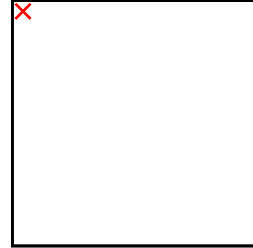


## CITY OF FLAGSTAFF STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Jessica Johnson, Visitor Center Manager  
**Co-Submitter:** Trace Ward  
**Date:** 09/25/2019  
**Meeting Date:** 10/01/2019



---

### TITLE:

**Consideration and Approval of Lease of City-Owned Property:** Amendment to extend the Flagstaff Railroad Passenger Station Facility Lease with National Railroad Passenger Corporation (Amtrak) for a term of five (5) years, with options for renewal.

### STAFF RECOMMENDED ACTION:

Approve an Amendment extending the Facility Railroad Passenger Station Facility Lease for a term of five years, with options for renewal.

### Executive Summary:

Approval of an Amendment to extend the Flagstaff Railroad Passenger Station Facility Lease with Amtrak for use of the building located at 1 East Route 66, Flagstaff, AZ, 86001.

The Lease is for the interior area on the east side of the building consisting of approximately 1,000 square feet. The space will be used for the purpose of operating a passenger rail service with associated offices.

Amtrak will have the right of renewal, for up to two additional five-year terms (total of 15 years).

### Financial Impact:

The City will receive \$14,456.60 in rent for the first full year commencing October 1, 2019, and rent shall be increased 2% annually. The City pays for all utilities, sanitation services, maintenance and repair of the premises.

The City staff is recommending that the rent be increased 2% annually. Most City leases provide that rent be increased 2% annually. Under the current Amtrak lease the rent has increased 3% annually.

### Policy Impact:

None.

### Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

## **TRANSPORTATION AND OTHER PUBLIC INFRASTRUCTURE**

Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

### **Has There Been Previous Council Decision on This:**

The City Council approved the original Lease, and it continues through September 30, 2019. The Lease will terminate unless this Amendment is approved.

### **Options and Alternatives:**

1. Not approve the Amendment to extend the Lease and issue a competitive solicitation. This not recommended because as a practical matter the Flagstaff community benefits from having this centrally located railroad passenger station. Amtrak is considered to be a "sole source" provider for railroad passenger services.
2. Direct staff to try and negotiate a higher annual lease amount and/or a different lease terms with Amtrak.

### **Background and History:**

The City of Flagstaff acquired the Railroad Passenger Station in 1993 from the Atchison, Topeka and Santa Fe Railway Company and assumed the lease to Amtrak to provide passenger rail service to Flagstaff. In 1994, a ten (10) year lease agreement was signed and was renewed in 2004, 2009, and for the final term under the agreement in 2014.

### **Community Involvement:**

Amtrak provides an important role in multi-modal transportation in Flagstaff by providing passenger rail service to the community. In Fiscal Year 2018 there were 44,000 riders departing and arriving at the Flagstaff Station, placing Flagstaff in the top 100 of stations on long distance lines in the US.

---

**Attachments:**     Lease Amendment  
                             Current Lease