

CITY COUNCIL REPORT

DATE: January 20, 2015

TO: Mayor, Vice Mayor and Councilmembers

FROM: John Saltonstall, Business Retention and Expansion Manager
David McIntire, Assistant to the City Manager for Real Estate

CC: Jeff Meilbeck, Jerene Watson, Josh Copley, Leadership Team

SUBJECT: Information regarding the potential Request for Proposals of City of Flagstaff owned land in the vicinity of the Flagstaff Airport

There are sixty-one (61) acres of City of Flagstaff owned land in the vicinity of the Flagstaff Airport that is being considered for development. The goal is economic development, enhanced Airport services, and revenue generation. City of Flagstaff staff is seeking to ensure the potential parameters of a Request for Proposal (RFP) or strategy for development is consistent with City Council's goals.

The acreage includes multiple parcels with three (3) different zonings, including Research and Development (20 acres), Public Facility (9 acres) and Highway Commercial (32 acres); of the total 61 acres, 20 acres are considered "through-the-fence" which refers to their direct runway access potential and makes them fairly unique for marketing and development opportunities and ideal for our target market.

The intention of the discussion is to outline options for the disposition and development of the land. Options presented include:

- 1) Identify an entity or team that would be able to market, develop, and lease the properties with their agreed to portion of the lease revenues as the sole compensation. The initial term of the agreement could be for five (5) years with specific benchmarks required to be met in order to receive longer extensions to allow for the financing of the development identified.
- 2) Develop separate RFP's for marketing, listing, development, and leasing of properties by zoning categories (or other acceptable divisions).
- 3) Procure a broker to market and/or respond to development interest as it occurs for specific parcels.
- 4) Market, list, develop, and lease properties in-house.

All uses are intended to be compatible with the Airport and consistent with zoning and applicable plans. The responses will be evaluated in accordance with Purchasing Section Policy and if a responsive bidder is identified the potential contract will be brought to City Council for consideration.