

Minutes Neighborhood Advisory Commission November 2, 2022



Draft minutes of the Neighborhood Advisory Commission (NAC) held on Wednesday, November 2, 2022, hybrid meeting with in-person attendance option and a virtual component using Microsoft Teams platform

(MEMBERS) Present: Hannah Moulton Belec, Jana Lynn Granillo, Gabe Hagen, Barb Harris, Diane Harden, Nancy Puffer, Daniel Schugurensky, Joel Stern

(MEMBERS) Absent: Brandon Abrahams, Maureen Eastty, Annette Fields, Mark Rude and Nicholas Weller

City Staff: Elizabeth Thomas, Neighborhood Services Specialist; Shauna Warner, Neighborhood Services Manager; Lisette Camacho, Financial Services Director; Tom Duensing, CPA and Deputy City Manager; Jess Rankin, Interim Tax & License Supervisor; Tara Ford, Municipal Utilities Director; Stephen White, Municipal Utilities Business Manager; Jeff Tamulevich, Community Development Director; Rashidi Johnson, Police Department Lieutenant

Guests: Andrew Burnham, Vice President Stantec Management and Consultants, Barbara Chappell

Agenda Item 1 - Call to Order

The meeting was called to order at 5:36 p.m. by Chair Moulton Belec

Agenda Item 2 - Attendance Roll Call

Present: Hannah Moulton Belec, Jana Lynn Granillo, Gabe Hagen, Barb Harris, Diane Harden, Nancy Puffer, Daniel Schugurensky, Joel Stern

Absent: Brandon Abrahams, Maureen Eastty, Annette Fields, Mark Rude and Nicholas Weller

Agenda Item 3 - Public Comment

None.

Agenda Item 4 - Review and approval of meeting minutes: October 12, 2022 NAC Meeting

Motion: Commissioner Granillo made a motion to approve the October 12 minutes as presented.

Second: Vice Chair Stern

Result: Minutes were approved by a unanimous vote of 8-0

Agenda Item 5 - Water, Wastewater and Storm Water Rate Study Presentation

Tara Ford and Stephen White of the Municipal Utilities Department, along with Andrew Burnham, of Stantec Management and Consultants, described the approach taken to the Water, Wastewater and Stormwater rate study, highlighting that it is a data-driven, cost-based allocation exercise featuring customer engagement and active stakeholder participation.

The Kyrene Water Reclamation Facility is coming back online.

Gradual increases and movement toward stormwater and flood irrigation programs cost recovery are planned.

Rates for some commercial wastewater classifications were consolidated to more accurately reflect wastewater strength characteristics revealed by the latest data. Data will continue to be collected and will assist with proactive management and decision making.

The average water revenue increase is expected to be 5.5% with 2.5% for the average wastewater revenue increase. Some users will experience a modest decrease.

Tara noted the proposed change for single-family users from a 5-tier system to a 4-tier system.

New tiers would be:

Tier 1 - 0 to 8,000 gallons

Tier 2 - 8,001 to 16,000 gallons

Tier 3 - 16,001 to 36,000 gallons

Tier 4 - 36,0001+

NAC members comments and questions included:

? Why only 50% cost recovery for flood irrigation? Why not higher or lower?

A: Council direction provided following the 2017 Rate Study was to achieve 50% cost recovery for flood irrigation. To put it in context of the whole system, there are just 900 flood irrigation users in the program, and there are benefits to flood irrigation as well.

? Is flood irrigation in a certain part of town? What are the demographics? Any big income disparity for this area? Concerns regarding burdens placed on these users.

A: Flood irrigation is primarily in North Tempe area and in the 85281 zip code. There are some low-income areas defined by census tract; however, they are not specific to flood irrigation areas.

? What is average increase for residential user?

A: The average water revenue increase is anticipated to be 5.5% and the average wastewater revenue increase is expected to be 2.5%. There will be a stormwater/environmental fee of \$3 to help cover the cost of utility operations like environmental, Household Products Collection Center, street sweeping and other costs which are inclusive of the 5.5% and 2.5% increases, respectively. Typical water users (defined as under 8,000 gallons) will see a total increase of \$3.29 on their monthly utility bill. Even with proposed increases, Tempe is anticipated to remain very competitive with other valley cities, coming in on the low end for these costs.

? Will commercial users bills go down or up?

? Will restaurants and drycleaners have a reduction? Why?

A: It will depend on usage as it is based on volume and character of volume and removal of pollutants required. Wastewater bills will remain pretty flat.

? What questions or concerns did Council raise?

A: They seemed happy overall. Communication and public outreach remains very important.

Next steps:

⇒ A survey to collect feedback is open on the forum from November 3 through 30 at tempe.gov/forum

⇒ January 5, 2023, public hearing and consideration of rate adoption

⇒ If adopted, new rates become effective March 1, 2023

Neighborhood Advisory Commission members did not take any group action. Members were encouraged to complete the survey.

Agenda Item 6 - Short-Term Rental Update

As follow up to their August 22 NAC Retreat meeting visit, Tom Duensing, CPA and Deputy City Manager, Lisette Camacho, Financial Services Director, and Jess Rankin, Interim Tax and License Manager, came back to provide an update on the Short-Term Rentals Working Group actions and the proposed revisions to city code process. Tom shared that newly passed Senate Bill 1168 went into effect in late September allowing for some increased oversight from local government which Tempe will be exercising. Cities cannot prohibit short-term rentals nor regulate more restrictively than state law allows.

There are estimated to be 1,150 short-term rentals in Tempe (3.1% of total housing inventory) with an average daily rate of \$190. and 71% occupancy. The new SB 1168 will allow Tempe to add enforcement elements. In addition to Tempe's existing measures, the city is considering adding:

- ✓ A STR license
- ✓ Liability insurance of at least \$500,000
- ✓ Neighbor Notification
- ✓ Sex offender background check
- ✓ Penalties for non-compliance with licensing
- ✓ Escalating penalties for verified violations

*These proposed changes are consistent with what other valley cities have recently adopted.

Next steps include:

Survey to get comments and input on proposed changes from November 3 through November 30 at tempe.gov/forum

Week of Nov. 14 - hosting of two public meetings

December 15 - first public hearing

January 5, 2023 - second public hearing with final adoption of the proposed ordinance

March 7, 2023 - ordinance effective date

NAC members comments and questions included:

How is a short-term rental defined?

A: less than 30 days

Who would have to perform sex offender background checks and on whom?

A: Potentially the primary renter and/or all guests Documentation would have to be provided by the owner of property. There are online sex offender registries/a database that can be used for this purpose.

How much do you estimate as headcount to monitor and enforce this ordinance?

A: Conservatively estimating at \$310 per license.

Has there been any evidence of sex offenders creating trouble at short-term rentals?

A: None that we are aware of.

This stipulation doesn't seem to be needed or the route to go. Not sure that it is realistic, could be random people in the rental.

Seems unrealistic that renters will be forthright with names of all who will be staying there. Owner may truly not know. What is it preventing?

How will this ordinance prevent issues like noise complaints, public intoxication or shootings?

A: Those crimes are already on books. This lets us go a step further but it's as far as we can go. The notification piece stipulates that in emergency situations, owner must respond within one hour and in non-emergencies, they must respond within 24 hours.

Who owns the short-term rentals? Are there large companies that primarily do so? I've heard of one owner with 14 short-term rentals.

I recommend to Council for continued vigilance and legislative advocacy regarding short-term rentals.

Where do you draw a line and revoke short-term rentals license?

Who is responsible for administering the Business License? And, was there consideration to implement a Business License for ALL Tempe Businesses?

A: The Tax and License Division which Jess Rankin our Interim Tax and License Manager oversees and no, not at this time.

Agenda Item 7 - 2023 Neighborhood Celebration Event Ideas and Awards Category Discussion and Updates

Commissioner Hagen reaffirmed his willingness to serve on the event planning committee. Vice Chair Stern also volunteered to help and Chair Moulton Belec may attend some meetings schedule permitting. The meeting dates and timeframes will be established with potential consideration given to some in person meetings at Brick Road Coffee.

The December issue of Tempe Today will include a Neighborhood Celebration save the date message, announcement of neighborhood award nominations being open from January 1 through February 15 and a call for local vendors and consideration of event sponsorship. Members will be encouraged to help promote all award categories. Chair Moulton Belec is also following up with the Transportation Commission Chair about the possibility of collaborating on some type of neighborhood bike award for this event cycle or next.

Agenda Item 8 - Continuation of Commission Goal Setting and Working Group Discussion

Members expressed a desire to keep the Grants and the Communication Working Groups. Chair Moulton Belec reminded them she will need someone to take the lead on both and that long-term NAC members Harris (integral to Communications Working Group) and Schugurensky will be terming off in December.

Members agreed to keep the 2022 goals for the coming 2023 year. The 2023 focus will be on engagement with a basic plan outlining how to go about it. This may include continuation of communication with other commissions, expansion of neighborhood involvement, encouragement to apply for a Maryanne Corder Neighborhood Grant, working with new Equity and Inclusion Manager and best practices. Commissioner Harden recommended identifying stretch goals with a number or percentage, adding that the Annual Report is an excellent tool for goal progress documentation and tracking.

Agenda Item 9 - Review and Comments on DRAFT 2022 Annual Report

There was brief discussion regarding the second draft of the 2022 Annual Report provided in members meeting packets and as a word document for member editing. Some members mentioned their attendance at other meetings and Commissioner Granillo noted her service on the Human Relations Commission. There were no media mentions this year but there was significant work on the planning and execution of the 2022 Neighborhood Celebration which will be described in greater detail in the Annual Report.

Agenda Item 10 - Parks and Streets Committee Update

Chair Moulton Belec provided a brief update noting that the Committee has been hearing from those hurt by the KKK activity as well as some family members of the current parks and streets names who are concerned about the name changes. There was also acknowledgement of the costs to the city and to impacted residents

associated with streets and parks renaming. Chair Moulton Belec confirmed that information has been presented and discussed and is available through the Committee.

Agenda Item 11 - Tempe Tomorrow: General Plan 2050 Update

The October 26 hands-on workshop at Legoland Discovery Center was a successful, family friendly evening with nearly 150 attendees. The General Plan 2050 survey is open through November 15 at tempe.gov/forum Commissioner Granillo highlighted the land use element and encouraged all NAC members to take it.

Agenda Item 12 - Proposed Future Agenda Items

- ⇒ Joint meeting with Sustainability Commission - 1st or 2nd quarter 2023
- ⇒ Richard Adkins, COT Urban Forester, January 4, 2023

Agenda Item 13 - Adjournment

Meeting was adjourned at 7:10 p.m.

Prepared by: Elizabeth Thomas