

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, SEPTEMBER 1, 2020 AT 7:00 P.M. IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

Mayor Seymore called the meeting to order at 7:00 p.m.

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Seymore, Vice Mayor Allsop, Councilman Clark, Councilman Hatch, Councilwoman Kakavas, Councilman Kelley, and Councilman Leech.

COUNCIL MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: Ed Muder, City Manager; F. Morgan Brown, City Attorney; Justin Johnson, Deputy City Manager; Bill Kopp, Public Works Director; Justen Tregaskes, Planning and Zoning Director; Jeff McNeil, Police Commander; Rachael Hall, Deputy City Clerk; and Tamra Reidhead, City Clerk.

GUESTS: Dawn Wilson, Sharon Stone, Jon Adams, Curt Fernau, and others.

3. Invocation.

Councilman Kelley gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Allsop led the Council and audience in the pledge of allegiance.

5. **CALL TO THE PUBLIC:**

Any citizen desiring to speak on a matter that **IS NOT** scheduled on this agenda may do so at this time. Comments may be limited to three minutes per person and shall be addressed to the City Council as a whole, and not to any individual member. Issues raised shall be limited to those within the jurisdiction of the City Council. Pursuant to the Arizona Open Meeting Law, the City Council cannot discuss or act on items presented at this time. At the conclusion of the call to the public, individual City Council members may (1) respond to criticism made by those who have spoken, (2) ask staff to review a matter, and (3) ask that a matter be put on a future agenda.

None.

6. **CONSENT CALENDAR:**

- A. Consideration of Acceptance of Arizona Attorney General's Grant and Authorization of Associated Budget Transfers. (Joe Shelley)
- B. Consideration of Appointment of Local Public Safety Personnel Retirement System Board Member. (Daryl Seymore)
- C. Consideration of Minutes of Show Low City Council meetings:
 - (1) Study Session of August 18, 2020.
 - (2) Regular Meeting of August 18, 2020.

COUNCILWOMAN KAKAVAS MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN HATCH; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CLARK, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

7. **NEW BUSINESS:**

- A. **PUBLIC HEARING** – Ordinance No. 2020-03 Amending the Zoning Ordinance of the City, Amending the Zoning Map, Changing the Zoning on Property Described as A.P. No. 210-49-123 from I-1 (Light Industrial) to C-2 (General Commercial). (Justen Tregaskes)

Mr. Tregaskes said at its regular meeting of August 25, 2020, the Planning and Zoning Commission voted 6 to 0 (Commissioner Adams excused) to recommend approval of a zone change request submitted by Compassionate Care of AZ, Inc. for property located at 1350 North Penrod Road, more particularly described as A.P. No. 210-49-123 to change the zoning of the subject property from I-1 (Light Industrial) to C-2 (General Commercial).

Mr. Tregaskes said the subject property was previously utilized by Western Grade and was currently vacant. The applicant had indicated that they plan to relocate from their current location in Taylor to the subject property. The applicant would utilize a portion of the building for a medical marijuana dispensary. An existing medical marijuana cultivation facility was located off-site. There was no plan to relocate the cultivation facility to the subject property due to regulations by the Arizona Department of Health and Show Low City Code.

Mr. Tregaskes said the applicant held a neighborhood meeting on June 15, 2020. There were no neighbors in attendance. However, staff had received an email from a property owner within the notification area expressing concerns related to this request. This email was sent to the Council.

Mr. Tregaskes said per City Code Section 15-1-67(D)(1) medical marijuana dispensaries or infusion facilities were limited to the C-2 zone through a Conditional Use Permit (CUP). Also, medical marijuana cultivation facilities were limited to the I-1 and I-2 (Heavy Industrial) zones through a CUP.

Mr. Tregaskes said because this would be a medical marijuana dispensary and not a medical marijuana cultivation facility, a rezone of the subject property was required. If the zone change was approved by the Council, the applicant would need to apply for a CUP through the Show Low Planning and Zoning Commission. This zone change would be contingent upon Arizona Department of Health and City of Show Low CUP approvals.

Mr. Tregaskes read the conditions for Ordinance No. 2020-03 aloud.

1. All development shall comply with all applicable federal, state, and local requirements.
2. The applicant shall landscape the property in accordance with Section 15-1-60 (D)(7) of City Code.
3. No medical marijuana shall be cultivated on site.
4. The adjacent I-1 (Light Industrial) properties shall not be required to install screening walls or fences between themselves and the subject property.
5. This zone change is contingent on Arizona Department of Health and City of Show Low Conditional Use Permit approvals for a medical marijuana dispensary.

Mr. Tregaskes said staff scheduled the public hearing and possible adoption of Ordinance No. 2020-03 for September 1, 2020.

Vice Mayor Allsop asked if two medical marijuana dispensaries were allowed within the City due to a 25-mile radius limitation. Mr. Tregaskes said within the City limits this type of building would need a 500-foot radius from other facilities in a C-2 zoned area, which limited the applicant to only a few properties that would qualify for such a radius. The 25-mile radius limit was in reference to a household not being able to grow its own marijuana while being within a 25-mile radius of a dispensary.

Councilwoman Kakavas discussed that when the first dispensary came into the City there was a state regulation that only allowed one dispensary

per 25 miles. Mr. Tregaskes said that when the medical marijuana act was passed by the voters, there was a requirement by the Arizona Department of Health that would only allow one dispensary per Community Health Analysis Area (CHAA). The City was considered one CHAA. Since that regulation, the Arizona Department of Health had seen that some areas were more productive than others and now allowed multiple dispensaries in one CHAA if those dispensaries were established and productive. By the Zoning Ordinance within the City Code, the City could not produce a monopoly so it was discussed and decided that the City would not allow more than two dispensaries within the City limits.

Councilman Hatch asked if the zoning was changed, whether it would preclude other businesses from using surrounding properties. Mr. Tregaskes said no, the surrounding properties to the north were owned by the City for the runway protection zone. The properties to the west and south were privately owned and zoned for industrial, which would not require additional provisions due to the zone change.

Mayor Seymore asked if more conditions could be put on the business during the CUP application process. Mr. Tregaskes said yes, when the applicant submitted the CUP application, then conditions such as hours of operation, signage, days of operation, etc. could be placed on the business. He believed the conditions would be similar to the current operating dispensary in the City.

Mayor Seymore opened the matter for public hearing.

Jospeh Holland, attorney with Holland Law Firm, PLLC for Compassionate Care of AZ, Inc. said the zone change would be consistent with the current general plan for the City in that area. The building for the dispensary would not be a prospect for a cultivation center in the City. The applicant currently had a cultivation center in Snowflake that met their needs. He acknowledged that there was a need for a second dispensary within the City due to continued lines at the current operating dispensary. His clients wanted to address a need and do everything they could to follow the required perimeters.

Councilman Leech asked if there was potential for another business to share the large building with the dispensary. Mr. Tregaskes said yes, another business could share the building but would have to comply with the C-2 zoning standards, building codes, and fire code requirements.

Councilman Clark asked if this would be the only dispensary location for the applicant, or if they would still have the dispensary that was currently located in Taylor. Mr. Holland said the applicant would be moving their dispensary from Taylor to the City and would only operate one dispensary.

The applicant would still operate one cultivation center that was located in Snowflake. He said many municipalities took the position that dispensaries should only operate in industrial parks, but the City took the position to have them in C-2 zoning so the businesses would be on major roadways and could be easily patrolled by law enforcement.

Councilman Clark asked if the applicant had any security issues at their current location. Mr. Holland said no, within the last five years of operation they had not had any security issues.

There being no further input, Mayor Seymore closed the public hearing.

Vice Mayor Allsop shared his grievances regarding having two dispensaries within the City limits.

- B. Consideration of Ordinance No. 2020-03 Amending the Zoning Ordinance of the City, Amending the Zoning Map, Changing the Zoning on Property Described as A.P. No. 210-49-123 from I-1 (Light Industrial) to C-2 (General Commercial). (Justen Tregaskes)

By unanimous consent, Ms. Hall read Ordinance No. 2020-03 by title only.

“AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AMENDING THE ZONING ORDINANCE OF THE CITY, AMENDING THE ZONING MAP, CHANGING THE ZONING ON PROPERTY LOCATED IN SECTION 16, TOWNSHIP 10N, RANGE 22E OF THE GILA AND SALT RIVER MERIDIAN, NAVAJO COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS A.P. NO. 210-49-123 FROM I-1 (LIGHT INDUSTRIAL) TO C-2 (GENERAL COMMERCIAL)”

MAYOR SEYMORE MOVED TO ADOPT ORDINANCE NO. 2020-03; SECONDED BY COUNCILMAN KELLEY.

Mayor Seymore said there were times that the Council was presented with items that they might not want to approve but had to approve to prevent the City from being involved in litigation. He said the best location for a dispensary would be in this facility in a C-2 zone.

MOTION PASSED 5 TO 2 WITH MAYOR SEYMORE, AND COUNCIL MEMBERS CLARK, HATCH, KELLEY, AND LEECH VOTING IN FAVOR, AND VICE MAYOR ALLSOP, AND COUNCILWOMAN KAKAVAS CASTING THE DISSENTING VOTES.

- C. Consideration of Ordinance No. 2020-04 Authorizing Purchase of Real Property from AMHC, LLC. (Morgan Brown/Ed Muder)

Mr. Brown said city staff was approached by the owner of AMHC, LLC who owned the property located at 1000 East Mills which he used as a station for ambulance services. He indicated that he was moving the location of his business and that he would be listing the property located at the above address for sale and wanted to know if the City would be interested in purchasing the property located adjacent to Nikolaus Homestead Park. City staff was aware that parking at certain events such as Little League games had become an issue and indicated to the owner that they would be interested in purchasing more property for parking. The owner obtained appraisals and shared the appraisals with the City. The back part of the property, which was vacant land and approximately 0.5 of an acre or 23,500 square feet, was appraised at \$70,000. The front portion with the building was appraised at \$455,000. This portion included about 5,254 square feet under roof, and had storage bays for vehicles, bathrooms, kitchen, office spaces, storage spaces, etc. The owner indicated he was willing to take less than the appraised amount, and staff negotiated with the owner to purchase all of the property including the building for \$250,000 plus closing costs. The City would have a 30-day inspection period. The close of escrow would be on or about September 30, 2020.

Mr. Brown said City staff recommended approving Ordinance No. 2020-04 and purchasing the property, which would allow the City to expand parking at Nikolaus Homestead Park and allow future use of the building with the storage bays.

By unanimous consent, Ms. Hall read Ordinance No. 2020-04 by title only.

“AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF SHOW LOW, ARIZONA, AUTHORIZING THE PURCHASE OF REAL PROPERTY KNOWN AS A.P. NO. 210-16-082C FROM AMHC, LLC”

COUNCILWOMAN KAKAVAS MOVED TO ADOPT ORDINANCE NO. 2020-04 AND FURTHER MOVED TO APPROVE THE AGREEMENT FOR SALE OF REAL PROPERTY WITH AMHC, LLC; SECONDED BY VICE MAYOR ALLSOP; PASSED 7 TO 0 WITH MAYOR SEYMORE, VICE MAYOR ALLSOP, AND COUNCIL MEMBERS CLARK, HATCH, KAKAVAS, KELLEY, AND LEECH VOTING IN FAVOR.

8. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Leech said the Springerville Rib Throwdown would be this Saturday, located on Main Street in the Town of Springerville.

Vice Mayor Allsop attended a Main Street Board meeting and said the project on the corner of 9th Street and Deuce of Clubs was completed. The Board would be discussing more projects in the future to continue to beautify the City. He also attended a Meals on Wheels meeting and thanked Northern Arizona Council of Governments (NACOG) for their support. He asked citizens to keep the Rosania family in their thoughts and prayers during this time on the loss of their son Cody Rosania.

B. Mayor

Mayor Seymore said the Navajo County Fair would still conduct the auction, allowing youth to sell their 4-H animals on September 17 through 19. He said he participated in a conference call for the League of Arizona Cities and Towns annual business meeting. He encouraged citizens to participate in the 2020 Census.

C. City Manager

Mr. Muder said this coming weekend was the men's Labor Day softball tournament with games on Saturday and Monday at the Senior and Ponderosa fields, and the LDS Stake Center field. COVID-19 restrictions would be in place.

Mr. Muder said Waste Management's pickup schedule was being adjusted to ensure the most efficient trash and recycling collection services for City residents. The expected schedule changes would be effective the first part of October.

Mr. Muder said the 2020 Census was still underway, with only 40.8% of households in Show Low responding to date. Residents could still participate and complete the online self-response form at www.2020census.gov. However, census takers had begun visiting households that have not responded. September would be the last month for the census, and all operations would cease on September 30.

Mr. Muder said in public works projects, work on the Meadow path and fishing piers had begun. The manhole replacement project in Torreon would be completed next week, and work continued on the East Hall sidewalk and drainage improvements. He thanked the citizens for their patience as crews worked on important projects around the City.

9. **SCHEDULING OF MEETINGS:**

Scheduling of meetings, which may be brought up at this time.

Mr. Muder said there would be a Study Session on September 29, at 6:00 p.m. to review the final report from Sports Facilities Advisory group.

10. **ADJOURNMENT.**

There being no further business to be brought before the Council, **MAYOR SEYMORE ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF SEPTEMBER 1, 2020 AT 7:46 P.M.**

ATTEST:

APPROVED:

Tamra Reidhead, City Clerk

Daryl Seymore, Mayor

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the **REGULAR MEETING** of the City Council of Show Low held on September 1, 2020. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 20____.

(SEAL)

Tamra Reidhead, City Clerk