

## MINUTES

### 1. Call to Order

Mayor Nabours called the Work Session of November, 25, 2014 to order at 6:01 p.m.

### 2. Pledge of Allegiance

### 3. ROLL CALL

*NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means .*

PRESENT

ABSENT

MAYOR NABOURS

NONE

VICE MAYOR EVANS

COUNCILMEMBER BAROTZ

COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS

COUNCILMEMBER OVERTON

COUNCILMEMBER WOODSON

### 4. Preliminary Review of Draft Agenda for the December 2, 2014, City Council Meeting.\*

*\* Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

Mayor Nabours asked about item 15A regarding the FUTS signage contract. He stated that there seems to be a significant change order and change in the quantities; he asked if those are significant enough to have an effect on the original bid. He asked about the original Request for Bids and how staff got so far off on the scope. Capital Improvements Project Manager Randy Whitaker stated that staff can do a better job of answering those questions at the meeting next week. He stated that they discussed the project with Purchasing and they felt comfortable that there would not be an effect on the procurement. Mayor Nabours stated that he would like to know more about the original bids and why things are so different.

## 5. Public Participation

*Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.*

Barry Brenneman, resident, addressed Council with concerns about the lighting associated with Aspen Heights. Additionally, he stated that before any change of zoning is approved the project should have the approval of a vast majority of the neighbors.

George Breed, resident, addressed Council and read a story about community.

Rudy Preston, resident, addressed Council regarding the sale of reclaimed water to Snowbowl and the authority to sell that water being done administratively instead of by Council.

## 6. Northern Arizona Center for Entrepreneurship and Technology (NACET) Annual Update

Economic Development Sales and Marketing Specialist Gail Jackson introduced Annette Zinky, President and CEO of Northern Arizona Center for Entrepreneurship and Technology (NACET) who provided a PowerPoint presentation that covered the following:

- WHAT NACET DOES
- WAYS TO ENGAGE
- OLD CLIENT FUNNEL
- INCUBATOR PROCESS
- ENTREPRENEURIAL SUPPORT STRUCTURES
- THE ROLE OF AN INCUBATOR
- WHO CAN NACET HELP?
- CLIENT NEWS
- GETTING RESULTS

Ms. Zinky introduced Michael Marquez of Mother Road Brewing Co. for a client spotlight. Mr. Marquez reported that Mother Road Brewing Co. just celebrated their third anniversary. They started with just three people and have slowly worked their way up to 11 staff members. Their 2014 revenues are about 50% higher than 2013 and they are doing rather well. An exciting venture is that they are in current contract negotiations to be the first A brewery to export to New Mexico and Flagstaff will be heading out of state. There is continued growth on the south side as well.

Mr. Marquez stated that NACET has been very helpful and if you have an idea NACET will help; they helped with fine tuning and getting Mother Road in contact with the right attorneys. They are thankful for the City's support of NACET.

Mayor Nabours noted that Mother Road Brewing Co. had recently won an award. Mr. Marquez

stated that they were awarded a gold medal for their seasonal beer Painted Racer ESP. This is the 8<sup>th</sup> award that Mother Road Brewing Co. has been awarded since opening; they have five golds, one silver, and a couple bronzes.

Councilmember Brewster asked about the various sources of funding and how many grants NACET is able to secure. Ms. Zinky stated that they are working on pursuing those grants that they think are a good fit but most funding has come from contracts for services from entities such as the City of Flagstaff and NAU.

## **7. Continued Review and Discussion of City Manager City Charter Advisory Committee Recommended Changes**

Deputy City Manager Jerene Watson indicated that 12 individuals were brought together on a committee that met over four months to discuss possible amendments to the City Charter. 21 recommendations were brought forward by the committee.

At the last discussion Council had asked about dividing the items out onto different ballots. Of 21 recommendations that came forward twelve were technical/housekeeping items and those are the ones that the committee is recommending move forward to the May 2015 election. Nine items are considered more substantive/policy in nature.

Mayor Nabours asked if the second group of questions could be voted on at an election in November 2015. Ms. Watson stated that if Council felt that there was enough time to educate and inform the public on the items an election could certainly be held in November 2015. Mayor Nabours stated that there would be a year to get the word out and inform the public on the issues.

Mr. Burke stated that there is still the issue of candidate election dates outstanding in the courts. If the City Council wants to amend the Charter to return to May elections in 2016 that change would need to be done no later than the November 2015 election. The hope is to have court direction before the time to set that date; a resolution is typically done the first of July and he is not anticipating having any direction at that time. Ms. D'Andrea added that if the Council wants to change the elections back to Spring of 2016, the November 2015 election would be the last time to do that. Technically the City does not have to wait for resolution of the lawsuit because if the Charter is amended and the lawsuit goes against Tucson and Phoenix statute will automatically override the Charter so there is no problem with preemptively taking care of the charter language.

Councilmember Overton stated that there is cost savings to consider as well; conducting a mail ballot versus polling place election. He is comfortable taking the technical items in May with the others later.

Vice Mayor Evans asked for clarifying language on what item ten allows Council to do. There has been discussion about this language not allowing the City to sue other governmental agencies should laws be passed that the City of Flagstaff does not agree with. That is not what the change in language would do and having clarification that can be offered to the public would be helpful. It may be helpful to move item ten to the policy category.

Mayor Nabours stated that the direction of the Council is to move forward with the technical items. Ms. Watson stated that the final changes and questions will be brought back to the Council on December 16, 2015 to vote on.

Ms. Watson added that staff will work on putting together a timeline for public outreach.

Councilmember Barotz asked for one more careful review of the technical items to make sure that there are no substantive/policy items.

**8. Presentation and discussion concerning a potential Request for Proposals for 308 Elden (property designated for affordable housing near Sawmill)**

Deputy Housing Director Sarah Darr provided a PowerPoint Presentation that covered the following:

- OVERVIEW
- BACKGROUND
- PROPERTY INFO
- WHAT DOES CURRENT ZONING ALLOW?
- EXAMPLES OF PERMITTED USES IN HC
- WHAT IS THE OVERALL GOAL?
- WHAT ARE THE OPTIONS?
- HOUSING

Vice Mayor Evans clarified that if the site was used for affordable housing only the maximum capacity would be 22 units. She asked what the capacity would be if the site was used as commercial and residential. Ms. Darr explained that the capacity cap changes and would go away; however, the site would be limited by the size and shape for the parking requirements that would have to go with it. It would not be an unlimited amount but it would be limited by other characteristics. Vice Mayor Evans asked if it is known how many possible units it could accommodate. Ms. Darr indicated that she does not have that number available but could do some research to find out. She stated that even with minor parking variances it would be a tight fit with any large volume of multifamily as parking spaces would start at one space for a one bedroom apartment and go up from there as the units get bigger.

Ms. Darr continued the presentation.

- QUESTIONS TO KEEP IN MIND
- OPTION – SELL
- OPTION – LONG TERM COMMERCIAL LEASE
- OPTION – RFP REQUIRING QUOTES FOR BOTH LEASE/SALE
- OPTION – DO NOTHING
- WHAT COULD BE DONE WITH FUNDING GENERATED?
- HOUSING AUTHORITY BOARD RECOMMENDATION
- STAFF RECOMMENDATION
- SUMMARY
- NEXT STEPS

Mayor Nabours stated that he sits on the Housing Authority Board and one of the issues they face is that there are several pieces of property in town but there is not any money for development. One option would be to take the money earned from this property and use it to leverage something on other properties.

Vice Mayor Evans stated that the neighborhood to the west of this property understood that when the entire property got developed there would be a single family neighborhood with some

units over retail. Things changed and the recession hit and what resulted was a high density development across the street that has caused growing pains. The neighborhood was under the impression that the property on Elden was going to be designated to affordable housing units and that no more than 22 would fit on the property. The Council is now looking at if it would be better to sell the property. She feels that the community should be engaged at some point for input. There was no discussion with the community when Council changed the density from low to high and she feels that if the property is sold there should be limitations on what it can be used for. It will be very important to look at the type of use that will be allowed on this property and limit density.

Councilmember Overton stated that to add the housing element to the Highway Commercial zoning that exists today would require a CUP or a rezone. Additionally, the parking is a big issue. He would be open to ideas from future respondents to an RFP; it is impossible to speculate what anyone might do with the property.

Vice Mayor Evans further explained that her biggest concern is density. As the City moves forward with a sale or lease there needs to be a cap put on the maximum density that would be allowed. Whatever goes onto that property needs to be compatible with the neighborhood.

The Council asked if they could go through the list of possible uses and eliminate those that would not fit in the neighborhood. Ms. Darr explained that the list is extremely long and staff could go through it and remove those things that are housing, more industrial uses, and bar and restaurant related. Vice Mayor Evans stated that the final list should be presented to the neighborhood to get input from them if those types of uses are acceptable. This property is attached to the neighborhood and the impact from whatever will be going in there needs to be considered. Mayor Nabours agreed and asked that a meeting be scheduled and people within 600 feet noticed for the meeting to discuss possible uses for the property.

Mr. Burke clarified that staff will review the list of potential uses and go through an elimination process; a public meeting will be scheduled to share the narrowed list with the neighborhood and then come back to Council for further direction.

Adam Shimoni, resident, addressed Council stating support for the sale of the property knowing that the next conversation will be to find an area for affordable housing with access to public resources such as bus routes.

A break was held from 7:25 p.m. through 7:31 p.m.

## **9. Community Reinvestment Plan**

Community Design and Reinvestment Manager Karl Eberhard provided a PowerPoint presentation that covered the following:

- GOALS
- HOW WE GOT HERE
- PREVIOUS CITY COUNCIL DIRECTION
- THE TERM "REINVESTMENT" instead of "REDEVELOPMENT"
- THE PLAN
- NEXT STEPS
- QUESTIONS/DISCUSSION

Mayor Nabours asked what the main differences are from the plan that was presented at the last meeting. Mr. Eberhard explained that at the last meeting there were items that were identified that Council had no interest in, such as impact fees, those items have been removed from the plan. Additionally, the plan at the last meeting was comprised more as a list or spreadsheet; this list has been transformed into what is before Council with text and pictures.

Mayor Nabours stated that at the last meeting there was discussion about designating certain areas where the plan would apply. Mr. Eberhard stated that in relation to "Redevelopment Districts" the Arizona Revised Statutes are challenging in this regard. That being said, some of the elements and requirements would make districts the right way to go. The district that appears to be the most appropriate and workable is the Infill and Incentive District; this district would allow the City to tweak development requirements as an implementation strategy.

Mayor Nabours suggested that while the principles and plans look good on paper, until they are applied there is no certainty that they will work. Mr. Eberhard agreed stating that this is where staff will be coming back with more specific proposals one at a time to allow Council to consider the areas of the specific strategy.

Mayor Nabours asked if a public hearing process would be required if staff comes to the Council with an area of town identified to be an Infill District. Mr. Eberhard stated that a public hearing process would be required and that the City would want that community input.

Mr. Burke stated that the issue is that in order to incentivize people to make reinvestment, you have to offer an incentive or a reduction in the standard. At some point the City has to make the difficult decision on reinvestment or standard.

Mr. Burke stated that having a boundary may make it easier to understand the implications of those regulatory waivers. Mr. Eberhard added that by looking at incentives on a case by case basis staff does a good job of working with developers with their constraints and finding the right answer; however, that process lacks predictability and developers want to be able to do their proformas ahead of time to determine if they can make money on the project. The goal is to make reinvestment more predictable.

Councilmember Overton stated that the element of predictability can be controlled by having a robust Capital Improvement Program. He is less interested in incentives and more interested in enhancing infrastructure.

Mr. Eberhard asked Council if the policy statements and objectives fit their desire. If there is something that looks problematic they should let staff know.

Council direction is for staff to keep moving forward and bring final draft back to Council for review and adoption.

## **10. Council Accomplishments 2012 - 2014**

Mr. Burke provided a PowerPoint Presentation that covered the following:

- CITY COUNCIL MISSION STATEMENT
- CITY COUNCIL VISION STATEMENT
- REPAIR, REPLACE AND MAINTAIN INRASTRUCTURE (Streets/Utilities)
  - Streets & Utilities Bond Program – adopted in 2010

- Increased ongoing pavement preservation by \$1M starting in FY14
- Increased one-time pavement preservation dollars by \$1M in FY14 and \$600K in FY15
- Increased ongoing Fleet replacement funding in FY13
- Increased ongoing and one-time facilities and IT funding in FY15
- Adoption of the Road Repair and Street Sales Tax increase
- FUND EXISTING, AND CONSIDER EXPANDED RECREATION SERVICES
  - Increased BBB Park maintenance from a level 4 to a level 2
  - Increased General Fund Park Maintenance from level 4 to level 3
  - Aquaplex and Flag Recreation Center hours reduced by 1 hour starting in FY14
  - Added Adult Coed Hockey League, Children's Health and Wellness Fair and Dew Downtown Festival
  - Approved Parks Master Plan in 2013
  - Funded \$1.5M worth of Parks and Recreation facility improvements
  - Funded Phase 1 and Phase 2 of Bushmaster Park Expansion
- ADDRESS CORE SERVICES MAINTENANCE FACILITY
  - Successful passage of a bond to finance facility in 2012
  - Completed two procurement process to identify location
  - Selected McAllister Ranch as the location
  - Initiated design of new facility
  - Conducted first neighborhood meeting regarding sale of current location
- COMPLETE RIO DE FLAG FLOOD CONTROL PROJECT
  - Completed construction of Thorpe Bridge in December 2012
  - Limited Reevaluation Report completed
  - Acquired \$1.6 million in Federal funding
  - Clay Avenue Detention Basin substantially complete
  - FEMA design concept report completed and presented to City Council
- RETAIN, EXPAND AND DIVERSIFY ECONOMIC BASE
  - Increased passenger enplanements to same volume as when there were two airlines
  - Increased BBB revenues 6.25% in FY13 and 6.5% in FY14
  - Added 6 new and expanding retailers in FY14 leading to 225 jobs and 70,000 square feet of retail
  - Added 3 new non-retail businesses
  - Facilitated sale of three Auto-Park lots
  - Secured \$100,000 grant for Joy Cone expansion
  - NACET created 40 high wage/low impact jobs in FY13 and 46 in FY14
  - Secured \$800,000 in grants and donations for Community Design & Redevelopment programming
  - Secured site, design, easement approval and construction funding for new APS Substation
  - Broke Ground on Innovation Mesa Business Accelerator with a \$4 million EDA grant
- COMPLETE COMPREHENSIVE WATER POLICY
  - Completed Principles of Sound water Management Policy
  - In July, 2014 ADOT agreed to enter an IGA enabling Red Gap Pipeline
  - In FY13 City Manager established Advisory Panel on Compounds of Emerging Concern with world-renown scientists; determined risk and research parameters on reclaimed water and secured approximately \$900,000 research funding
- REVIEW FINANCIAL VIABILITY OF PENSIONS
  - Economist and consultant Alan Maguire presented financial viability of pensions December, 2012

- City Manager created a joint pension reform task force with GFOAZ and AZ League of Cities and Towns through his role on ACMA Board
- Management Services Director Barbara Goodrich serves as a member of the Pension Reform Task Force
- REVIEW ALL COMMISSIONS
  - May, 2013, April, 2014, and September, 2014 held work sessions to review all commissions
  - Adopted Board and Commission Handbook
  - Adopted comprehensive ordinance revising structure, membership and commissions
- ZONING CODE CHECK IN AND ANALYSIS OF PROCESS/IMPLEMENTATION
  - Conducted three work sessions in 2013 and divided amendments into technical and policy
  - Council later prioritized Zoning Map Amendments and Signage out of policy list
  - Revised code concerning Zoning Map Amendment process
  - Adopted a new Sign Code amendment
- DEVELOP AN ONGOING BUDGET PROCESS
  - All budget work sessions are video recorded and posted
  - Revised April budget materials to be more focused and meaningful
  - Showed connectivity between Council goals and budget actions
  - Conducted variety of mini budget retreats to review service levels and purposes of programs
  - Identified Budget goals of compensation, staffing and infrastructure in FY2015
  - FY2015 budget increased compensation 3.2%, infrastructure funding, and addressed Police staffing
- OTHER NON-GOAL ACCOMPLISHMENTS
  - Passed a Civil Rights Ordinance
  - Adopted and implemented Forest Health/Flagstaff Watershed Protection Project
  - Conducted Property Inventory and established policy intentions in a resolution
  - Implemented four photovoltaic projects
  - Unanimous adoption of proposed Regional Plan and then 75% voter approval
  - Developed and implemented a Navajo Cultural Sensitivity Training for Police Department

Councilmember Barotz thanked Mr. Burke for helping navigate the goals that were set out for them and community. Mayor Nabours added that not only should Mr. Burke's name be next to each of these items but there is a department head and staff that bring it to the Council who also deserve a lot of credit. Councilmember Oravits stated that it is easy to forget about a lot of these things along the way and this is a wonderful reminder of what has been accomplished. Mr. Burke stated that it is really a good indication of why the Council/Manager form of government works.

#### **11. Recognition of Outgoing Councilmember Mark Woodson**

Mr. Burke stated that this is Councilmember Woodson's last meeting. Councilmember Woodson was in the unique position of being appointed to the City Council in February, 2012. 19 people had applied for the position of Councilmember and the City Council interviewed all of them through a grueling process that was done over 30 days.

He would like to recognize that Councilmember Woodson came to the City Council with a unique set of credentials; he was a past City employee serving as City Engineer over 20 years

ago, from there he opened his own engineering business and then saw the other side of the Community Development counter in both Flagstaff and Winslow. He was appointed City Engineer through contract for the City of Winslow and brought those experiences back to the City of Flagstaff with great perspective.

There would not be Civil Rights Ordinance if not for Councilmember Woodson, he was the deciding vote to move the discussion forward and as the process moved forward he became an integral part of the discussion and finding elements that worked for everyone. In the end it became as a 7-0 vote approval that started with Councilmember Woodson being willing to look outside the box.

One of the things that was most true with Councilmember Woodson is that while it looked like he was holding his cards close, he was actually listening to the debate until the very last moment and would make his decision; that was an incredible asset that is hard to get and it may be characteristic of someone who is appointed versus someone who is election.

In looking at Councilmember Woodson's body of work over the last two and a half years the City appreciates that he always came to the table willing to listen and Council and staff never knew which way he was going to cast his vote until the moment his vote was cast. He made a better City Council, organization and community. Mr. Burke thanked him for his public service.

Mayor Nabours presented Councilmember Woodson with a photo of a farm building in Cheshire near where he lives. The photo was taken by staff member Malcolm Alter.

Mayor Nabours stated that Councilmember Woodson was appointed when there was a need in the community, he did a great job with the interviews and it was no surprise that he was selected. He has done a wonderful job during his tenure and he has thoroughly enjoyed having him on the Council.

Councilmember Woodson thanked everyone. He stated that his experience on the City Council has been humbling and rewarding. He offered specific thanks to Councilmember Overton for standing up and supporting him when he put his name in as a potential candidate for the vacancy on City Council; Vice Mayor Evans and Councilmember Brewster came forward too and pushed hard so that he could be appointed to the Council.

He went on to thank staff for doing such a wonderful job of providing good and quality material as well as answering questions the Council had. He tried to respect the position that the Council put staff in at times and tried to not attack them or sneak up on them about anything.

He offered good luck and well wishes to Kevin Burke and the new Council. He now appreciates so much more of what they do having been in that position. He offered thanks to Flagstaff, especially those that helped with his campaign and to those who voted. He thanked his staff at his office and his family.

**12. Review of Draft Agenda Items for the December 2, 2014, City Council Meeting.\***

*\* Public comment on draft agenda items will be taken at this time, at the discretion of the Mayor.*

None

**13. Public Participation**

Barry Breneman, resident, addressed Council regarding community input on various items stating that when the City Council asks for input and then goes a different direction they lose confidence in the voters. He urged the Council to make their decisions heavily based on citizen input.

Adam Shimoni, resident, asked the Council to clearly state why each of them vote the way they vote at the meeting next week.

Charlie Silver, resident, addressed Council to emphasize how important early involvement and community are in property and land use issues.

**14. Informational Items To/From Mayor, Council, and City Manager.**

Vice Mayor Evans thanked Councilmember Woodson for serving on the Council. She was excited to see him join the Council and appreciates all the work that was done together. Councilmember Woodson has a connection to the community and she knows he cares for it, that connection will never stop. Additionally, she offered congratulations on his newest appointment as the President of the American Association of Civil Engineers.

Vice Mayor Evans wished everyone a Happy Thanksgiving.

Councilmember Overton thanked Councilmember Woodson for his service; he also thanked Councilmember Woodson's family for their commitment. He stated that Councilmember Woodson brought a good energy to the City Council. He came in with a serious tone and took the appointment very seriously; he was able to pick up right away where Councilmember Babbott left off. He stated that he appreciated Councilmember Woodson's leadership and he wished him the best going forward.

Councilmember Barotz thanked Councilmember Woodson for his service and dedication and wished him all the best in his new leadership position.

Councilmember Barotz requested in the new year to have a meeting with Dr. Chang to get to know her. She also requested a copy of the appraisal of the current Public Works yard.

Councilmember Brewster congratulated Councilmember Woodson on his new role; she stated that she enjoyed having him on the City Council. Councilmember Woodson brought a different perspective to things and often presented ideas that the others did not think of.

Councilmember Brewster also attended a groundbreaking ceremony at NAU for the International Pavilion that honors international students and provides a place for them to meet and gather.

Councilmember Oravits stated that he, Vice Mayor Evans, and Councilmember Overton were out at the Sunrise Lions Turkey drive that collected 155 turkeys for the Family Food Center. He stated that Steve Seville would like the Council to come to the Food Center on December 18, 2014 from 3:30 p.m. - 6:00 p.m. to serve food.

Councilmember Oravits stated that it has been an honor serving with Councilmember Woodson and he wishes him the best.

Mr. Burke thanked Stephanie Smith for putting the Council Accomplishment Report together. He stated that the meeting next Tuesday will begin at 5:00 p.m. with the swearing in of Mayor and Councilmembers and following reception, the regular meeting will begin at 6:00 p.m.

Mayor Nabours requested a future agenda item to establish an ad hoc lighting commission to review the Lighting Code/Zoning Code to see if it needs to be updated regarding the new lighting technology that is available.

**15. Adjournment**

The Work Session of the Flagstaff City Council held November 25, 2014, adjourned at 8:39 p.m.

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MAYOR

ATTEST:

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CITY CLERK