

MINUTES OF THE REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF PINETOP-LAKESIDE, ARIZONA, HELD SEPTEMBER 17, 2009 AT 7:00 P.M. IN THE TOWN COUNCIL CHAMBERS.

Mayor Smith called the Regular Meeting to order at 7:00 p.m. Roll call was taken as follows:

<u>ROLL CALL:</u>	<u>Present</u>	<u>Absent</u>		<u>Present</u>	<u>Absent</u>
Mayor Luke Smith	<u>X</u>	___	Stephanie Irwin	<u>X</u>	___
Vice Mayor Rich Crockett	<u>X</u>	___	Kim Webb	<u>X</u>	___
Woody Biscoe	<u>X</u>	___	Leslee Wessel	<u>X</u>	___
Norris Dodd	<u>X</u>	___			

STAFF PRESENT:

L. Kelly Udall, Town Manager; Rosemary Rosales, Town Attorney; Lu Anne Frost, Town Clerk; Susan Stein, Deputy Town Clerk; John Vuolo, Parks and Recreation Director; Paul Esparza, Community Development Director; Brian McCabe, Town Planner; Tom Thomas, Public Works Director; and Sherwood Eldredge, Chief of Police.

ITEM NO. 2, PLEDGE OF ALLEGIANCE AND INVOCATION:

The Pledge of Allegiance was said, followed with an invocation by Vice Mayor Crockett.

Mayor Smith suggested they move Item No. 10 up to Item No. 8. He also suggested all public comments on agenda items be for three minutes and he requested the Council take notes on their questions and ask them at the end.

ITEM NO. 3, CALL TO THE PUBLIC:

Mayor Smith explained the rules for Call to the Public.

Rich Munroe stated he represents several former 2020 Vision Committee Members, who are organizing a group called the People’s Vision Committee (PVC), to enhance communication between the Council and the community. He stated they are anxious to have a broad based membership. He stated they could be contacted via the Internet at www.pvisionc.org or peoplesvisioncommittee@gmail.com. He stated they would be holding their first meeting on September 22 at 7:00 p.m. at Shepherd of the Mountains Lutheran Church. He invited the community to join their effort to preserve the unique and environmental qualities of the Town and to create a well balanced community. He said they welcome the Council’s support of their endeavor.

ITEM NO. 4, CONSENT AGENDA:

The consent agenda consisted of the Minutes of the Work Session and Regular Meeting of August 20, 2009; Check Register for August 2009; Authorization for the Mayor to Sign a Letter to Congresswoman Kirkpatrick regarding the Four Forest Initiative on behalf of the Town Council; Resolution No. 09-1068 Supporting the White Mountain Apache Tribe’s Application

for the United States Department of Commerce Economic Development Administration Grant; Resolution No. 09-1061 Adopting Amendment No. 2 to the Intergovernmental Agreement between the State of Arizona and the Town of Pinetop-Lakeside for the SR260 Lakeside Village Streetscape Project; and the Council Decision Request for Appointments to the Town Audit Committee.

VICE MAYOR CROCKETT MOVED THE COUNCIL APPROVE THE CONSENT AGENDA AS PRESENTED. COUNCILMAN BISCOE SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 5, MAYOR'S PROCLAMATION IN SUPPORT OF THE 26TH ANNUAL RUN TO THE PINES CAR SHOW:

Mayor Smith proclaimed the weekend of September 25 through 27, 2009 as Run to the Pines Weekend in the Town of Pinetop-Lakeside.

ITEM NO. 6, RESOLUTION NO. 09-1071 ADOPTING AN AGREEMENT BETWEEN LAWRENCE AND MAUREEN SERRANO AND A. PAUL AND MARTHA E. SERRANO AND THE TOWN OF PINETOP-LAKESIDE TO INSTALL A GATE ON TOWN PROPERTY TO ALLOW THEIR ACCESS TO AN IRRIGATION DITCH EASEMENT ON U. S. FOREST SERVICE PROPERTY:

John Vuolo stated the agreement is for access to maintain the water flow from Seeping Springs, above the Mountain Meadow Recreation Complex, to the Serrano property. He stated the Town built a new fence that restricted their ability to maintain the Seeping Springs easement obtained from the Forest Service in 1996, and said it sits above the disc golf course. He stated the Serrano's would purchase a gate, which will be installed by the Town. He stated the Town is responsible for the existing drainage. He added it is not an easement because the agreement would cease to be valid when the property is sold or changes ownership.

COUNCILWOMAN WESSEL MOVED TO APPROVE RESOLUTION 09-1071 ADOPTING AN AGREEMENT BETWEEN LAWRENCE AND MAUREEN SERRANO AND A. PAUL AND MARTHA E. SERRANO AND THE TOWN OF PINETOP-LAKESIDE TO INSTALL A GATE ON TOWN PROPERTY TO ALLOW THEIR ACCESS TO AN IRRIGATION DITCH EASEMENT ON U. S. FOREST SERVICE PROPERTY. VICE MAYOR CROCKETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 7, RESOLUTION NO. 09-1069 ADOPTING THE PINETOP-LAKESIDE GENERAL PLAN UPDATE CONSULTANT AGREEMENT BETWEEN THE TOWN AND COUNTS PLANNING, LLC.:

Paul Esparza stated seven consultants submitted RFQs to update the General Plan. He stated the Town assembled a selection committee that conducted telephonic interviews and face-to-face interviews. He said three consultants were interviewed face-to-face. He said staff is recommending Counts Planning, LLC. He said they have successfully negotiated a contract and said they feel confident the timeline can be met. He said they wanted to pick the best fit for the community. Richard Counts introduced himself.

Councilwoman Wessel asked how they would involve the general public in the process. Mr. Counts stated they believe in citizen-driven plans, and said they believe the community and the Council are the best resources to tie important outside documents into the General Plan. He added they are going to update the public participation plan used in the 2002 General Plan, which will be brought to the Council in the form of a resolution. He said it will include ways for the public to become involved; including a General Plan Advisory Committee, newsletters, website postings and public meetings with citizen involvement.

VICE MAYOR CROCKETT MOVED TO APPROVE RESOLUTION NO. 09-1069 ADOPTING THE PINETOP-LAKESIDE GENERAL PLAN UPDATE CONSULTANT AGREEMENT BETWEEN THE TOWN AND COUNTS PLANNING, LLC. COUNCILMAN WEBB SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 10, RESOLUTION NO. 09-1072 RESOLVING TO PURSUE A SHORT-TERM STRATEGY FOR THE CONCURRENT ACQUISITION OF THREE WOODLAND LAKE PARK TRACTS WHILE CONTINUING TO PURSUE LONG-TERM STRATEGIES TO SECURE THE REMAINING ACREAGE:

John Jarchow stated the strategy for the last 20 years was the Park would be a gift from the Federal government; and said in the past two years, the Woodland Lake Park Acquisition Task Force Committee has been exploring all possible avenues for the acquisition of part or all of the 583 acres. He stated this resolution is not binding, but said it will provide direction. He stated more than 100 people have committed to the acquisition work over the past two years and said they need direction. He asked the Council to help them know where they will go in the future. He stated it is not clear if they could use ELGA to acquire the 40 acres, due to hurdles with the U. S. Forest Service. He said Council action tonight would make it easier for the School District to move ahead with this. He said the Town has made a sizeable investment in the 98-acre portion. He said the third strategy is to look at the possibility of a cooperative development with the Town to proceed with opportunities in the Walnut Creek Node and said that could be revenue producing which could then be put to other uses. He said the fourth part of the document would allow the Committee to continue to work on strategies relative to the remaining 345 acres as a potential recreational district; but said at this point, there is no enabling legislation. He stated the Council is being asked to give direction to the Committee and to the public. Sue Sitko thanked the Council for considering this resolution. She stated many people have been involved in this effort and said she thinks it is quite clear a majority of the community supports some attempt to acquire all, or a portion, of the Park. Mr. Jarchow stated he thinks the Committee is being very realistic.

Mayor Smith stated the Committee has done a fantastic job and he commended their efforts. He stressed the three strategies are concurrent and said he thinks that is important. He stated this is a very complex project and said it is critical to establish a commitment and show a realistic approach. Vice Mayor Crockett asked for an explanation on Item Number 4 and the cost of the NEPA study. Mr. Jarchow stated it is a Federal process and said the cost will be dependent on the findings. He stated it could be underway by January and said there is money budgeted for it. He said there are no absolutes. Kelly Udall stated the Town has budgeted \$30,000 this year, but said he does not believe that amount would be enough to pay for the environmental assessment.

He said they will need to look for partners and said they hope the Trust for Public Lands and the Save Our Park Committee would help. He added they will not know the cost until it is started. He said some study was done when the Forest Service cleaned the property. He said the Memorandum of Understanding and Collection Agreement will need to be approved by the Council. He said the Forest Service is reviewing it and it would then come to the Council. He said an RFQ for consulting services for assistance with the environmental study will also come before the Council. Vice Mayor Crockett stated he agrees the Town needs to purchase the Park, and said the only calls he has received in the last two weeks were regarding the Park issue and taxes being raised, pot holes not being fixed, streets not being paved, and things being cut back because the Town does not have the money. He said they are talking about a \$46,000 per month payment on a \$7 million bond for 20 years, which is rather extensive. He stated he crunched the numbers on sales tax revenue and said the Town cannot cover that debt unless they increase taxes by 1%, which is hard for himself and the business community to stomach. He suggested the Town look at the 98 acres as a public/private partnership and acquire that before they look at anything else. He said things can get bad quickly and said there is almost no way to cover the debt unless they generate revenue. He said currently revenue is down more than \$100,000 this year from last year. He said he is not against the resolution but said he wants to be realistic.

Mr. Jarchow stated the action tonight does not encumber the Town. Mayor Smith stated the resolution signifies what the Town would like to do when the Town is prepared to do so. He said it is an important statement. Mr. Jarchow stated there are some reasonable scenarios to assist in producing revenue, which would allow additional opportunities. Vice Mayor Crockett stated he likes the resolution except Item Number 1. He said his issue is the Town cannot cover the debt and said he has a hard time considering an increase of sales tax. Mayor Smith talked about the 2013 tax sunset for Mountain Meadow. Vice Mayor Crockett stated he included that, but said it would mainly cover operation and maintenance expense. Councilwoman Wessel stated they could add a public/private partnership as another option in Item Number 1. Mr. Jarchow stated a partnership is a possibility, but said it is not necessary for the Town to have a partner; as they want to work as creatively as they can without restriction. Vice Mayor Crockett stated Item Number 1 is to purchase the 98 acres; not the Walnut Creek Node, nor a public/private partnership. He asked if they can reduce or eliminate the debt with a public/private partnership. Mr. Jarchow clarified there is no timeline on the items, and said they are concurrent. Councilman Biscoe stated he does not like a tax increase when there are businesses closing. Mr. Jarchow stated the key to Item 1 is the Town would own the 98 acre parcel by itself. Vice Mayor Crockett stated they should look at other options than taxes and said it should be removed from Item 1. He said he does not want to see taxes raised to buy property that will not generate revenue for the Town. Mayor Smith stated tourists and residents see the value of the Park, and said use of the Park does generate revenue. Mr. Jarchow stated 12% of the revenue comes from the Town residents and the rest comes from individuals outside of the Town. He said if they can find a more equitable or effective mechanism, the Committee would support it 100% and said the assumption is the Town wants this done.

Jim Anderson stated he represents the White Mountains Land Trust, which is very much in support of the Resolution. He urged the Council to approve the Resolution.

Eric Kramer stated although there has been some hard work and progress, he is against development in the Walnut Creek corridor. He said reducing the open space in the Town takes from the residents of Pinetop-Lakeside. He said they need to continuously engage the Federal

government at a value for its legal use. He said 20 years ago there were trout in Billy Creek until a developer blocked Adair Springs; and said a trout stream would be good for the Town. He said he does not believe citizens would make the same mistake twice.

Vice Mayor Crockett stated he is not in favor of a tax increase, but said he is in favor of a resolution to purchase the Park. Mayor Smith stated he is in favor of a tax increase for Woodland Lake Park and said this is a reasonable, cautious approach in the direction the citizens want. Councilwoman Wessel stated they need to do something to encourage the Committee to continue their work. She stated she is in favor of the resolution and suggested they add “and any other funding source that may be discovered” to Item 1.

COUNCILWOMAN WESSEL MOVED TO APPROVE RESOLUTION NO. 09-1072 RESOLVING TO PURSUE A SHORT-TERM STRATEGY FOR THE CONCURRENT ACQUISITION OF THREE WOODLAND LAKE PARK TRACTS WHILE CONTINUING TO PURSUE LONG-TERM STRATEGIES TO SECURE THE REMAINING ACREAGE WITH A MODIFICIATION TO SECTION ONE TO ADD AT THE END OF THE PARAGRAPH “AND ANY OTHER REASONABLE PURCHASE/REVENUE OPTIONS THAT MAY BE DISCOVERED.” COUNCILMAN WEBB SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

ITEM NO. 8, ORDINANCE NO. 09-333 AMENDING THE OFFICIAL ZONING MAP OF THE TOWN TO REZONE APN(S) 311-47-132B, D, F AND G, 311-47-228D, 311-48-025A, AND A PORTION OF APN 311-47-091 AS IDENTIFIED IN THE LEGAL DESCRIPTION, LOCATED SOUTHWEST OF WHITE MOUNTAIN BLVD. AND SWEETWATER RANCH ROAD, NAVAJO COUNTY, ARIZONA, FROM R-LOW AND R1-4 TO PLANNED UNIT DEVELOPMENT (PUD):

Mr. Esparza stated the conceptual plan is the basis for this Planned Unit Development (PUD) zoning district request. He said the Stone Bridge conceptual plan includes 79 single-family residential lots, 64 condominium units and at least 30% open space on approximately 58 acres. Councilman Dodd joined the meeting by conference call at 8:05 p.m. Mr. Esparza continued by stating the project was reviewed by the Open Space Committee which offered suggestions and recommendations for connectivity of a trail and to create quality open space. He said they received comments from other agencies. He said this is not a plat review; but the basis for the rezoning on how the land would be developed. He said all property owners within 300 feet were notified by mail and the property was posted. He stated the main access point would be off of Sweet Water Ranch Road, the second access point would connect to Osprey; and said the Fire Department asked for a third access off of Fir Lane. He said they are working with the developer to create that access point. He said the developer has considered other changes to the project and said he has worked with the neighbors. He went over the staff recommendations. He stated this project contains 31.6% open space, which meets the new Open Space requirements. Councilwoman Wessel asked what they mean by buffering. Mr. Esparza stated buffering could include fences and landscaping between adjacent uses. Councilwoman Wessel asked what the setbacks would be for the parking lot. Mr. Esparza stated there are no setbacks for parking lots. Vice Mayor Crockett asked if Tract “D” was included in the zoning change. Mr. Esparza said those lots are part of the proposal.

Councilman Dodd asked about Letter “G” on page 147 of the packet. Mr. Esparza stated a Planned Unit Development is required to mix different lot sizes and residential structures. Councilman Dodd asked about the nodal development concept. Mr. Esparza stated the Penrod Node is to the east of this project, and said it does not fall within the nodal area. Vice Mayor Crockett asked if the amendment was necessary or advisable in light of current or future conditions. Councilwoman Wessel stated she understands this is a medium density area and said the statement is saying the amendment matches future development contained in the General Plan. Mr. Esparza stated in order to do this type of development, a PUD zoning district is required. Councilwoman Wessel stated “in light of current or future conditions,” housing in Pinetop-Lakeside is sufficient; and said affordable housing is needed for people who work here. Mayor Smith stated there is more R-low abutting C-1. He asked if that provides better transition. Mr. Esparza confirmed. Councilman Dodd stated the project narrative indicates the project is “necessary” and asked why it is “necessary” due to the current economic conditions. He asked for an explanation as to why this rezoning is necessary.

Mark Kahlich stated in light of the current economic conditions, the project will help the overall economic situation of the Town. He said it conforms to the Tejido nodal concept; and added it may generate additional economic activity. He said the Tejido Group would like to see non-vehicular traffic and trails. He said the project would create more revenue in that area and said additional density would translate to economic viability. He said sales taxes and impact fees generated from construction would be in the millions of dollars. He stated the project is in the middle of an area where people will be able to walk to dining, grocery stores and other shopping. He said another aspect is the fact that if a portion of the units would walk or bicycle, it would impact the traffic volume. He said the Tejido Plan includes the use of trails. He said they want to create a trail or walking path around the lake and connect it to Woodland Lake Road. He said based on neighborhood meetings, they moved the condos and single family residences and created 40-foot rear setbacks on the one-acre lots. He reviewed the project and its prospective uses. He said he feels this project will bring in a lot of dollars to the Town. He said he hopes by the time this project is ready, the economy will have turned around.

Jim Eden stated he and his wife own over 10 acres of property adjacent to this project. He said he has no problem with the current zoning and expressed that to Mr. Kahlich, to which he said Mr. Kahlich responded he could not make any money. He said he does not want people walking on his property next to the stream.

Janet Velikanje thanked those Council members who made themselves available to speak with the residents. She stated she wanted to address the process and stated it has been frustrating to oppose this project as it seems to fall on deaf ears. She stated she found there was a process to address their issues. She stated there is an overwhelming opposition to this project and asked the Council to trust the citizens. She stated they are not opposed to a PUD or a development, just not on this piece of property. She asked the Council to trust the citizens who are overwhelmingly opposed and not begin the process.

John McCann stated the previous document provided by Ms. Velikanje did not contain bad signatures, as the signers all live in the RV Park and have the same address. He stated the project is gorgeous and understands that someday it would be developed, but said he is opposed to the level of homes. He asked where people would park if they used the clubhouse for outside

events. He said he does not think this development is something the average citizen could afford. He said he does not believe this plan is for the local residents.

Jim Velikanje stated Councilman Dodd asked why this project is necessary as there are no lumber yards in Pinetop. He asked about the location of the parking lot for the trails, adding water to the creek and using grey water to water lawns. He commented there is no reason for a public clubhouse if no one is going to use it and said there would be no place to park.

Roger Williams stated his premise is this project should be tabled until the General Plan can be reevaluated. He stated Section 4.7-6 of the General Plan is a mandate to establish an overlay district to protect Billy Creek, Walnut Creek and Scotts Creek from developmental encroachment. He said these properties go right up to Walnut Creek. He said he is against development that is not consistent with what people want. He said he asked the Planning and Zoning Commission Members if they have walked the property. He said if they walked it, they would know they were in a wetland, or an environmentally sensitive area. He said the unintended consequences are pollution from pesticides and fertilizers as there would be runoff into the creek, and eventually into the lake.

Necie Roberge stated she agreed with everything Mr. Williams said. She said she loves this community and said she is not anti-development, but said she is against any development that overstresses the roads and infrastructure, or changes the makeup of the community. She urged the Council to protect the community.

Shirley Bonifasi read a sentence from the General Plan. She stated new data should be gathered before development goes forward near the creeks, and said she wants the rezoning addressed. She stated her property is zoned R-Low and said the plan is for condos right next to it. She said zoning should not be more than twice the zoning adjacent to residential properties. She stated the community is against this project.

Mr. Williams stated in the General Plan, a major amendment is defined as a substantial alternation of land use. He stated both the General Plan and Land Use Map indicate this is a sensitive area.

Stephen Larson echoed what has already been said and stated he strongly opposes any change in the zoning. He urged the Council to not change the zoning. He said congestion, noise, lights and crime are not acceptable. He said this project would have a negative impact on the neighborhood.

Carl Davis stated his residence does not adjoin the property, but said he is greatly concerned with additional traffic volume. He suggested all development be curtailed until such time as there is another major traffic route. He said it is wrong to create dangers on Highway 260. He urged the Council to vote "no" on this project.

Bryan Hayes stated his property abuts the corner and said he knew when he purchased it, the land would be developed. He said Mr. Kahlich purchased the property with particular zoning and is only requesting this zone change to make money. He said his land would get traffic and noise and said he understands that, but said if this is approved, they would get 2 ½ times as much traffic and noise as the circumstances were when he purchased his land. He said he fails to see

how increased density could decrease traffic. He asked the Council to not put one individual's desires and rights over all of theirs.

Terry McCann stated she agrees with everything said so far and is against this project. She said they chose this area because of the nature and small town feel.

Mr. Williams stated any development over 60 acres should require an amendment to the General Plan. He said roadways coming in and out of the property should be counted in the square footage and said this project would then be more than 60 acres. He said he has never seen a PUD come out the way it goes in. He said the developer gets incremental changes

Rex Nichols stated he lives in Woodland Hills and said their HOA did not know anything about this. He stated they are against this zoning and potential decreased property values.

Jerry Handorf stated he is in favor of this project. He said his property is adjacent to this property and said he knew it would be developed eventually. He said he was concerned if it would be a quality development. He said this project is top quality and said he thinks Mr. Kahlich would do a good job. He said there would be traffic problems and said some of the area is marshy. He said he would like to keep the property as it is, but feels this development would be a quality project. He said there are some positives on this project and asked the Council to consider those.

Jim Beck stated he does not live around the proposed project, but said the General Plan is the law and must be abided by. He said Section 2.3 of the General Plan calls for sustainable long-range planning for future growth. He asked about drilling a well to level the lake from an aquifer and said he hears about problems all the time. He said developers are required to have a 99 year plan. He asked how the use of the aquifer to fill an artificial lake would affect the Town. He questioned the location of this project.

Sally Troutt stated she agrees with all said with an exception to Mr. Handorf's remarks.

Amy Lee stated she is in opposition only because it is a PUD. She stated the current zoning is okay. She said the traffic problem is bad on Osprey.

Councilwoman Wessel stated this is a difficult decision. She stated she has visited with some of the residents and said the developer has been trying to look at it from both sides. She stated if Mr. Kahlich was to develop under the current zoning, she would not like it. She stated Woodland Hills was developed R1-4; and said there is no open space. She said the purpose of the PUD is to give the Council the chance to ask for more. She stated the current zoning is only going to provide houses and streets. She stated the new Open Space policy requires 30% open space, while R1-4 allows only 10% and R-Low 5%. She stated she walked the site and thinks it is beautiful. She stated she understands their concerns and suggested they get together to buy the property from Mr. Kahlich. She stated the PUD gives more to the community than the current zoning. She stated she understands the concerns about drainage and said Mr. Kahlich could change it after the zone change. She asked if Mr. Kahlich sold the property with the zone change, would the new owner have to follow the same requirement. Ms. Rosales stated the new owner would have to follow the same requirement, but said the Council could approve a different site plan. Councilwoman Wessel stated it is difficult to determine if this is an issue about "not in

my back yard” or about genuine concerns. She stated she is leaning toward a plan that provides open space with medium density that fits the current General Plan. She stated there has been a concerted effort to meet the concerns. Councilwoman Irwin stated she weighed this decision when she was on the Planning and Zoning Commission. She agreed the Council has to look at the good of the community. She stated a trail would benefit more than just people in the development. She stated if the property was developed under the current zoning, they would have little leverage to get a project like this. She stated sales tax is generated when the home is sold, not when the materials are purchased; and said the Town would receive the sales tax revenue.

Mr. Kahlich stated the clubhouse is conceptual and shows a swimming pool, but said there is probably not going to be one. He said it will have additional parking spaces, but said he does not know what the final requirement would be for the number of spaces. He said there is still a lot of engineering to do. He said since the initial idea of the lake and the well; they discovered they have 3 acre water rights, which may be used to fill the lake without a well. He said there could be a gray water solution from the Sanitary District.

Councilman Webb stated he is familiar with the layout of this property. He said this is a well planned project and said it would sustain the Town. Councilman Dodd stated when they considered this issue in November, he was critical of the elements. He said since then he has met with Mr. Kahlich and others involved, and said he sees more positives since November; including the 16% reduction in density, buffering, and the third access. He stated he is concerned with drainage issues. He said concerns from adjacent land owners are difficult to sort out between legitimate concerns about development from what is in their back yard. Councilwoman Wessel stated she has witnessed traffic concerns and the speed people drive through there. She stated those things need to be addressed soon. Mayor Smith stated he likes the improvements of the project over the last time this came before the Council, but said maybe it not enough for the neighbors. He said when they look at the project long-term and the issues are resolved, it reflects a future quality development. He said he sees similarities between this project and Aspen Meadows. He commented the developer will spend money on studies once the zoning is changed. He stated he is in favor of quality growth and said he does not want to shut the door on development as he feels that would be the death of the Town. He said he believes in the process and said he will vote with his conscience. Councilwoman Wessel stated she believes the staff recommendations are critical in a motion.

COUNCILWOMAN WESSEL MOVED TO ADOPT ORDINANCE NO. 09-333 AMENDING THE OFFICIAL ZONING MAP OF THE TOWN TO REZONE APN(S) 311-47-132B, D, F AND G, 311-47-228D, 311-48-025A, AND A PORTION OF APN 311-47-091 AS IDENTIFIED IN THE LEGAL DESCRIPTION, LOCATED SOUTHWEST OF WHITE MOUNTAIN BLVD. AND SWEETWATER RANCH ROAD, NAVAJO COUNTY, ARIZONA, FROM R-LOW AND R1-4 TO PLANNED UNIT DEVELOPMENT (PUD) WITH THE STIPULATION THAT STAFF RECOMMENDATIONS ARE INCLUDED. VICE MAYOR CROCKETT SECONDED THE MOTION AND IT CARRIED WITH SIX IN FAVOR. COUNCILMAN DODD WAS OPPOSED.

ITEM NO. 9, RESOLUTION 09-1070 ADOPTING THE FIRST AMENDMENT TO THE LIMITED DEVELOPMENT AGREEMENT BETWEEN PINE LAKE MEADOWS, L.L.C. AND THE TOWN OF PINETOP-LAKESIDE:

Mr. Esparza stated the bulk of the agreement deals with improvements to the secondary access. He said the developer notified staff they could not attend due to an emergency. He stated this project went before the Council some time ago. He said the agreement called for improvements to Sierra Way to be completed by October of this year. He said the developer is requesting a two-year extension due to the economy. He said the Town has received requests for extensions on other developments. He stated this does not affect any of the other stipulations. Councilwoman Wessel asked about Mr. O'Sullivan's memo. Mr. Udall stated he is not sure what the issues of the HOA are. He said the request before the Council is to extend the development agreement by two years. Councilwoman Wessel stated she understands the development requires a secondary access and said this agreement pertains to that secondary access.

Councilman Dodd asked if they are moving forward and coordinating with the Corps of Engineers on the stream crossings. Mr. Esparza stated he believes they are pursuing those permits.

Martin O'Sullivan stated he wanted to be sure everyone knew the history of this project. He stated the project was to be done within one year and said the agreement included a stipulation requiring Sierra Way to be 32-feet wide. He said the original plat contained 161 units and now there are only 42, even though several attempts have been made to complete the project. He stated somewhere along the line, the Town became responsible for \$127,000 to improve the road. He stated the Town must waive the Code, which opens the Town to liability issues. He said the developer has no plans to continue this project and suggested the Town not extend the agreement at this time. He stated the sharing formula may not be legal and said the Town should not lock themselves in for another two years. Councilwoman Wessel asked if Mr. O'Sullivan had a proposal. Mr. O'Sullivan stated he does. Mayor Smith stated the development agreement extension is what they are debating, not the safety of the roadway. Vice Mayor Crockett asked if the Town's monetary portion would remain the same even if the costs went up. Ms. Rosales stated up to one-third, or a maximum of \$120,800; per the original agreement.

Jones Cavanaugh stated they should not extend this agreement. He said they should hold out to get a better deal.

Lee Wille stated he is the President of the Pine Ridge Community Association and said they perceive this as an opportunity. He said they are not resisting the project but feel this is the Town's opportunity to get a better road.

Mayor Smith stated a lot of the work and effort has been put into this project and said he would hate to see that effort not be given a chance. He said based on the history of this project, it is likely to have a different developer; and said he feels comfortable with the cost. He said he is not opposed to the two-year extension, as it shows the Town gave the developer every opportunity to improve the project. Councilman Biscoe confirmed the extension was due to the economy. Vice Mayor Crockett stated his concern in granting an extension is the precedent they are setting. He stated he understands the economy, but has a hard time granting it. Councilman

Dodd asked Mr. Esparza how many developments were granted extensions due to the economic downturn, and said the precedent has already been set. He stated several developments have been granted extensions. Mr. Esparza stated Pine Wood is another development that was granted an extension. Councilwoman Irwin asked if they had to act on this tonight.

MAYOR SMITH MOVED TO APPROVE RESOLUTION 09-1070 ADOPTING THE FIRST AMENDMENT TO THE LIMITED DEVELOPMENT AGREEMENT BETWEEN PINE LAKE MEADOWS, L.L.C. AND THE TOWN OF PINETOP-LAKESIDE. COUNCILWOMAN IRWIN SECONDED THE MOTION. Mayor Smith stated the price will not go down; and said in two years, it will either happen or not. Vice Mayor Crockett asked if staff made a recommendation. Councilwoman Wessel stated staff has put a lot of effort into this and recommended approval. **MAYOR SMITH CALLED FOR THE VOTE AND THE MOTION CARRIED UNANIMOUSLY.**

ITEM NO. 11, CURRENT EVENTS BY TOWN MANAGER:

Mr. Udall stated due to the lateness of the evening, he would not be making a report tonight. Councilwoman Wessel asked which Council Members would be riding on the Town float in the Fall Festival Parade.

ITEM NO. 12, TOWN COUNCIL CURRENT EVENT REPORTS ON ALL COUNCIL APPOINTED COMMITTEES, COMMUNITY ORGANIZATIONS AND AFFILIATES:

Councilman Dodd stated the Woodland Lake Task Force Committee approved the strategies brought before the Council tonight. He said he hopes the NEPA study will be started soon. He said the Forest Health Committee is united in a broad-based approach pursuing different resources and enforcement strategies, and said they will meet on Monday. He said he did not attend the last TRACKS meeting.

Councilwoman Irwin stated the Yellow Jacket Youth Center is up and running. She added the kids are studying art, had a visit from TRACKS, and watched a presentation by the K-9 Police Team.

Vice Mayor Crockett stated the Chamber of Commerce Fall Festival will be held on September 25 - 27 as a great way to extend the festival season.

Councilwoman Wessel stated the Pinetop-Lakeside Historical Society is applying for a \$2,000 grant from the Arizona Historical Society. She said the Museum will be closing at the end of October. She said the Show Low Creek Watershed Enhancement Project had a Town Hall on September 3, but she was not able to attend. She said several issues were discussed, including the concern about weeds in Rainbow Lake. She stated the Fall Festival was not advertised in two Phoenix newspapers.

Councilman Webb stated the Senior Citizens are concerned with their insurance and said they may want to be included on a future agenda. Mr. Udall stated he would make contact with them.

Councilman Biscoe stated the Advertising and Promotion Committee will hold a retreat on September 23. He asked why there are more tents this year after the new ordinance. Mr. Udall stated he would look into the question and respond to Councilman Biscoe.

Mayor Smith stated he attended the Northern Arizona Council of Governments meeting on August 27 and said the Economic Development Council Conference would be held in Page on November 1-3. He said the Transit Advisory Committee would meet next month, and said Tom Thomas will make a presentation to the Council on October 1. He said the Mayors and Council Members meeting will be held on October 5 in Show Low. He said the Mayor's Youth Council is accepting applications for membership and said he obtained good ideas at the League Conference. He said the Blue Ridge School Board and the Town are engaged with ADOT in a pedestrian safety study along Highway 260.

The regular meeting was adjourned at 10:51 p.m.

Dated this 24th day of September 2009.

PINETOP-LAKESIDE TOWN COUNCIL

/s/ Lu Anne Frost, 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 Pinetop-Lakeside, Arizona, held on the 17th day of September 2009. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 24th day of September 2009.

/s/ Lu Anne Frost, Town Clerk