

Mayor Mark S. Nexsen
Vice Mayor Cal Sheehy
Councilmember Jeni Coke
Councilmember Gordon Groat
Councilmember David Lane
Councilmember Michele Lin
Councilmember Donna McCoy



Lake Havasu City
Police Facility
2360 McCulloch Blvd North
Lake Havasu City, Arizona
86403
www.lhcaz.gov

City Council Regular Meeting Minutes - Final

Tuesday, July 10, 2018

6:00 PM

1. CALL TO ORDER

Mayor Nexsen called the meeting to order at 6:00 p.m.

2. INVOCATION: Pastor Kay Zimmerman, City On A Hill International Church

3. PLEDGE OF ALLEGIANCE

The Mayor led in the Pledge of Allegiance.

4. ROLL CALL

Present: 6 - Mayor Mark S. Nexsen, Councilmember Jeni Coke, Councilmember Gordon Groat, Councilmember David Lane, Councilmember Donna McCoy and Vice Mayor Cal Sheehy

Absent: 1 - Councilmember Michele Lin

5. CALL TO THE PUBLIC

There were no requests to address the Council.

6. CONSENT AGENDA

- 6.1 [ID 18-1706](#) Approve the June 26, 2018, City Council Regular Meeting Minutes (Kelly Williams)
- 6.2 [ID 18-1695](#) Adopt Resolution No. 18-3240 Approving the Arizona Criminal Justice Information System Holder of Record Agreement with the Arizona State Parks Ranger Division to Establish Responsibilities for Entry of Records (Daniel P. Doyle)
- 6.3 [ID 18-1693](#) Adopt Resolution No. 18-3241 Approving the Noncriminal Justice User Agreement with the Arizona Department of Public Safety for Access and Use of the Arizona Criminal Justice Information System (Daniel P. Doyle)
- 6.4 [ID 18-1694](#) Adopt Resolution No. 18-3242 Approving the Criminal Justice User Agreement with the Arizona Department of Public Safety (Daniel P. Doyle)

- 6.5 [ID 18-1696](#) Approval of a Final Subdivision Plat for Tract 2382, a 12.7-Acre Portion of the Arroyos' Subdivision to Include 27 Residential Lots, Parcel H, Retention Basin, and Public Right-of-Way (Stuart Schmeling)
- 6.6 [ID 18-1707](#) Call for Executive Session Pursuant to A.R.S. § 38-431.03(A) 5:00 p.m. Tuesday, July 24, 2018 (Kelly Williams)

Councilmember Coke moved to approve the Consent Agenda as presented, seconded by Councilmember McCoy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

7. CORRESPONDENCE, COMMUNICATIONS, PETITIONS, ANNOUNCEMENTS, CITY MANAGER REPORT

- 7.1 [ID 18-1708](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions (Kelly Williams)

City Clerk Assistant Sacia Graber announced the current vacancies on various Lake Havasu City Boards.

- 7.2 [ID 18-1705](#) City Manager's Report (Jess Knudson)

No report was given.

8. PUBLIC HEARINGS

- 8.1 [ID 18-1690](#) Series #12 Restaurant Liquor License, Stacey's Southside Grill, 3465 Maricopa Avenue/Damato (Kelly Williams)

Ms. Graber advised that Stacey Marie Damato has applied for a Series #12, Restaurant Liquor License for Stacey's Southside Grill located at 3465 Maricopa Avenue. Ms. Graber noted that all requirements have been met and no objections were received. She added that the location is properly zoned for a liquor license.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Vice Mayor Sheehy moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 restaurant liquor license for Stacey's Southside Grill, 3465 Maricopa Avenue, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.2** [ID 18-1698](#) Adopt Resolution No. 18-3246 Designating the Unnamed Alley in Tracts 2287 and 2289 (Alley 45) as “Ballard Way” in Honor of John Ballard (W. Mark Clark)

Operations Manager Mark Clark addressed the Council and stated this is a citizen’s request to rename an unnamed alley. He added staff has reviewed the application and recommends approval.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Mayor Nexsen stated that he met Mr. Ballard back in 2006 when he first ran for political office and said he is one of the kindest men you will ever meet in your life.

Vice Mayor Sheehy moved to adopt Resolution No. 18-3246 designating the unnamed alley in Tracts 2287 and 2289 between Sweetwater Avenue and Osborn Drive as “Ballard Way” in honor of John Ballard and authorize City staff to take the appropriate actions to accomplish this action, seconded by Councilmember Coke, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.3** [ID 18-1633](#) Adopt Resolution No. 18-3243 Adopting Lake Havasu City’s Property Tax Levy for Fiscal Year 2018-19 (Jill Olsen)

Administrative Services Director Jill Olsen stated the items before Council are the final steps in the Fiscal Year 2018-19 budget process. She said the General Fund property tax levy will remain the same with the exception of new construction and assessed property value increases. Ms. Olsen added that it is within the expenditure limitation and the budget is balanced.

Mayor Nexsen stated this tax levy is approximately \$4.66 million and approximately ten years ago, the City was collecting between \$5.1 to \$5.2 million. He added that the \$0.6718 per \$100 of assessed valuation is roughly the same as it was in 2008 at \$0.6704 and on the average home, equals approximately \$.23 per month.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Councilmember McCoy moved to adopt Resolution No. 18-3243 adopting the Lake Havasu City property tax levy rate of \$0.6718 per \$100 assessed value for Fiscal Year 2018-19, seconded by Councilmember Lane, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.4** [ID 18-1634](#) Adopt Resolution No. IDD-18-7-1 Adopting the Lake Havasu Irrigation and Drainage District Property Tax Levy for Fiscal Year 2018-19 (Jill Olsen)

Ms. Olsen stated the property tax levy rate per acre for the Irrigation and Drainage District (IDD) remains the same to generate the same amount of dollars for that budget.

Mayor Nexsen stated that the IDD property tax goes into the water fund and is what Mr. McCulloch used to start Lake Havasu City. He added in 1978 when the City was incorporated, the agreement was that when all the debt was paid off, the IDD would disappear which will be in the year 2022. Mayor Nexsen stated at that point in time staff will have to deal with property tax issues because that is what subsidizes water rates.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Lane moved to adopt Resolution No. IDD-18-7-1 adopting the Lake Havasu Irrigation and Drainage District property tax levy rate at \$268.85 per acre for Fiscal Year 2018-19, seconded by Councilmember Groat, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.5** [ID 18-1635](#) Adopt Resolution No. 18-3244 Adopting Lake Havasu City Improvement District No. 2 (London Bridge Plaza) Property Tax Levy for Fiscal Year 2018-19 (Jill Olsen)

Ms. Olsen stated the tax levy that is needed for Improvement District No. 2 is \$16,000 and the rate per \$100 of assessed valuation is proposed to go down to \$0.774.

Mayor Nexsen noted that rate is set by those property owners, to which Ms. Olsen stated that was correct.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Coke moved to adopt Resolution No. 18-3244 adopting the Lake Havasu City Improvement District No. 2 (London Bridge Plaza) property tax levy rate at \$0.7740 per \$100 assessed Value for Fiscal Year 2018-19, seconded by Councilmember McCoy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.6** [ID 18-1636](#) Adopt Resolution No. 18-3245 Adopting Lake Havasu City Improvement District No. 4 (McCulloch Median) Property Tax Levy for Fiscal Year 2018-19 (Jill Olsen)

Ms. Olsen stated the McCulloch Median Improvement District No. 4 requires \$57,000 to maintain the current level of service. She added the rate per \$100 is projected to be slightly lower than the prior fiscal year.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Vice Mayor Sheehy stated the reason Council goes through these tax levies very quickly is because it is part of a long budget process that had multiple meetings and this is the procedural part of the budget process.

Vice Mayor Sheehy moved to adopt Resolution No. 18-3245 adopting Lake Havasu City Improvement District No. 4 (McCulloch Median) property tax levy rate at \$0.5040 per \$100 assessed value for Fiscal Year 2018-19, seconded by Councilmember McCoy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.7** [ID 18-1691](#) Adopt Ordinance No. 18-1200 Approving the Rezoning of Tract 2210, Block 3, Lots 8 - 12; 3031 through 3071 Palo Verde Boulevard North,

from C-1(Limited Commercial District) to R-1 (Single-Family District)
(Stuart Schmeling)

Zoning Administrator Stuart Schmeling stated these properties are located on the north end of the community at the corner of Palo Verde Boulevard North and Milan Drive, and includes five consecutive vacant lots that are part of the original developer's commercial nodes that never materialized. Mr. Schmeling stated that the owners are requesting the lots be rezoned to R-1. He added that there are two additional lots with a different owner who did not come forward and ask those lots to be rezoned, therefore those remain C-1. Mr. Schmeling stated that the General Plan supports this commercial area going back to residential and at the citizens meeting held in April, there were over twenty in attendance and the neighbors were happy that this was going to be rezoned to R-1. He added the zoning around those properties are R-1 and R-2.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Lane moved to adopt Ordinance No. 18-1200 approving the rezoning of Tract 2210, Block 3, Lots 8 – 12; 3031 through 3071 Palo Verde Boulevard North, from C-1 (Limited Commercial District) to R-1 (Single-Family District), seconded by Vice Mayor Sheehy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.8** [ID 18-1692](#) Adopt Ordinance No. 18-1201 Implementing Phases II and III of the Havasu Riviera Specific Plan Adopted in 2008, Revising the District Boundary by Rezoning Approximately 64.24 Acres of the 250-Acre Development to Include 151 Residential Lots, Metes and Bounds Description in the SE1/4 NE1/4NW1/4 and a portion of the N1/2NE1/4 SECTION 25 T13N, R20W, G&SRM, from A-P (Agricultural - Preservation) to R-M (Residential Multi-Family), and Applying Previously Approved Setbacks (Stuart Schmeling)

Mr. Schmeling stated this is a request to rezone 250 acres, Phase II and III, within the Havasu Riviera Development on the south side of town. He added the Havasu Riviera Plan land use map that was adopted at that time included areas six and seven. Mr. Schmeling stated area six was determined to be residential in nature and area seven was originally configured for mixed-use. He said the applicant has decided that instead of going with a Mixed-Use District, their intent is to have both of those areas zoned to R-M. Mr. Schmeling reviewed the proposed lot configuration and said a subdivision plat would be completed sometime in the future. He stated the original approval in Ordinance No.

08-939 references two zoning categories but neither of those exist in the current code, therefore, the applicant has requested the R-M District which is essentially the same as the R-4 District. Mr. Schmeling stated the other condition was that none of the individual areas exceeds six units per acre for the entire development and this request is for 2 ½ to 3 units per acre, which is below the original density approved for the entire development.

Mayor Nexsen opened the public hearing.

Mr. Michael Ness stated he was confused regarding the changes in R-1 and R-2 and asked if a unit was considered to be a multi-faceted condominium with four or five residents or one unit with one family. Mayor Nexsen explained that R-1 is a single family residence and R-2, R-3 and R-4 are multi-family which means condominiums and apartment houses. Mr. Ness stated by changing the zoning they can add more families to that particular area or space which includes density as far as sewage and other impacts and wondered if an environmental study should be done. Mayor Nexsen stated he did not believe an environmental study is required for a zoning change because the impact is pretty insignificant. Mr. Ness stated he was curious because there is a big difference between single-family homes and multi-unit condominiums and townhouses where we are already seeing an increase in population. Mayor Nexsen explained that the community can support between 95,000 to 96,000 residents based on land use and primarily water use, and said, right now, the City's population is between 54,000 to 55,000 residents.

Mr. Mark Zieff stated that the zoning says Agricultural-Preservation (A-P) and wondered why it was originally zoned to preserve. Mr. Schmeling explained that A-P is nothing more than a name of a zoning district that basically suggests that it is agricultural in nature and although no agricultural technically more often than not is being done, that zoning district was used as a placeholder until somebody determines what is an appropriate use. Vice Mayor Sheehy added this rezoning actually lowers the density than what was previously approved.

Mr. Mychal Gorden stated this project was studied years ago and this is the second step through this process of bringing the eight development parcels within this community up to the current development and zoning code. He added in this case, Parcels II and III were entitled originally for mixed-use and multi-family residential development and when the master plans were put together from an infrastructure and impact standpoint, it was a lot higher density with a resort, a hotel and a higher density use as far as residential. Mr. Gorden stated as the project has changed over time, most of these parcels are coming down in density. He added although the zoning classification for these two parcels are staying multi-family, consistent with the specific plan that was approved for the project, the actual plats for these two parcels that have been submitted to City staff show good sized single-family lots.

In response to Mr. Ness' question, Mayor Nexsen stated information regarding council agenda items is available on the City's website or can be obtained through the City Clerk.

There being no further comments, Mayor Nexsen closed the public hearing.

Councilmember Lane stated that Council appreciates the fact that the citizens ask questions because somebody watching the meeting on television may have that same question.

Councilmember Lane moved to adopt Ordinance No. 18-1201 implementing Phases II and III of the Havasu Riviera Specific Plan adopted in 2008, revising the District Boundary by rezoning a 64.24-acre area of the 250-acre Development from A-P District to R-M District, and applying previously approved setbacks, seconded by Councilmember McCoy, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

- 8.9** [ID 18-1680](#) Award Bid for the Sale of City Owned Parcel A, Tract 2240, Block 1 Located at 2972 Amigo Drive to James Hudson (APN 112-13-320) (Stuart Schmeling)

Mr. Schmeling stated this is to award a bid for the sale of a City parcel. He added that staff received an application in October and bids were opened on May 30, 2018, with one bid received in the amount of \$290,500. Mr. Schmeling stated the condition of the sale is that the property will be rezoned back to R-1, single-family residential.

Mayor Nexsen stated he would like to see that anytime the City sells a piece of property, those funds are set aside to buy more strategic pieces of property. He said he would hate to see the money go into operations and disappear, when we could have an opportunity to buy something that the community could really use.

Mayor Nexsen opened the public hearing. There being no comments, he closed the public hearing.

Councilmember McCoy moved to award bid for the sale of City Real Property Parcel "A," of Tract 2240, Block 1, (APN 112-13-320) in the amount of \$290,500 to Mr. James Hudson, seconded by Councilmember Coke.

Vice Mayor Sheehy asked what would be done with the proceeds, to which Mr. Knudson

stated that the City has a process with regards to the City Code and how the dollars are allocated. He said in general terms we do not want to use one-time revenues for ongoing expenses and added that the City Code states those funds are to be used for Capital Improvement Projects or one-time expenses.

Councilmember Groat asked how this parcel became a strategic piece of land in the first place. Mayor Nexsen stated his guess is this parcel was left over from McCulloch decades ago, to which Mr. Schmeling stated that was correct. He estimated there are approximately 80 parcels like this in the neighborhood of four to seven acres that are typically on hillsides or in the middle of a subdivision with no access without putting in a roadway, so the easy way was to dedicate those parcels to the IDD.

Mayor Nexsen called for a vote on the motion, and carried by the following vote:

Aye: 6 - Mayor Nexsen, Councilmember Coke, Councilmember Groat, Councilmember Lane, Councilmember McCoy and Vice Mayor Sheehy

Absent: 1 - Councilmember Lin

9. CURRENT EVENTS

Councilmember McCoy reported at the last Council meeting she spoke regarding the Western Area Council of Governments (WACOG) Caregivers Brochure and since then she has had several people requesting more information regarding the brochure. She said the brochures would be available in the lobby at City Hall.

10. CALL TO THE PUBLIC

There were no requests to address the Council.

11. FUTURE MEETINGS

Tuesday, July 24, 2018 @ 6:00 p.m. – Regular Meeting

Tuesday, August 14, 2018 @ 6:00 p.m. – Regular Meeting

12. FUTURE AGENDA ITEMS

There were no requests for future agenda items.

13. ADJOURN

Upon motion by Councilmember Coke and seconded, the meeting adjourned at 6:44 p.m.

CERTIFICATION

I hereby certify that the foregoing is a full and true copy of the Regular Meeting Minutes of the Lake Havasu City Council held on the 10th day of July, 2018. I further certify that the meeting was duly called and posted, and that a quorum was present.

Sacia Graber, Assistant City Clerk/CMC