of interest, because of geo-political history and mutually inclusive social fabric, and to redesign the state legislative district in such a way as to keep Tusayan within current District 1 which aligns Tusayan with similar communities that depend and thrive from the tourism industry.

The Town Manager said that this process was getting more complicated but that we needed to continue to contact the Arizona Independent Redistricting Commission and explain that the Grand Canyon Village and Tusayan need to be united.

Vice Mayor Maniaci moved to approve the resolution.

Council Member Montoya seconded the motion. All were in favor.

I. Discussion, consideration and possible approval of spending authority for the Town Manager to execute an agreement between Clink and the Town of Tusayan for the relocation of communication cables as part of the site preparation for the Office Modular at a cost of approximately \$1500 (exact amount pending).

Town Manager Ochoa said that the exact amount was \$1548.43 and Council Member Rueter confirmed that C-Link was on site splicing lines.

Council Member Rueter moved to approve the expenditure and to give the Town Manager the authority to execute an agreement between C-Link and the Town of Tusayan.

Vice Mayor Maniaci seconded the motion. All were in favor.

8. DISCUSSION ITEMS

A. ADOT Highway 64 Project Update

Updated in Item 4.

B. Modular Office Update; Siting, FF&E

Town Manager Ochoa said that he was working diligently in moving forward on this. Council Member Rueter said that he had met with FANN Construction today and that it was possible for the Town to be able to purchase some of their materials. The contract for the pad started this week and will be completed by next week. C-Link was to be finished today and that week after next, the modular unit would arrive and start the installation. The Town Manager said the furniture has been identified and is waiting for the go ahead. The contractor who is working on the dais will also be putting the furniture together once it arrives. We are within budget.

C. Community Park MOU with Grand Canyon School District

Sharyl Allen relayed that the governing board had worked diligently on the MOU and had approved an environmental agreement. The Town Staff has had it for the past 30 days. The contractor has moved forward and the District is working on the assumption that it will be signed. The Town Manager confirmed that he had received it and had forwarded it to the Town Attorney, where some small changes were made to it. Town Manager Ochoa will present it to the Council at the next meeting as this document will not hold up from getting the project accomplished.

D. CUP Files Transfer Update

Town Manager Ochoa had a conversation with Susan Pratt about the CUPS. Her predecessor was reluctant to start the project until the Town had gotten an ordinance in place. The Town Manager suggested that we get some part time help to copy the 118 CUPS. He will meet with Ms. Pratt again next week.

E. Audit Update

The Financial Consultant has transferred all the information into QuickBooks and will add some additional information. Once this is done, it will be ready for the auditors to review it.

F. Council Retreat

i. Council Policies and Procedures

ii. 3-5 Year Goal Setting

iii. Ethics Training

iv. Open Meeting Law Training

The Council decided to hold a Council Retreat on January 11th, 2012. The Town Manager will make arrangements.

9. TOWN MANAGER'S AND STAFF REPORTS

A. Community and Civic Activities

Town Manager Ochoa had attended a successful event on Friday sponsored by the Chamber. The comments were that everyone enjoyed themselves and wanted to do these regularly.

B. Sheriff's Report

Town Manager Ochoa had called but they had not responded.

10. SET AGENDA AND ACTION ITEMS FOR NEXT MEETING

Various Items were suggested.

11. COUNCIL MEMBERS' REPORTS

Council Member Rueter said that a contractor had dug too big of a hole and had cracked a water pipe, but that it was repaired quickly, thanks to the help of the Fire Department and the Grand Canyon Sanitary District. On Thursday night, there would be another water shutdown from 11pm to 2am because they would be relocating a main line.

Vice Mayor Maniaci thanked everyone who showed up to the Council Meetings.

12. MAYOR'S REPORT

Mayor Bryan will be attending the Arizona Broadband Development Project and a Redistricting meeting in Phoenix. Nick Larsen said that there would be 2 new towers constructed for wireless communications but that operators can ask to co-locate for the use of broadband.

13. MOTION TO ADJOURN INTO EXECUTIVE SESSION for the following purpose:

The Town Council did not go into Executive Session.

14. MOTION TO ADJOURN

Vice Mayor Maniaci moved to adjourn the meeting.

Council Member Fitzgerald seconded the motion. All were in favor.

The meeting adjourned at 8:48pm.