

**PROCEEDINGS OF THE COCHISE COUNTY BOARD OF SUPERVISORS
JOINT WORK SESSION HELD ON
Wednesday, March 25, 2015**

A Joint Work Session of the Cochise County Board of Supervisors and Sierra Vista City Council was held on Wednesday, March 25, 2015 at 3:30 p.m. in the Council Chambers, Sierra Vista City Hall, 1011 N. Coronado Drive, Sierra Vista, AZ 85635.

Present: Patrick G. Call, Chairman; Ann English, Vice-Chairman; Richard R. Searle, Supervisor
Staff Michael J. Ortega, County Administrator; Jim Vlahovich, Deputy County Administrator;
Present: Britt W. Hanson, Chief Civil Deputy County Attorney; Mark Dannels, Sheriff; Chris Saylor, Code Enforcement Officer; Kim Lemons, Assistant to the Clerk of the Board

City of Sierra Vista Staff

Chuck Potucek, City Manager; Mary Jacobs, Assistant City Manager; Nathan J. Williams, City Attorney; Jill Adams, City Clerk; Tom Alinen, Police Chief; Don Brush, Acting Director of Community Development

Chairman Call and Mayor Mueller called the joint work session to order at 3:30 p.m.

Mayor Mueller made the following announcement:

"City Council work sessions are informal meetings of the elected body designed to allow the Mayor and Council Members, and in this case, also the Board of Supervisors, to prepare for upcoming regular meetings, have staff briefings on issues, and this what we're doing today, and provide an opportunity for more detailed discussions amongst themselves. The meetings are limited by City ordinance to 90 minutes, and in accordance with the State Open Meeting Law, no discussion can take place on issues/topics that have not been posted on the agenda at least 24 hours prior. The public is welcome to observe the meetings in person or on [Cox] Channel 12, but time is not reserved on work session agendas for public comment. The public may, however, address the regular City Council Meeting or share written views through the City's website www.SierraVistaAZ.gov or you can contact the individual Council Members as well."

INTRODUCTIONS

ITEMS FOR DISCUSSION

Board of Supervisors

1. Discussion of Strategies for Cleaning Up the Fry Townsite Area, including possible acquisition of parcels.

Mary Jacobs, Assistant City Manager, introduced the work session presenters regarding the possible partnership actions in the Fry Township area, noting how well the City and the County have worked together over the years. Previous mayors, Supervisor Pat Call and the current Mayor helped develop the Fry Task Force. Past CDBG Block grants have added improvements in neighboring drainage, streets, streetlights, and sewer, which are noticeable transformations as you drive through the Fry Townsite. There are still some very egregious properties despite continuing County enforcement efforts. Ms. Jacobs stated that, going forward, improvements must follow parameters set by State law. The most egregious

properties are in the County enclaves which are completely enclosed by city limits and they are seeing bleed out from those properties.

Recent County Zoning Enforcement Statistics - Mr. Vlahovich, Deputy County Administrator, explained that the statistics were gathered by Chris Saylor, the County Code Enforcement Officer. Stop work orders are given when construction is started without a permit, violation citation is given as a hangar on the door knob indicating a violation. Hard violations are given when the citation is not followed. Mr. Saylor is currently in the Fry area every Wednesday and is seeing more requests for issues in this area.

Current Status - The current status in enforcements efforts have intensified, with citizens asking for assistance with crime and junked properties. The County has implemented a phased system: Phase I is educating the residents as to violation; Phase II was the placement of dumpsters on the properties to aid with cleanup of the properties; and, Phase III, which was recently completed, included removal of tagged vehicles and checking status of outdoor storage violations. The major problem properties are owned by two entities, the Balmer family and John Williams. Multiple enforcement efforts over the years have not been successful. The main concern is the incorporated properties nearest to the County enclave boundary are likely to start showing signs of similar violations and we now have a greater opportunity for the City and County to work together in addressing these problem properties and further improving the Fry Townsite area.

ICC Property Maintenance Code - The City follows the International Property Maintenance Code and the County follows the Hazard Abatement Ordinance. The major issues in sanitation they are seeing in these properties are with weeds and rodents. The goal is to mirror the City's enforcement efforts in their jurisdiction.

Mayor Mueller asked what the obstacles the County might have matching the City's code. Mr. Vlahovich stated that they would have to create an overlay zone since they usually need to implement county wide. An overlay area would include County enclaves in Area Code A within Sierra Vista. The Planning staff will need to work with the Board of Supervisors to get that adopted.

Potential Opportunities – The areas have been toured and reviewed by City and County staff. 15 properties owned by the Balmer family and 5 properties owned by Mr. Williams are now so tax delinquent that they can be deeded to the State. Mr. Vlahovich explained one of the potential opportunities is that years ago the County did a cleanup of the Balmer properties which resulted in a \$75,000 lien. A cleanup of Mr. William's property resulted in a \$12,000 lien.

Investing in Fry – A Concept was presented by Britt Hanson, Cochise County Attorney. Mr. Hanson explained that Mr. Saylor made staff aware of the Fry issues and how enforcement efforts were going nowhere. Several years ago, the County cleaned up the Balmer and Williams properties and they were looking at acquiring the properties, either through the City or the County.

Mr. Hanson stated that Ms. Jacobs and her staff brought up the way we could get the most bang for the buck. After acquiring the properties, we can clean them up and get them back on the tax rolls. Funding would come from \$87,000 allocated from the City from the \$250,000 received from the sale of Cox Communications to match the County's contribution. The County also potentially has some hazard abatement monies available to put towards the project after approval by the Board of Supervisors

Process to acquire properties - Mr. Hanson gave some background and explained when someone does not pay the taxes, the Treasurer does an auction of those taxes and someone

can buy off the taxes. However, if nobody buys off the taxes or forecloses on the property, the County Treasurer can execute a Treasurer's Deed on the parcel and deed it to the State of Arizona, free and clear of all liens and taxes. The Board of Supervisors then auctions them off at fair market value. The Assessor evaluated the parcels and concluded that they only have value if they are cleaned up. The County can then auction them either to a third party buyer, or the City/County can partner together with or without a third party and acquire the properties.

Supervisor Searle asked what happens with the hazard abatement lien and if the County could put the lien information back on the parcel after it's auctioned. Mr. Hanson explained that it would not be beneficial to have a judgment lien on any parcel with the back taxes but is a good option to acquire the parcels.

Mayor Mueller asked if the current property owners could bid on the properties. Mr. Hanson explained that anyone who purchased a parcel without the intent of cleaning it up would undergo immediate enforcement action by the County.

Priority Properties to Focus on - Mr. Vlahovich referenced the top three priority properties on the map, explained that Southwest Hazard Control came in and wrote up an estimate on the three targeted areas for cleanup using the worst case scenarios and said using County inmates for labor could significantly reduce those costs.

Mr. Vlahovich stated that they did have discussions with Mr. Balmer and Mr. Williams. Mr. Balmer did not want to help in the cleanup effort and there was no definitive response from Mr. Williams.

Clean-up Costs – Chris Saylor presented the anticipated clean up costs for the parcels. He explained that Area "A" consists of three parcels containing mobile homes and sheds. Area "B" consists of three mobile homes and scattered debris - one parcel has a lien, one has back taxes. Area "C" contains mobile homes, one that has been burned out. The Hazard Abatement Officer is not allowed in Area "D" at this time but a high estimate was given to account for possible asbestos. Area "E" consists of a vacant home with debris.

Area "A" on 5th Street has 11 mobile homes dated from the 1950s-1978. The lot on Denman Avenue contains a mobile home from the 1950s. At 6th Street, there is a large building with a mobile home in back. The Area "B" property has a lien and did permit the fencing. Area "C" has a burnt mobile home and one that has been burnt inside but are all vacant. Area "D" has an older home on property made from two mobiles that were connected and are occupied. Area "E" has a mobile home with an addition and lots of debris.

Supervisor Searle asked if anyone has contacted the Treasurer's office on the timeline of getting the parcels deeded to the State. Mr. Hanson stated that he has spoken to Ms. Traywick and that she is ready to move forward when we are. Council Member Mount asked if there was any assurance that the property owners would not get in the way. Mr. Hanson stated that we are acquiring them so they are cut out of the equation. The only way they could effectively intervene is if they came in and paid off all the back taxes which he does not see as a viable option.

Council Member Mount asked how much crime is attributed to these parcels. Sheriff Dannels stated that when parcels are vacant, they attract bad activity.

In response to Mayor Mueller, Mr. Hanson explained that so much cleanup is needed on these parcels that their potential value is negative. Mayor Mueller stated that the idea is to acquire the property at a very low cost, clean them up, then sell them to recoup costs.

In response to Supervisor Searle, Mr. Hanson said the Arizona law is ambiguous and does not state whose responsibility it is to clean them up. He recommended that it makes most sense to sell them with the junk on them, acquire the title, clean them up, and then sell them.

Recommendations – Mr. Vlahovich stated that the County supports deeding the back tax parcels to the State and auctioning, supports applying the judgment liens to the purchase of properties in Fry, supports the adoption of ICC Property Maintenance Code in the Fry Townsite to mirror the City's code, and continued support for strategic auctioning of back tax properties to the City or partnered third party.

Mayor Mueller added that the County and the City are both lacking staff in Code Enforcement and would benefit from a joint effort.

Recommendations (Continued) - Ms. Jacobs stated that the City will match the County's investment of \$87,000 for purchase or cleanup. The next step would be to then develop an IGA to turn over the property to the City and subsequently to a third party, such as the Industrial Development Authority (IDA), the Sierra Housing Resource Partners (SHRP) and Habitat for Humanity. Then look into how best to reinvest in that property in the future and if there is a nice site for a stick built home, the City could clean it up and donate. On behalf of staff, Ms. Jacobs then asked for discussion and direction from the Board and from Council.

Council Member Calhoun asked if the property we put money and/or work into remain County owned or get annexed to the City. Ms. Jacobs explained that they would have the partner sign a pre-annexation agreement to annex the parcel into the City.

Supervisor English stated her regret for the amount of time it has taken for this cleanup effort. She stated that any property within five miles of a City should be able to be enforced by the Planning and Zoning of that City since cities grow out. The County is familiar with the auction process and can control the price, by setting a minimum bid, and is glad the City and County are working together to solve this joint problem.

Council Member Mount said that he likes the idea and the improvements made along Railroad Avenue without raising taxes. Mayor Mueller clarified that the proposal today was made by the staff; he agrees the proposed \$250,000 should go to the West End, but it has not been proposed by Council yet.

In response to Council Member Ash, Ms. Jacobs said in her conversations with SHRP and the IDA, the start with creating housing in another area is to relocate people to affordable housing. She stressed that property cleanup would not happen overnight and compassion for residents is necessary.

Mayor Mueller asked if people lived in the three properties in the mobile homes between 5th and 6th Streets. Mr. Saylor stated that two people occupy the first one, the second one is vacant and the third is dilapidated but occupied.

Council Member Ash said the strategy is aggressive but necessary and is happy to see how the City and the County is approaching this.

Chairman Call asked if the Board had any objections to the first recommendations. Supervisor Searle stated he has some concern about the code adoption on the property maintenance side. Vice-Chairman English stated she would be willing to go further. Chairman Call supports all recommendations especially in the Fry Townsite area but has reservations about the property maintenance code.

Mr. Hanson stated the enforcement efforts in the area have not worked well, in the total

scheme the property maintenance code adoption is not the lynch pin and we could move forward without it. If it is adopted it could be crafted specifically for Fry Townsite but that it was not a generic one size fits all solution for the whole County.

In response to Mayor Pro Tem Blanchard, Ms. Jacobs confirmed that the clean up costs were high-cited and that inmate labor would significantly help reduce costs. However, certain estimates were not high cited for things like asbestos removal and things of that nature.

Ms. Jacobs pointed out that the County has a web mapping tool that shows all parcels in back taxes. For the most part, the back tax parcels are those in County enclaves and they are starting to bleed out and we need to put a stop to it. The crime issue is also a neighborhood issue, not just City/County enclave issue. We have a strong partnership with the County. She acknowledged how the County had had challenges as required by State law but thanked them for their partnership in addressing these parcels.

Council Member Huisking asked if there would be any obstacles in regard to clouded title. Mr. Hanson explained that it cleans up the title and makes it free and clear. Council Member Huisking added that the dilapidated trailers were the first issue she encountered on Council and she is happy to see something being done to take care of them through this collaborative effort.

Council Member Calhoun asked if there was anything stopping a private company from bidding on property. Mr. Potucek replied that there was nothing at all. Council Member Calhoun asked if the City was on top of enforcement on the bleed out areas. Ms. Jacobs stated that the City is keeping up as best as they can. There are properties that are not as nice as others but you will see investments in infrastructure, the streets, sidewalks and lights. She added that the City would continue to use their dedicated annual block grants for improvements in these areas which the County did not have the funds to invest. She is confident that in due time the City will build goodwill in the community, the City will demonstrate a service investment and show that there are benefits to living within the city limits.

Chairman Call said that we are approaching the tipping point and if this is successful that it is going to appear that things will improve overnight but this effort has been going on for over 15 years.

Mayor Mueller asked if there was any objection by Council on any of the recommendations put forward by staff and acknowledged he did not see any. The money number will be part of the budget discussion shortly.

Supervisor Searle asked what the total of the back taxes owed are. Mr. Hanson said that they do not have the total prepared at this moment but that it was a lot.

Council Member Gray asked about discussions regarding the remainder of the \$250,000 after the \$87,000 is allocated for this effort. Mayor Mueller stated that it would be discussed during the budget discussions to whether we want to spend any, all or portions of the money on projects. Mr. Potucek added that we have held that money back in capital improvement funds accounts and there is money there to do that and he would hate to see that money go into the operation budget. Council Member Gray agreed she would like to see as much as that money allocated to projects like this nature to go to Council.

Mr. Potucek stated that it could become part of a revolving fund that rebuilds itself and is regenerated in other parts of Fry. He stated that this has been the best idea he has seen since he has been here in cleaning up this area and it is now being seen in other parts of town. Mr. Potucek stated that we need to nip this stuff in the bud before it has an opportunity

to proliferate.

Mayor Pro Tem added that they still need to address the tennis courts.

Council Member Gray agreed that she does not want to see that money go into the operating budget.

Council Member Calhoun asked where the money is currently sitting. Mr. Potucek clarified that the \$250,000 will be voted on to be ratified by Council tomorrow night. There are no expenditures against it and it will be lined out in next year's budget.

In response to Chairman Call, Mike Ortega, County Administrator, stated that the County allocates \$120,000 per year for hazard abatement. Some has been used this year but the full amount is available for next year. Mr. Hanson added that there is approximately \$100,000 in back taxes.

Mayor Mueller confirmed with Council that they would go forward with the recommendations.

Supervisor Searle said this is an opportunity we should take advantage of using the back tax parcels. We should get them cleaned up and go forward in getting them deeded by the State. He stated the County can have control of them in a matter of 30-60 days and start discussing clean up.

Vice-Chairman English stated was glad we have the opportunity to share the County's expertise in the auction process. The County regularly uses the back tax, the City regularly uses good practice in hazard abatement, and that they are using the best of both our staff and anticipates success from good planning.

Chairman Call stated that this effort shows great intent in purpose; it is a great neighborhood with many good people living there. He acknowledged the new advocacy center coming there and shared his enthusiasm for the effort in that neighborhood.

Mayor Mueller asked when these things would come about. Mr. Potucek replied he expects it to move forward around July 1st in terms of budget and having a draft ready for agreements. Mayor Mueller added that the City would like to continue to work together with the County on proposals that came from the public concerning streetlights, bike paths and other joint efforts in the future.

Chairman Call stated that Sheriff Dannels and Tom Alinen, the Sierra Vista Police Chief, have always worked well together and acknowledged his appreciation for their efforts.

Council Member Huisking asked if there was going to be an open house of the advocacy center for the neighborhood. Chairman Call stated that it is early in the process yet but he would not be surprised if they had one. Mayor Mueller added that it had just gone through the P&Z (planning & zoning) process.

Council Member Ash stated her appreciation that Ms. Jacobs pointed out the bleed-out areas. The way the League defines blight is that blight spreads. It is important that we are tackling this issue for the City and for the County. It is also about the people and safety. She is excited this is moving forward. It is important that we monitor the sentiment of the people in the Frytown area so that they do not feel disenfranchised throughout the process.

Mayor Mueller thanked everyone for being present. He stated how they have been working on this issue for 15 years and although they cannot wave a magic wand to fix everything, they will continue to nibble away at it. He stated his appreciation of staff from both the City and the

County, and for the leadership of the County to meet with them today. He stated that they are on the right track and will continue to move forward.

Chairman Call and Mayor Mueller adjourned the meeting at 4:40 p.m.

APPROVED:

Patrick G. Call, Chairman

ATTEST:

Arlenthe G. Rios, Clerk of the Board

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