

MINUTES OF THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL HELD ON TUESDAY, JULY 16, 2024, AT 7:00 PM IN THE CITY COUNCIL CHAMBERS, 181 NORTH 9TH STREET, SHOW LOW, NAVAJO COUNTY, ARIZONA

1. Call to Order.

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

2. Roll Call.

COUNCIL MEMBERS PRESENT: Mayor Leech, Vice Mayor Kakavas, Councilman Adams, Councilman Hatch, Councilman Judd, Councilman Whipple.

COUNCIL MEMBERS ABSENT: Councilman Clark.

STAFF MEMBERS PRESENT: F. Morgan Brown, City Manager; Anna Atencio, City Attorney; Justin Johnson, Deputy City Manager; Brad Provost, Police Chief; Justen Tregaskes, Planning and Zoning Director; Bill Kopp, Public Works Director; Jacob Allen, Airport Manager; Kathy Clements, Assistant City Clerk; and Rachael Hall, City Clerk.

GUESTS: Mike Allsop, Cory Johnson, and others.

3. Invocation.

Councilman Adams gave the invocation.

4. Pledge of Allegiance.

Vice Mayor Kakavas 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 within the jurisdiction of the City Council 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 Nikolaus Park East Mills Parking Lot Improvements, City of Show Low Project No. R-2324 (Shane Hemesath)
- B. Consideration of Acceptance of City Park Regional Detention, City of Show Low Project No. FM-1323 (Shane Hemesath)

- C. Consideration of Acceptance of 2024 Slurry Seal Project, City of Show Low Project No. R-7924 (Shane Hemesath)
- D. Consideration of Resolution No. R2024-24 Approving Intergovernmental Agreement with Navajo County and Accepting Edward G. Byrne Memorial Justice Assistance Grant Funds and Arizona Local Border Security Funding (Brad Provost)
- E. Consideration of Resolution No. R2024-25 Adopting the Navajo County Multi-Jurisdictional Hazard Mitigation Plan 2024 (Bill Kopp)
- F. Consideration of Rescinding Ordinance No. 2024-04 and Adopting Ordinance No. 2024-07 Decreasing the Corporate Limits of City of Show Low, Navajo County, State of Arizona, by Deannexing 70.16 Acres, Contingent on Annexation by Town of Pinetop-Lakeside (Anna Atencio)
- G. Consideration of Minutes of Show Low City Council meetings:
 - 1. Special Meeting of June 18, 2024
 - 2. Regular Meeting of June 18, 2024

VICE MAYOR KAKAVAS MOVED TO APPROVE THE CONSENT CALENDAR AS PRESENTED; SECONDED BY COUNCILMAN JUDD; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

7. NEW BUSINESS:

- A. **PUBLIC HEARING** and Consideration of Application Submitted by Miguel Moreno for #12, Restaurant, Liquor License on Behalf of El Azteca for its Location at 4817 South White Mountain Road, Show Low, Arizona (Rachael Hall)

Ms. Hall said Miguel Moreno, representing El Azteca, submitted a liquor application for a #12, Restaurant Liquor License for its location at 4817 South White Mountain Road. As required by state law, the property was posted, and no public input was received.

Ms. Hall said the Show Low Police Department conducted a background check on the applicant and found nothing amiss. The Department of Liquor Licenses and Control would conduct its own internal investigation and background check. Based on the investigator's findings and the recommendation of the City Council, the State Liquor Board would decide whether to approve or deny the application. She said if the City Council recommended denial of the application, the motion must state the reasons for the denial.

Mayor Leech opened the matter for a public hearing.

There being no input, Mayor Leech closed the public hearing.

VICE MAYOR KAKAVAS MOVED TO RECOMMEND APPROVAL TO THE STATE LIQUOR BOARD OF THE APPLICATION SUBMITTED BY MIGUEL MORENO FOR A #12, RESTAURANT, LIQUOR LICENSE ON BEHALF OF EL AZTECA FOR ITS LOCATION AT 4817 SOUTH WHITE MOUNTAIN ROAD, SHOW LOW, ARIZONA; SECONDED BY MAYOR LEECH; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

- B. **PUBLIC HEARING** and Consideration of Ordinance No. 2024-08 Amending Zoning Ordinance of the City, Changing Zoning of Property Described as A.P.N. 210-33-040C from AR-43 (Agricultural-Residential 43,000 Square Feet) Zoning to C-2 (General Commercial) (Justen Tregaskes)

Mr. Tregaskes said Joseph Holland of NV Us Investments LLC submitted a request to annex A.P.N. 210-33-040C. On April 23, 2024, a public hearing for the annexation was held. On June 4, 2024, the Show Low City Council approved the annexation of A.P.N. 210-33-040C. As stated during the annexation process, the purpose of the request was to allow for the development of multi-family housing on the subject property and adjacent parcel.

Mr. Tregaskes said prior to the annexation, the parcel was zoned A-General in the County. State statute required an annexed parcel's zoning to be the same or closest comparable zoning, which was AR-43 (Agricultural-Residential, 43,000 square feet).

Mr. Tregaskes said that the applicant submitted a request to rezone A.P.N. 210-33-040C from AR-43 (Agricultural-Residential 43,000 Square Feet) to C-2 (General Commercial) to allow for the development of multi-family housing on the subject property. The applicant owned the adjacent property and desired to develop the properties concurrently. The site plan provided by the applicant included five duplex buildings for a total of ten units. City Code allowed for multi-family development on commercially zoned property, subject to the R2-7 (Single-Family and Multiple-Family Residential, 7,000 square feet) zoning district standards.

Mr. Tregaskes said on June 25, 2024, a public hearing for this request was held by the Planning and Zoning Commission. The applicant was not in attendance. City Code required the applicant to be present in order for action to be taken. Public testimony received during that meeting from the property owner to the north included privacy concerns and a request for a 16-foot-tall wall along the north property line. The public hearing and consideration of this item were continued until July 9, 2024, to allow the applicant to be present. He said public input was also allowed at this meeting. Similar concerns related to privacy and a wall between the two properties were voiced by the adjacent property owner. Following the public hearing, the commission voted six to zero (Commissioner

Hatch was absent) to approve the zone change request subject to specified conditions and forward the recommendation to the City Council.

Mr. Tregaskes said the zoning conditions were as follows: all development should comply with all applicable federal, state, and local requirements, including the Arizona Department of Transportation, building code, and fire codes. A fence was required along the north property line of the subject property being rezoned in conformance with the R2-7 development standards of the City Zoning Ordinance. No fence would be required along the east and south property lines of the subject property being rezoned. The applicant should develop the property in substantial conformance with the submitted site plan, including the front parcel zoned C-2, and not subject to the rezoning request. The setback to the north of the subject property being rezoned should be increased to 20 feet, and a tree preservation plan that meets the requirements of the C-2 zoning district must be submitted with building plans for City approval.

Mayor Leech opened the matter for a public hearing.

There being no input, Mayor Leech closed the public hearing.

Mayor Leech asked what the zoning was for the property adjacent to the property being considered for a zone change. Mr. Tregaskes said the property to the west was in the City and zoned C-2. The owners want to combine that parcel to facilitate development. The properties to the north, south, and east were in the County and were zoned A-General, a County designation. The area was primarily residential, but that zoning allowed for a number of uses.

Mayor Leech asked why the City Code did not have fencing requirements. Mr. Tregaskes said that the way the City Code was written, the R2-7 zone should be screened by a six-foot-tall solid material fence or wall unless otherwise required or allowed by the Planning and Zoning Commission. He said in this case, because of the topography along the east property line, there was a fairly substantial hill, and it was not productive to install a fence at the top. The Commission did not feel it was necessary to install fencing along the south side either. Fencing was just required on the north side.

Vice Mayor Kakavas asked if a big ditch was in front of the property. Mr. Tregaskes said a substantial drainage area was in front of the property. Adding the property to the front portion already zoned C-2 would give the owner more property with a more developable footprint, so they would not have to get into the wash or the trees along White Mountain Road.

Vice Mayor Kakavas asked what access requirements were being put in place to cross that wash. Mr. Tregaskes said a bridge was already in place on the north side of the property. The owner planned to put another crossing about midway through the front property. The plan still needed to be designed and show that it would allow the water to be conveyed. The applicant was aware of the requirement.

Mayor Leech asked where the owners were building on the property. Mr. Tregaskes said the project would be built on the east side of the wash. Healthy Forest activities would be done on the front portion between the wash and White Mountain Road. The owner may put up a wall at least ten feet from the property line, but the intent would be that most of the trees would remain in place.

Vice Mayor Kakavas asked about the ten-foot setback for the wall. Mr. Tregaskes said the City's commercial zone required a six-foot-tall wall to be at least ten feet from a property line.

BY UNANIMOUS CONSENT, MS. HALL READ ORDINANCE NO. 2024-08 BY TITLE ONLY SINCE ALL COUNCIL MEMBERS HAVE A COPY.

COUNCILMAN ADAMS MOVED TO ADOPT ORDINANCE NO. 2024-08; SECONDED BY COUNCILMAN WHIPPLE; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

- C. Consideration of Commercial Hangar Lease and Operating Agreement with Aero Products Component Services, Inc. at Show Low Regional Airport (Jacob Allen)

Mr. Allen said on May 10, 2024, the City of Show Low advertised a Request for Proposals (RFP) for Unit 1 of the City-owned commercial hangar located at 3151 Airport Loop Road. The City received two proposals, one from Aero Products Component Services, Inc. and the other from Turbine Motorsports, LLC.

Mr. Allen said staff evaluated the proposals and determined that Aero Products Component Services, Inc. presented the best proposal.

Mr. Allen said the terms and conditions of the lease consisted of a lease rate of \$2,800.00 per month plus tax, insurance, and any applicable monthly user fees. The agreement also included an annual Consumer Price Index (CPI) increase, and Aero Products would be responsible for paying all utility costs. He said the term of the agreement would be for ten years with an expiration date of July 16, 2034, and included an option to renew the agreement for one additional one-year period upon City approval.

Mayor Leech asked who was in that hangar. Mr. Allen said Overseas Aircraft Support, and they did not submit a proposal to lease the hangar.

Mayor Leech asked who the other tenants were in the hangar. Mr. Allen said Aero Products was already a tenant in the other two units in that hangar, with this lease, they would have the entire building.

COUNCILMAN JUDD MOVED TO APPROVE THE COMMERCIAL HANGAR

LEASE AND OPERATING AGREEMENT WITH AERO PRODUCTS COMPONENT SERVICES, INC. AND AUTHORIZE THE MAYOR TO SIGN THE AGREEMENT ON BEHALF OF THE CITY; SECONDED BY COUNCILMAN HATCH; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

- D. Consideration of Resolution No. R2024-23 Establishing Street Light Improvement District Secondary Property Tax Levy for Fiscal Year 2025 at \$225,000.00 (Justin Johnson)

Mr. Johnson said that on June 18, 2024, the City Council held a public hearing on the fiscal year 2025 final budget and the secondary tax levy contained in this action. Property taxes collected within the Street Light Improvement District were utilized to pay for utility costs of the street and park lights within the district.

Mr. Johnson said that, based on current assessed valuations, the proposed tax levy of \$225,000.00 would remain unchanged at the rate of \$0.1401 per \$100.00 of assessed valuation. At this rate, a home with an assessed value of \$150,000.00 would pay \$17.86 annually.

Mr. Johnson said staff recommended adopting Resolution No. R2024-23, establishing the Street Light Improvement District secondary property tax levy for fiscal year 2024 at \$225,000.00.

Mayor Leech asked if there were any changes. Mr. Johnson said there had been no changes since 2017.

COUNCILMAN WHIPPLE MOVED TO ADOPT RESOLUTION NO. R2024-23 ESTABLISHING THE STREET LIGHT IMPROVEMENT DISTRICT SECONDARY PROPERTY TAX LEVY FOR FISCAL YEAR 2025 AT \$225,000.00; SECONDED BY COUNCILMAN ADAMS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

8. **SUMMARY OF CURRENT EVENTS:**

A. Council Members

Councilman Adams thanked staff for their work on the wonderful Fourth of July events.

Vice Mayor Kakavas encouraged everyone to get out on July 30 and vote.

Vice Mayor Kakavas said she appreciated staff coming behind the parade and picking up the trash rather than leaving it to the businesses. They quickly got the community back in shape.

Councilman Judd thanked everyone for putting up the flags around the City.

B. Mayor

Mayor Leech said the Fourth of July was amazing and thanked staff for all the behind-the-scenes work that went into the events.

Mayor Leech asked everyone to get out and support Thunder Raceway.

C. City Manager

Mr. Brown said the Arizona State Transportation Board meeting would be held this Friday at the Town of Pinetop-Lakeside Town Hall Council Chambers. Everyone was invited to attend.

Mr. Brown said Show Low Main Street's weekly Saturday farmers' market and art walk continued at Festival Marketplace through September 7.

Mr. Brown said the upcoming Primary Election with five individuals running for three Show Low City Council seats and two for the mayoral seat would be held on Tuesday, July 30. The unofficial results would be posted on Navajo County's website at navajocountyaz.gov. Final results would not be available for several days after the election, but staff would post updated results when they were received.

9. **SCHEDULE OF MEETINGS:**

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

None.

VICE MAYOR KAKAVAS MOVED TO RECESS INTO EXECUTIVE SESSION FOR DISCUSSION WITH THE CITY ATTORNEY REGARDING THE OPIOID SETTLEMENT AGREEMENT WITH KROGER AND PENDING LITIGATION CLAIMS; SECONDED BY COUNCILMAN ADAMS PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

The Show Low City Council recessed into Executive Session at 7:26 p.m.

10. Executive Session

A. Confidentiality Statement

- B. City Council may hold an executive session pursuant to A.R.S. § 38-431.03(A)(3), (4) & (6), discussion or consultation with the attorney or attorneys of the public body for legal advice; to consider its position and instruct its attorneys regarding contemplated litigation or settlement discussions conducted in order to avoid or resolve litigation; or negotiations with members of a tribal council.
1. Discussion regarding the Opioid Settlement Agreement with Kroger
 2. Update on Pending Litigation and Claims

The Show Low City Council reconvened to Open Session at 7:39 p.m.

11. POST EXECUTIVE SESSION

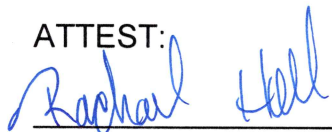
- A. Consideration of any item on the Executive Session portion of this agenda, which the Council may wish to take action upon in Open Session.
1. Consideration of Approval of Opioid Settlement Agreement.

MAYOR LEECH MOTIONED TO APPROVE THE OPIOID SETTLEMENT AGREEMENT WITH KROGER; SECONDED BY VICE MAYOR KAKAVAS; PASSED 6 TO 0 WITH MAYOR LEECH, VICE MAYOR KAKAVAS, COUNCILMAN ADAMS, COUNCILMAN HATCH, COUNCILMAN JUDD, COUNCILMAN WHIPPLE VOTING IN FAVOR.

12. ADJOURNMENT:

There being no further business to be brought before the Council, **MAYOR LEECH ADJOURNED THE REGULAR MEETING OF THE SHOW LOW CITY COUNCIL OF JULY 16, 2024, AT 7:39 P.M.**

ATTEST:



Rachael Hall, City Clerk

APPROVED:

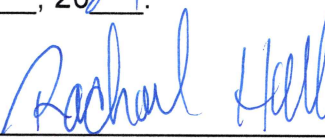


John Leech, Jr., Mayor

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 July 16, 2024. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 16th day of August, 2024.



Rachael Hall, City Clerk

