

## AGENDA

REGULAR COUNCIL MEETING  
TUESDAY  
JULY 3, 2012

COUNCIL CHAMBERS  
211 WEST ASPEN AVENUE  
12:00 NOON AND 5:30 P.M.

### 12:00 NOON MEETING

*Individual Items on the 12:00 noon meeting agenda may be postponed to the 5:30 meeting.*

1. **CALL TO ORDER**

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. **ROLL CALL:**

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

MAYOR NABOURS \_\_\_\_\_

VICE MAYOR EVANS \_\_\_\_\_

COUNCILMEMBER BAROTZ \_\_\_\_\_

COUNCILMEMBER BREWSTER \_\_\_\_\_

COUNCILMEMBER ORAVITS \_\_\_\_\_

COUNCILMEMBER OVERTON \_\_\_\_\_

COUNCILMEMBER WOODSON \_\_\_\_\_

**PUBLIC PARTICIPATION.**

Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.

If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak.

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 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.

3. **BOARD AND COMMISSION APPOINTMENTS**

No items were submitted.

**4. LIQUOR LICENSE PUBLIC HEARINGS**

- A. Consideration and Action on Liquor License Application:** John Michael Conley, "Fat Olives", 2308 E. Route 66, Series 12, New License.

**RECOMMENDED ACTION:**

Open the public hearing.  
Receive citizen input.  
Closure the public hearing.

The City Council has the option to:

- (1) Forward the application to the State with a recommendation for approval;
- (2) Forward the application to the State with no recommendation; or
- (3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

- B. Consideration and Action on Liquor License Application:** Nathan Friedman, Wanderlust Brewing Company, 1519 N. Main Street, Suite 102, Series 03, New License.

**RECOMMENDED ACTION:**

Open the public hearing.  
Receive citizen input.  
Closure the public hearing.

The City Council has the option to:

- (1)Forward the application to the State with a recommendation for approval;
- (2)Forward the application to the State with no recommendation; or
- (3)Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

**5. CONSENT ITEMS**

**ALL MATTERS UNDER 'CONSENT AGENDA' ARE CONSIDERED BY THE CITY COUNCIL TO BE ROUTING AND WILL BE ENACTED BY ONE MOTION APPROVING THE RECOMMENDATIONS LISTED ON THE AGENDA. UNLESS OTHERWISE INDICATED, EXPENDITURES APPROVED BY COUNCIL ARE BUDGETED ITEMS.**

- A. Consideration and Approval of Joint Funding Request:** Monitoring the C Aquifer of the Middle and Lower Little Colorado River Basins.

**Recommended Action**

Approve the Agreement with the U.S. Geological Survey to contribute \$10,000 per year for up to three (3) years.

**6. ROUTINE ITEMS**

No items were submitted.

**7. RECESS**

**5:30 P.M. MEETING**

**8. RECONVENE REGULAR MEETING**

**NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

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**9. PLEDGE OF ALLEGIANCE, INVOCATION, AND VISION STATEMENT****VISION STATEMENT**

The City of Flagstaff will be a sustainable, safe and vibrant community retaining the character, high quality of life and charm of a small town. Flagstaff will offer economic opportunities, educational choices, attainable housing, a protected environment and cultural and career opportunities to a diverse population.

**10. ROLL CALL :**

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

**MAYOR NABOURS \_\_\_\_\_**

**VICE MAYOR EVANS \_\_\_\_\_**

**COUNCILMEMBER BAROTZ \_\_\_\_\_**

**COUNCILMEMBER BREWSTER \_\_\_\_\_**

**COUNCILMEMBER ORAVITS \_\_\_\_\_**

**COUNCILMEMBER OVERTON \_\_\_\_\_**

**COUNCILMEMBER WOODSON \_\_\_\_\_**

**11. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS****PUBLIC PARTICIPATION.**

**Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed.**

**If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak.**

**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 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.**

**12. CARRY OVER ITEMS FROM THE 12:00 NOON AGENDA****13. PUBLIC HEARING ITEMS**

No items were submitted.

**14. REGULAR AGENDA**

- A. **Consideration and Possible Adoption of Ordinance No. 2012-13:** An ordinance of the Mayor and Council of the City of Flagstaff amending Flagstaff City Code, Title 3, Business Regulations; Chapter 3, User Fees; Section 3-10-001-0005, Recreation, revising Jay Lively Activity Center fees.

**RECOMMENDED ACTION:**

Read Ordinance No. 2012-13 for the first time by title only.

- B. **Consideration and Adoption of Ordinance No. 2012-09:** An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June, 2013.

**RECOMMENDED ACTION:**

(1) Read Ordinance No. 2012-09 for the final time by title only. (2) Adopt Ordinance No. 2012-09.

**15. DISCUSSION ITEMS**

No items were submitted.

**PUBLIC PARTICIPATION**

**INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, REQUESTS FOR FUTURE AGENDA ITEMS**

**ADJOURNMENT**

**CERTIFICATE OF POSTING OF NOTICE**

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Flagstaff City Hall on \_\_\_\_\_, at \_\_\_\_\_ a.m./p.m. in accordance with the statement filed by the City Council with the City Clerk.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Margie Brown, MMC, City Clerk

**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Susan Alden, City Records Technician  
**Date:** 06/08/2012  
**Meeting Date:** 07/03/2012



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**TITLE:**

**Consideration and Action on Liquor License Application:** John Michael Conley, "Fat Olives", 2308 E. Route 66, Series 12, New License.

**RECOMMENDED ACTION:**

- Open the public hearing.
- Receive citizen input.
- Closure the public hearing.

The City Council has the option to:

- (1) Forward the application to the State with a recommendation for approval;
- (2) Forward the application to the State with no recommendation; or
- (3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

**Policy Decision or Reason for Action:**

Policy Decision or Reason for Action: John Conley has opened Fat Olives, which is a new business in a new location. This requires a new Series 12 (restaurant) license.

**Financial Impact:**

There is no budgetary impact to the City of Flagstaff.

**Connection to Council Goal:**

- Effective governance.
  - Regulatory action

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

Not applicable.

**Options and Alternatives**

- o Table the item if additional information or time is needed.
- o Make no recommendation.
- o Forward the application to the State with a recommendation for approval.
- o Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

**Background/History:**

- An application for a new Series 12 liquor license was received from John Conley for Fat Olives, 2308 E. Route 66.
- A background investigation performed by Sgt. Matt Wright of the Flagstaff Police Department resulted in a recommendation for approval.
- A background investigation performed by Gregory Brooks, Code Compliance Officer II, resulted in no active code violations being reported.
- Sales tax and licensing information was reviewed by Ranbir Cheema, Tax, Licensing & Revenue Manager, who stated that the business is in compliance with the tax and licensing requirements of the City.

**Key Considerations:**

- Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.
- A Series 12 license allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.
- The deadline for issuing a recommendation on this application is July 15, 2012.
- The applicant is not required to provide the distance between the applicant's business and the nearest church or school for government (Series 05), hotel/motel (Series 11), or restaurant, (Series 12) liquor license applications; and the State does not require a geological map or list of licenses in the vicinity for any license series.

**Community Benefits and Considerations:**

- This business will contribute to the tax base of the community.
- We are not aware of any other relevant considerations.

**Community Involvement:**

- The application was properly posted on May 24, 2012.
- No written protests have been received to date.

**Expanded Options and Alternatives:**

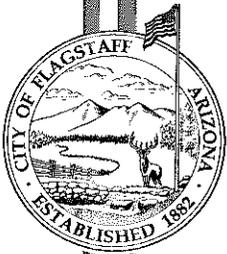
- (1) Table the item if additional information or time is needed.
- (2) Make no recommendation.
- (3) Forward the application to the State with a recommendation for approval.
- (4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

**Date of Council Approval:**

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- Attachments:**     [Fat Olives Letter to Applicant](#)  
                          [Fat Olives Hearing Procedures](#)  
                          [Fat Olives Series Description](#)  
                          [Fat Olives Police Dept Memo](#)

Fat Olives Code Enforcement Memo

Fat Olives Tax Memo



# City of Flagstaff

OFFICE OF THE CITY CLERK

June 20, 2012

John Conley  
c/o Salsa Brava  
2220 E. Route 66  
Flagstaff, AZ 86004

Dear Mr. Conley:

Your application for a new Series 12 liquor license for Fat Olives at 2308 E. Route 66 was posted on May 24, 2012. The City Council will consider the application at a public hearing during their regularly scheduled City Council Meeting on Tuesday, July 3, 2012 which begins at noon.

It is important that you or your representative attend this Council Meeting to make a presentation on your application and to answer any questions that the City Council may have. Failure to make a presentation could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license and to make a presentation on that information, as well as stating whether or not you have attended the necessary training, whether or not you have had a business prior to this one, and, if so, the kinds of business(es) you have operated. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application expired on June 13, 2012, and the application may be removed from the premises at any time.

If you have any questions, please feel free to call me at 928-213-2066.

Sincerely,

Susan Alden  
City Records Technician

Enclosure

Arizona Relay Service 7-1-1

211 West Aspen Avenue, Flagstaff, Arizona 86001  
Main & TDD (928) 774-5281 • Fax (928) 779-7696





# City of Flagstaff

## Liquor License Application Hearing Procedures

1. When the matter is reached at the Council meeting, the presiding officer will accept a motion to open the public hearing on the item.
2. The presiding officer will request that the Applicant come forward to address the Council regarding the application in a presentation not exceeding ten (10) minutes. Council may question the Applicant regarding the testimony or other evidence provided by the Applicant.
3. The presiding officer will then ask whether City staff have information to present to the Council regarding the application. Staff should come forward at this point and present information to the Council in a presentation not exceeding ten (10) minutes. Council may question City staff regarding the testimony or other evidence provided by City staff.
4. Other parties, if any, may then testify, limited to three (3) minutes per person. Council may question these parties regarding the testimony they present to the Council.
5. The Applicant may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of the Applicant.
6. City staff may make a concise closing statement to the Council, limited to five (5) minutes. During this statement, Council may ask additional questions of City Staff.
7. By motion, Council will then close the public hearing.
8. By motion, the Council will then vote to forward the application to the State with a recommendation of approval, disapproval, or shall vote to forward with no recommendation.

## License Types: Series 12 Restaurant License

Non-transferable

On-sale retail privileges

Note: Terms in **BOLD CAPITALS** are defined in the glossary.

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### PURPOSE:

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

### ADDITIONAL RIGHTS AND RESPONSIBILITIES:

An applicant for a restaurant license must file a copy of its restaurant menu and Restaurant Operation Plan with the application. The Plan must include listings of all restaurant equipment and service items, the restaurant seating capacity, and other information requested by the department to substantiate that the restaurant will operate in compliance with Title 4.

The licensee must notify the Department, in advance, of any proposed changes in the seating capacity of the restaurant or dimensions of a restaurant facility.

A restaurant licensee must maintain complete restaurant services continually during the hours of selling and serving of spirituous liquor, until at least 10:00 p.m. daily, if any spirituous liquor is to be sold and served up to 2:00 a.m.

On any original applications, new managers and/or the person responsible for the day-to-day operations must attend a basic and management training class.

A licensee acting as a **RETAIL AGENT**, authorized to purchase and accept **DELIVERY** of spirituous liquor by other licensees, must receive a certificate of registration from the Department.

A **PREGNANCY WARNING SIGN** for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar.

A log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

Bar, beer and wine bar, and restaurant licensees must pay an annual surcharge of \$20.00. The money collected from these licensees will be used by the Department for an auditor to review compliance by restaurants with the restaurant licensing provisions of ARS 4-205.02.

**MEMORANDUM**

**Memo #**

**TO: Chief Kevin Treadway**

**FROM: Sgt. Matt Wright**

**DATE: June 8, 2012**

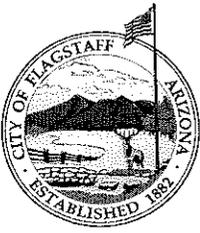
**RE: LIQUOR LICENSE APPLICATION – SERIES 12- FOR “Fat Olives”**

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On June 8, 2012, I initiated an investigation into an application for a series 12 liquor license filed by John Conley (Agent) and Genevieve Conley (Controlling Person) on behalf of Flat Olives. The restaurant is located at 2308 E. Route 66 in Flagstaff. Genevieve and John plan on running the day to day operations. This is an application for a new series 12 license #12033325.

I conducted a query through local systems and public access on John Conley and Genevieve Conley. No derogatory records were found on John or Genevieve. I spoke with John Conley who stated both he and Genevieve are planning on completing the mandatory liquor license training course as they have not done so to date. John said he and Genevieve currently own and operate Salsa Brava located at 2220 E. Route 66 in Flagstaff. John stated he has no pending liquor law violations. I confirmed with the Arizona Department of Liquor licenses and Control that John currently has a series 12 license for Salsa Brava in good standing. I was advised by the Arizona Department of Liquor Salsa Brava had one under age drinking violation 8 years ago.

As a result of this investigation, I can find no reason to oppose this series 12 liquor license application. Recommendation to Council would be for approval.



## Planning and Development Services Memorandum

**June 1, 2012**

**TO:** Susan Alden, City Records Technician

**THROUGH:** Roger Eastman, AICP, Zoning Code Administrator

**FROM:** Gregory Brooks, Code Compliance Officer II.

**RE:** Application for Liquor License #12033325  
2308 E Rt. 66, Flagstaff, Arizona 86004  
Assessor's Parcel Number 107-04-002  
John Conley on behalf of Fat Olives

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This application is a request for a Series 12 (Restaurant) new liquor license from John Conley on behalf of Fat Olives, located in the Highway Commercial (HC) Zone. This district allows for restaurants.

This is a new liquor license.

There are no active code violations associated with John Conley or Fat Olives.

This Liquor License is recommended for approval.

# Memo

To: Susan Alden, City Records Technician

From: Ranbir Cheema - Tax, Licensing & Revenue Manager *RBC*

Date: May 25, 2012

Re: Series 12 Liquor License – New License – Fat Olives

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Salsa Brava Inc DBA Fat Olives with John Conley as it President, is properly licensed with the City. They are current in their sales tax reporting and remittance. They are in compliance with the sales tax and licensing requirements of the City.

/liquor licenses/Fat Olives.doc

**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Susan Alden, City Records Technician  
**Date:** 06/15/2012  
**Meeting Date:** 07/03/2012



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**TITLE:**

**Consideration and Action on Liquor License Application:** Nathan Friedman, Wanderlust Brewing Company, 1519 N. Main Street, Suite 102, Series 03, New License.

**RECOMMENDED ACTION:**

- Open the public hearing.
- Receive citizen input.
- Closure the public hearing.

The City Council has the option to:

- (1) Forward the application to the State with a recommendation for approval;
- (2) Forward the application to the State with no recommendation; or
- (3) Forward the application to the State with a recommendation for denial based on the testimony received at the public hearing and/or other factors.

**Policy Decision or Reason for Action:**

Nathan Friedman is opening Wanderlust Brewing Company which requires a new Series 03 (microbrewery) license.

**Financial Impact:**

There is no budgetary impact to the City of Flagstaff.

**Connection to Council Goal:**

Effective governance - regulatory compliance.

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

Not applicable.

**Options and Alternatives**

- Table the item if additional information or time is needed.
- Make no recommendation.
- Forward the application to the State with a recommendation for approval.
- Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

## **Background/History:**

- An application for a new Series 03 liquor license was received from Nathan Friedman on behalf of Wanderlust Brewing Company, 1519 N. Main St., Suite 102.
- A background investigation performed by Sgt. Matt Wright of the Flagstaff Police Department resulted in a recommendation for approval.
- A background investigation performed by Gregory Brooks, Code Compliance Officer II, resulted in no active code violations being reported.
- Sales tax and licensing information was reviewed by Ranbir Cheema, Tax, Licensing & Revenue Manager, who stated that the business is in good standing.

## **Key Considerations:**

- Because the application is for a new license, consideration may be given to both the location and the applicant's personal qualifications.
- A Series 03 is a non-transferable liquor license which allow for on- and off-sale retail privilege for a licensed microbrewery which manufactures or produces at least 5,000 gallons, but less than 310,000 gallons of beer annually.
- The deadline for issuing a recommendation on this application is August 1, 2012.
- The applicant is no longer required to provide the distance between the applicant's business and the nearest church or school for government (Series 05), hotel/motel (Series 11), or restaurant, (Series 12) liquor license applications; and the State no longer requires a geological map or list of licenses in the vicinity for any license series.

## **Community Benefits and Considerations:**

- This business will contribute to the tax base of the community.
- We are not aware of any other relevant considerations.

## **Community Involvement:**

- The application was properly posted on March 26, 2011. Due to zoning issues which now have been resolved, the application was held and could not be submitted for Council review until now.
- No written protests have been received to date.

## **Expanded Options and Alternatives:**

- (1) Table the item if additional information or time is needed.
- (2) Make no recommendation.
- (3) Forward the application to the State with a recommendation for approval.
- (4) Forward the application to the State with a recommendation for denial, stating the reasons for such recommendation.

**Date of Council Approval:**

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- Attachments:**    Wanderlust Letter to Applicant  
                          Wanderlust Hearing Procedures  
                          Wanderlust Series Description  
                          Wanderlust Memo from Police Dept  
                          Wanderlust Memo from Planning & Development  
                          Wanderlust Memo from Tax Licensing



# City of Flagstaff

OFFICE OF THE CITY CLERK

June 15, 2012

Wanderlust Brewing Company  
c/o Nathan Friedman  
1519 N. Main St., Suite 102  
Flagstaff, AZ 86004

Dear Mr. Friedman:

The City Council will consider your application for a Series 03 liquor license application for Wanderlust Brewing Company at a public hearing during their regularly scheduled City Council Meeting on Tuesday, July 3, 2012 which begins at noon.

It is important that you or your representative attend this Council Meeting to make a presentation on your application and to answer any questions that the City Council may have. Failure to make a presentation could result in a recommendation for denial of your application. We suggest that you contact your legal counsel or the Department of Liquor Licenses and Control at 602-542-5141 to determine the criteria for your license and to make a presentation on that information, as well as stating whether or not you have attended the necessary training, whether or not you have had a business prior to this one, and, if so, the kinds of business(es) you have operated. To help you understand how the public hearing process will be conducted, we are enclosing a copy of the City's liquor license application hearing procedures.

The twenty-day posting period for your liquor license application expired on April 15, 2012, but due to the change in meeting date I request that you leave it posted until July 4, 2012. If you have any questions, please feel free to call me at 928-213-2066.

Sincerely,

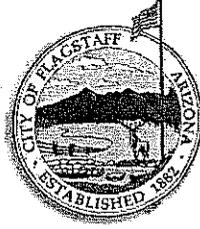
Susan Alden  
City Records Technician

Enclosure

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# City of Flagstaff

## Liquor License Application Hearing Procedures

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## Domestic Microbrewery Application Kit (Series 03)

Application

Application Requirements

Questionnaire

Alien Status Form

Each application for a new liquor license includes The Arizona Statement of Citizenship and Alien Status For State Public Benefits Form (AKA Aliens Status Form). Beginning April 1, 2009, this Federal- and State-required form must be completed by;

1. statutory agents;
2. individual owners including Joint Tenants With Right of Survivorship (JTWROS); and
3. each partner (who is a person) in a partnership including general and limited partners. This does not include corporations which are partners.

To help you complete the form are Attachments A & B and frequently asked questions (Alien Status Form FAQs) below.

Alien Status Form Attachments A & B

Alien Status Form FAQ

Fingerprint Card

This non-transferable liquor license allows for on & off-sale retail privileges for a licensed microbrewery which manufactures or produces at least five thousand (5,000) gallons, but less than three hundred ten thousand (310,000) gallons of beer annually. With this license, the Microbrewery may sell beer produced or manufactured on the premises for consumption on or off the premises, may make sales and deliveries of beer to persons licensed to sell beer, may serve beer produced or manufactured on the premises for the purpose of sampling.

**ADDITIONAL RIGHTS AND RESPONSIBILITIES:** Must report annually at the end of each fiscal year the amount of beer manufactured. If the total amount of beer manufactured exceeds the amount permitted by a Series 03 license, the licensee shall apply for and receive a Series 01 license (In-state Producer). A microbrewery may sell other spirituous liquors if the microbrewery is properly licensed to deal in such products. A person who holds a domestic microbrewery license that meets the requirements of this Section, and who is not otherwise engaged in the business of a distiller, vintner, brewer, rectifier, blender or other producer of spirituous, in any jurisdiction, may hold

6

other on-sale retail licenses. The purchase of spirituous liquor for sale at the other on-sale retail premises shall be from wholesalers who are licensed in this state. Applicants, licensees, and managers must take a Title 4 training course (liquor handling, laws and regulations) prior to approval. A pregnancy warning sign for pregnant women consuming spirituous liquor must be posted within twenty (20) feet of the cash register or behind the bar. An Employee Log must be kept by the licensee of all persons employed at the premises including each employee's name, date and place of birth, address and responsibilities.

ARIZONA STATUTES AND REGULATIONS: A.R.S. §4-119, 4-201, 4-202, 4-203, 4-205.04, 4-209 (B)(3), 4-209(D)(3), 4-243, 4-261; Rule R19-1-227; R19-1-235.

<b>Application Fees:</b>	
Average Approval Time:	Sixty-five (65) to one-hundred five (105) days.
Period of Issuance:	One (1) year with option to renew.
Non-refundable application fee:	\$100.00
Fingerprint fee per card:	<u>Finger Print Services</u>
Interim Permit fee:	\$100.00
<b>Fees Due Upon Approval:</b>	
Final fees (full year):	\$600.00
Final fees (half year):	\$450.00
Annual renewal fee (includes surcharge):	\$370.00

**MEMORANDUM**

**Memo #12-045-01**

**TO: Chief Kevin Treadway**

**FROM: Sgt. Matt Wright**

**DATE: March 29, 2012**

**RE: Liquor license application for Wanderlust Brewing Company – Series 3**

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On March 29, 2012, I initiated an investigation into an application for a new series 3 domestic microbrewery license. The application filed by Nathan Lee Friedman the owner Wanderlust Brewing Company. Nathan is also listed as the Controlling Person. Nathan will be on site operator of the business as well. The microbrewery is located at 1519 N. Main St. suite 102 and the license number is 03033008.

I conducted a query through our local systems and public access on Nathan Friedman and no derogatory records were found. I spoke with Nathan who stated he had not yet completed the mandated liquor law training course, but planned to do so. Nathan stated he was planning on brewing his beer for off premise sales primarily. Nathan stated he also had plans to open a small tap room where he would offer his beer for sale 2 -3 times a week usually in the evenings. The business location was found to be more than 300 feet away from the nearest church or school as required by state law.

Based on this investigation I can find no reason to oppose this application and make a recommendation for approval.



## Planning and Development Services Memorandum

**June 15, 2011**

**TO:** Susan Alden, City Records Technician

**THROUGH:** Roger E. Eastman, AICP, Zoning Code Administrator

**FROM:** Gregory Brooks, Code Compliance Officer II

**RE:** Application for Liquor License #03033008  
1519 N. Main St., Suite 102, Flagstaff, Arizona 86004  
Assessor's Parcel Number 107-06-068C  
Nathan Friedman on behalf of Wanderlust Brewing Company



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This application is a request for a Series 03 liquor license from Nathan Friedman on behalf of Wanderlust Brewing Company, located in the Community Commercial (CC) Zone. This district allows for the manufacture and sale of alcoholic beverages.

This is a new liquor license.

There are no active zoning code violations associated with Nathan Friedman or Wanderlust Brewing Company at this time.

This application is recommended for approval.

# Memo

To: Susan Alden, City Records Technician

From: Ranbir Cheema - Tax, Licensing & Revenue Manager



Date: June 13, 2012

Re: Series 03 Liquor License – New License – Wanderlust Brewing Company

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Nathan Friedman DBA Wanderlust Brewing Company is properly licensed with the City. They are scheduled to open for business on May 15, 2012 therefore no sales tax returns or tax is due at this time. They are in compliance with the sales tax and licensing requirements of the City.

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//liquor licenses/Wanderlust Brewing Co 06-13-2012.doc

**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Erin Young, Water Resources Manager  
**Submitted For:** Brad Hill, Utilities Director  
**Date:** 06/12/2012  
**Meeting Date:** 07/03/2012



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**TITLE:**

**Consideration and Approval of Joint Funding Request:** Monitoring the C Aquifer of the Middle and Lower Little Colorado River Basins.

**Recommended Action**

Approve the Agreement with the U.S. Geological Survey to contribute \$10,000 per year for up to three (3) years.

**Policy Decision or Reason for Action:**

The City has relied upon groundwater within the Coconino (C) Aquifer dating back to the 1950's. This water resource is a critical component of the City's ability to provide its citizens with a reliable, high quality water supply over the past 60 years. Additionally, in 2005 the City purchased Red Gap Ranch with the intention of pumping groundwater within the C Aquifer east of the City as a long-term water supply in the future. Partnering with the U.S. Geological Survey in the hydrologic monitoring of this valuable resource is critical in helping to understand the impacts today or predicting any potential impacts into the future.

**Financial Impact:**

The City of Flagstaff's annual cost is \$10,000 with the option to support the project at \$10,000 a year for 2 additional years should Council elect to do so. Funds are budgeted within 201-4201-700-2811 Other Misc. Services.

**Connection to Council Goal:**

A sustainable community through economic vitality, environmental protection and social inclusion. This agreement will demonstrate continued collaboration of the City with other entities that benefit from the C Aquifer.

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

No

**Options and Alternatives**

1. Authorize the signing of the agreement with the USGS and become a collaborative stakeholder in monitoring the C Aquifer.
2. Do not authorize the signing of the agreement with the USGS and thereby not becoming a collaborative stakeholder in monitoring the C Aquifer.

**Background/History:**

The current monitoring program was established in 2005 as an agreement between the U.S. Geological Survey and the Bureau of Indian Affairs to evaluate baseflow within Chevelon Creek, Clear Creek, and part of the Little Colorado River. Data and results from this project are relevant to the City such that the City has and will continually be asked to demonstrate that proposed pumping at RGR will have a negligible impact on the surrounding resources that rely on water from the C Aquifer. Proper baseline hydrologic information is important to understand the C Aquifer conditions prior to any pumping by the City. Additionally, the City is working on a biological and hydrological Resources Evaluation (RE) for Red Gap Ranch as a cost-share project with the U.S. Bureau of Reclamation. The RE is essentially a precursor to a required Environmental Impact Statement before the City can fully develop and utilize groundwater from Red Gap Ranch. This cooperative agreement with the U.S. Geological Survey will provide important data for this effort as well.

**Key Considerations:**

The purpose of the current monitoring program is to establish baseline information for the C Aquifer before significant groundwater development occurs between Flagstaff and Winslow. Groundwater resources between Flagstaff and Winslow are already being affected by current withdrawals for municipal, agriculture, and industrial water uses. Staff recognizes the importance of monitoring the C Aquifer in the areas of Flagstaff, Red Gap Ranch, and Winslow and is proposing to contribute funds to the U.S. Geological Survey monitoring program. The objectives of the project are to: 1) establish baseline conditions in the C Aquifer prior to significant additional groundwater development, 2) evaluate baseflow in the Little Colorado River, Clear and Chevelon Creeks, 3) document changes in flow and water quality of the C Aquifer, and 4) inventory and characterize spring resources.

**Date of Council Approval:**

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**Attachments:**     USGS JFA



# United States Department of the Interior

U.S. GEOLOGICAL SURVEY

Arizona Water Science Center

520 North Park Avenue, Suite 221

Tucson, Arizona 85719

DUNS: 137882127 TIN: 53-0196958 ALC: 14-08-0001 CC: GGWSZF

(520) 670-6671 FAX (520) 670-5592

<http://az.water.usgs.gov/>

June 19, 2012

6000000790/AZ006  
Brad Hill, Utilities Director  
City of Flagstaff  
Utilities Department  
211 W. Aspen Ave.  
Flagstaff, AZ 86001

Dear Mr. Hill:

Enclosed are two copies of our Joint Funding Agreement (JFA) to monitor the C Aquifer between Flagstaff and Winslow. The period of performance is July 9, 2012 through September 30, 2014; including USGS fiscal years 2012, 2013 and 2014. The gross annual cost is \$20,000 and the USGS will contribute the net equivalent of \$10,000 of gross matching funds each year from the Cooperative Water Program. The City of Flagstaff's annual cost is \$10,000. Billing will be on a quarterly basis with an initial August 2012 bill for \$10,000. Subsequent bills for \$2,500 each will be mailed in December, March, June and August in FY13 and FY14. Work performed with funds from this agreement will be conducted on a fixed-price basis. The results of all work under this agreement will be available for publication by the USGS.

Please return a signed copy of the JFA to this office. If you have any questions, please contact Jamie Macy in our Flagstaff office at (928) 556-7276.

Sincerely,

John P. Hoffmann  
Director

Enclosures (2)

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement

Page 1 of 2  
Customer #: 6000000790/AZ006  
Agreement #: 12WSAZ03100  
Project #: ZF00C1D  
TIN #: 86-6000244  
Fixed Cost Agreement  Yes  No

FOR  
WATER RESOURCES INVESTIGATIONS

THIS AGREEMENT is entered into as of the 19th day of June, 2012, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the CITY OF FLAGSTAFF, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation a program to monitor the C-Aquifer as described in the attached work plan, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.

(a) \$30,000 by the party of the first part during the period  
July 9, 2012 to September 30, 2014

(b) \$30,000 by the party of the second part during the period  
July 9, 2012 to September 30, 2014

(c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.

(d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

Form 9-1366  
continued

U.S. Department of the Interior  
U.S. Geological Survey  
Joint Funding Agreement

Customer #: 600000790/AZ006  
Agreement #: 12WSAZ03100  
Project #: ZF00C1D  
TIN #: 86-6000244

- 8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
- 9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered quarterly. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey  
United States  
Department of the Interior

City of Flagstaff

USGS Point of Contact

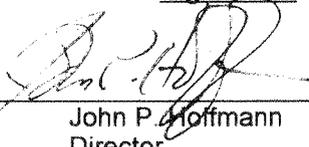
Customer Point of Contact

Name: John P. Hoffmann  
Address: Arizona Water Science Center  
520 N. Park Ave., #221  
Tucson, AZ 85719  
Telephone: 520-670-6671 x222  
Email: jphoffma@usgs.gov

Name: Brad Hill, Director  
Address: City of Flagstaff Utilities Dept.  
211 W. Aspen Ave.  
Flagstaff, AZ 86001  
Telephone: 928-779-7618  
Email: bhill@flagstaffaz.gov

Signatures

Signatures

By  Date 6-19-12  
Name: John P. Hoffmann  
Title: Director

By \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title: City Clerk

By \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_ Date \_\_\_\_\_  
Name:  
Title: City Attorney



**A PROPOSAL FOR MONITORING THE C AQUIFER  
OF THE MIDDLE TO LOWER  
LITTLE COLORADO RIVER BASIN, ARIZONA**

*-A cooperative program with the Bureau of Indian Affairs, the City of Flagstaff, and the U.S. Geological Survey-  
Prepared by the U.S. Geological Survey Arizona Water Science Center*

**INTRODUCTION:** In 2005 the Bureau of Indian Affairs Navajo Region (Navajo-BIA) and the U.S. Geological Survey (USGS) established a cooperative groundwater monitoring program for the C-aquifer near Flagstaff, Arizona that focuses on the middle to lower Little Colorado River Basin. The area of study specifically lies between Flagstaff and Winslow, Arizona where the greatest potential for groundwater development exists. The monitoring program was established at the request of Navajo- BIA and the Navajo and Hopi Tribes to develop a monitoring network that will help to understand the current baseflow conditions of the C aquifer in this area. The C aquifer is planned to be used by the tribes and the City of Flagstaff to meet future water-supply demands. Since 2005, funding support to monitor the C aquifer has been provided by the Navajo-BIA and the USGS. The Navajo-BIA is interested in finding other stakeholders who benefit from the C aquifer to contribute funding toward the monitoring effort. The City of Flagstaff recognizes the importance of monitoring this critical area and is proposing to contribute funds to the monitoring program. A benefit of having the City as a funding partner is that the USGS would be able to provide cooperative funding to the program. Without funding from the City (or other potential stakeholders), the Navajo-BIA has informed the USGS that they may not be able to continue to financially support the program.

The C-aquifer is a large regional aquifer system in the Little Colorado River Basin with potentially several hundred million acre-feet of water in storage (McGavock and others, 1986; Bills and others, 2000; and Bureau of Reclamation, 2006). The aquifer is used as a source of water for domestic, municipal, industrial, agricultural, and recreational water uses where the water quality is good. Groundwater withdrawals from the C-aquifer in the Little Colorado River Basin totaled about 140,100 acre-feet in 1995 (Hart and others, 2002). This amount is a little less than half of the average annual, natural discharge from the basin of 319,000 acre-feet (Hart and others, 2002). Water demand mainly for municipal, industrial, and agricultural uses has resulted in significant drawdown of the potentiometric surface (the water table) in the central and upper parts of the basin.

Recent growth and development in Northern Arizona, especially in the City of Flagstaff, has resulted in the evaluation of the C-aquifer in the middle and lower parts of the Little Colorado River Basin as a possible source of water supply to meet future water demands. Several aquifer tests have been conducted in the Leupp

area, along I-40 to the west of Winslow, and the area to the north of Moenkopi that indicated that the C-aquifer in these areas is likely to be very productive (Hoffmann and others, 2006; BOR, 2005; and Hopi Tribe, 2003). The Navajo Nation's groundwater resources of the C-aquifer in the Little Colorado River Basin are being affected by groundwater withdrawals for municipal, agriculture, and industrial water uses on the southwestern boundaries.

Proposed groundwater development from the C-aquifer include: 1) Future water supply for communities in the western part of the Navajo Indian Reservation, 2) The future source of municipal water supply for the City of Flagstaff (Red Gap Ranch), and 3) water supply to support continuing development along the Little Colorado River Valley upgradient from Leupp. These future demands for groundwater resources in this area have the potential to affect groundwater withdrawals in the basin, which may include a reduction to the base flow of perennial streams such as Clear Creek and Chevelon Creek (Leake and others, 2005; S.S. Papadopulos and Associates, Inc., 2005), or further reduce the availability of water to the Little Colorado River and Little Colorado River alluvium which are already affected by existing upstream water uses. Additional development of groundwater resources from other water-bearing zones in this area could also occur to improve water supplies for communities in the western and southern parts of the Navajo Indian Reservation.

**OBJECTIVE:** The monitoring program is designed to establish current baseline information for the C-aquifer before significant additional groundwater development occurs in the Flagstaff to Winslow area, and to begin monitoring for long-term changes in groundwater levels, water use, changes in baseflow in Clear and Chevelon Creeks, and water chemistry. Groundwater resources of the C aquifer in the Little Colorado River Basin are already being affected by current withdrawals for municipal, agriculture, and industrial water uses throughout the upper and middle parts of the basin. Potential, additional groundwater withdrawals from the C aquifer, especially east of Flagstaff toward the Little Colorado River, could compound the effects of groundwater withdrawals in the basin. The specific objectives of this monitoring program are:

- 1) Establish baseline conditions in the C aquifer prior to significant additional groundwater development.
- 2) Collect and provide information on groundwater resources for the protection of native and endangered species that depend on the baseflow discharge from the C-aquifer to Clear and Chevelon Creeks.
- 3) Document changes in flow and water quality of the C-aquifer and adjacent water-bearing zones that may impact the use of these water resources.
- 4) Inventory and characterize spring resources at the southwestern boundaries of the Navajo reservation.

## **PROJECT DESCRIPTION/SCOPE OF WORK:**

### **Methodology**

The USGS proposes to continue operation and maintain a core monitoring network of selected wells that includes:

1. Five continuous-record observations wells, with satellite telemetry and quarterly check measurements (table 1). Real-time data are available from these sites at:  
<http://waterdata.usgs.gov/az/nwis/current/?type=gw>
2. Produce a daily values water level record for these five sites for the 2012 water year.
3. Measurement of quarterly water levels by the USGS at 11 observation wells located in the C aquifer between Flagstaff and Winslow, AZ (table 2). Also includes C aquifer well data provided by the City of Flagstaff and Arizona Department of Water Resources as part of this water-level network (figure 2).
4. Conduct a base flow evaluation consisting of 24 sites on Clear Creek, Chevelon Creek, and on the Little Colorado River from Chevelon Creek to Clear Creek for comparison to the summer 2005, 2006, 2008 and winter 2010 studies.
5. Collect discharge and water quality field parameters (specific conductance, pH, water temperature, and dissolved oxygen) quarterly for two to four springs (Artesian Spring on Clear Creek below Mc Hood Reservoir, Seba Dalkai Springs, Coyote Springs near Dilkon, and Shonto Spring near Dilkon) to continue to document and characterize the quantity and quality of water resources at the western end of the Navajo Reservation in FY2012.
6. Work with other Federal, Tribal, State, and local partners to develop additional financial support for this study or with in-kind services, so that partners can be included as cost-sharing efforts.
7. Publish the first in a series of USGS Open-File report that will summarize and evaluate the study data collected from 2005 to 2011. The report will be published in FY2012

**DELIVERABLES:** The following deliverables will be provided to all cooperators based on the field data collected and on the above methodology. The City of Flagstaff will be provided provisional data for their review as it becomes available during the project, and also courtesy review copies of planned reports that will be published by the USGS.

1. The USGS will publish the first in a series of USGS digital Open-File data reports beginning in FY2012. The USGS Open-File Report will summarize the results and evaluate the monitoring efforts for years 2005-2011.
2. The USGS will publish on-line (Water-Data Report WDR-US-XXXX, at URL: [http://web10capp.er.usgs.gov/adr06\\_lookup/search.jsp](http://web10capp.er.usgs.gov/adr06_lookup/search.jsp)) in its annual water resources data summary, all data collected for the program with corresponding USGS site numbers (table 1 and 2). An electronic copy of the on-line summary of the on-line data,

3. Copies of publications or reports that USGS presents at conferences or meetings.

**TASK / BUDGET/TIME LINE**

<b>1. Project oversight and writing report.</b>	<b>\$33,000</b>
<b>4 month</b>	
Labor (1 hydrologist, 1 hydrologic technician)	\$32,000
Travel	\$ 1,000
<b>2. Maintenance, operation and processing of 5 continuously monitored observation wells with telemetry (table 1 and fig.1; about \$3,000 per well).</b>	<b>\$15,000</b>
<b>4 months</b>	
Labor (1 hydrologic technician)	\$13,000
Travel	\$ 1,275
Supplies	\$ 725
<b>3. Quarterly water-level measurements at observation wells (table 2 and fig.2).</b>	<b>\$2,500</b>
<b>4 months</b>	
Labor (1 hydrologic technician)	\$ 1,780
Travel	\$ 480
Supplies	\$ 240
<b>4. Conduct a base flow evaluation consisting of 24 sites on Clear Creek, Chevelon Creek, and on the Little Colorado River from Chevelon Creek to Clear Creek</b>	<b>\$12,000</b>
<b>1 month</b>	
Labor (one Hydrologist, 3 hydrologic technicians)	\$8,000
Travel	\$1,800
Supplies	\$2,200
<b>5. Collect and compile discharge and groundwater field parameter data for 2 To 4 spring sites (table 3 and fig.2).</b>	<b>\$2,500</b>
<b>2 months</b>	
Labor (1 hydrologist, 1 hydrologic technician)	\$ 1,680
Travel	\$ 480
Supplies	\$ 340
<b>6. Post data on the USGS web page and publish the first in the series of USGS Open-File Reports containing data with observations on the base flows and monitoring wells.</b>	<b>\$10,000</b>
<b>6 months</b>	
Labor (One hydrologist)	\$ 9,300
Supplies	\$ 700
<b>7. Funds to carry over to FY2013</b>	<b>\$40,000</b>

**Total Program costs** **\$115,000**

**Cost Sharing:**

<u>Other Federal Agency (OFA) Program</u>	<u>Amount</u>
Bureau of Indian Affairs (BIA), Navajo Area Office (carried over from FY11)	\$45,000
Bureau of Indian Affairs (BIA), Navajo Area Office (FY12 request)	\$50,000
City of Flagstaff (FY12 request)	\$10,000
U.S. Geological Survey (USGS) (Department of the Interior cost share)	\$10,000

**Total Program costs** **\$115,000**

**PAST ACCOMPLISHMENTS**

**1997-2005**

Groundwater monitoring network supported by the National Park Service

**2005**

USGS and BIA establish current monitoring program  
 BIA primary funding partner, NPS no longer funding partner  
 Establish network of 24 quarterly observation wells  
 1<sup>st</sup> Base-flow evaluation of Chevelon Creek, Clear Creek, and part of the Little Colorado River

**2006**

3 USGS streamflow gaging stations established on Chevelon and Clear Creek  
 5 Continuous recording, telemetered observation wells instrumented near Leupp and Winslow, AZ  
 2<sup>nd</sup> Base-flow evaluation of Chevelon Creek, Clear Creek, and part of the Little Colorado River

**2007**

Program discontinued due to lack of funding

**2008**

Program re-established with BIA funding and ADWR in-kind support  
 3<sup>rd</sup> Base-flow evaluation of Chevelon Creek, Clear Creek, and part of the Little Colorado River

**2010**

4<sup>th</sup> Base-flow evaluation (1<sup>st</sup> winter evaluation)

**2011-12**

USGS publication describing C aquifer results from 2005-2011

**HISTORY OF FUNDING FOR THE C AQUIFER PROJECT**

<b>C Aquifer Project</b>	<b>BIA Navajo</b>	<b>National Park Service</b>	<b>US Geological Survey</b>	<b>Arizona Dept. Water Resources</b>
FY 1997		\$15,000		
FY 1998		\$15,000		
FY 1999		\$15,000		
FY 2000		\$15,000		
FY 2001		\$17,510		
FY 2002		\$17,510		
FY 2003		\$38,000		
FY 2004		\$18,000		
FY 2005	\$234,000			
FY 2006	\$278,840		\$3,860	
FY 2007			*\$25,000	
FY 2008	\$50,000			
FY 2009	\$57,197		\$10,149	
FY 2010	\$60,000			*\$4,400
FY 2011	\$84,212		\$13,600	

\*In-kind services

**Table 1.** Observation wells with satellite telemetry and quarterly check measurements.

<b>Site Name</b>	<b>Site ID</b>	<b>Station Number</b>
OW-1	351022111061801	05 145-05.92X05.31
OW-2B	351214111022101	05 145-02.25X03.18
OW-3A shallow	350959110562303	05 144-10.70X05.71(2)
Winslow T	345603110450301	(A18-15) 28aad
Winslow I-40	350002110355501	(A-19-16) 36dbb

**Table 2.** Quarterly observation wells measured by the USGS

Site number	Site name	Site ID	Well owner
A-20-12H13CBB	Sunshine Well	350706111014701	Hopi
--	BOR-OW-2A, shallow	351216111021902	Navajo
--	BOR-OW-2A, middle	351216111021903	Navajo
--	BOR-OW-2A, deep	351216111021904	Navajo
--	BOR-PW-2B	351213111022101	Navajo
--	BOR-PW-2A	351218111021701	Navajo
--	BOR-PW-1A	351023111062002	Navajo
A-21-07 24AAD	Foxglenn	351127111360001	Flagstaff
A-21-08 17BCA2	Continental 2	351224111342601	Flagstaff
A-20-08 18BCC	Lake Mary 2	350700111354701	Flagstaff
03 98-13.94x15.20	Black Mesa Pipeline	354646111294801	Black Mesa

**Table 3.** Springs to measure and sample for flow and groundwater field parameters.

A-18-16 10CDC	Clear Creek artesian spring	345813110382701
To be determined	Coyote spring near Seba Delkai	to be determined
To be determined	Seba Delkai, spring	353002110364001
To be determined	Shonto spring	to be determined

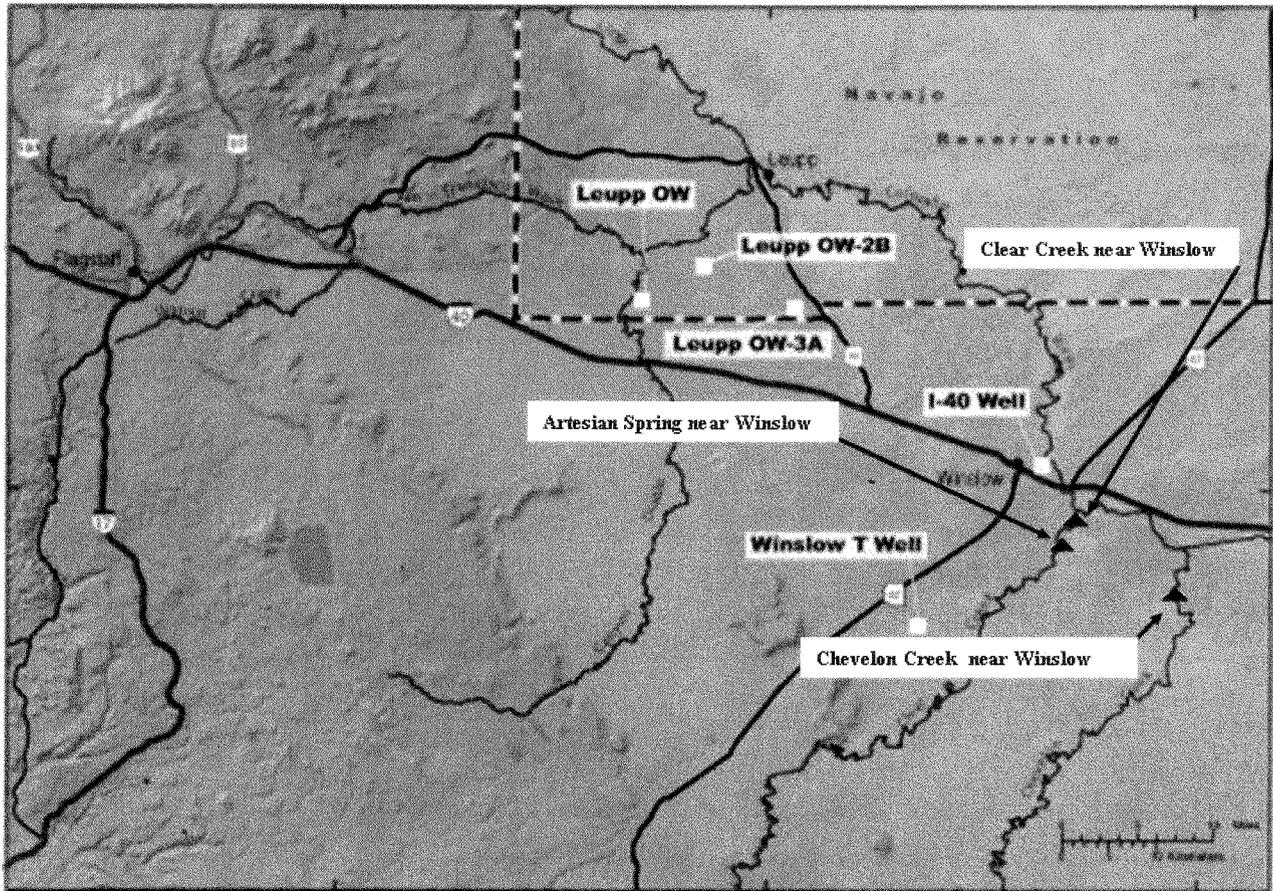
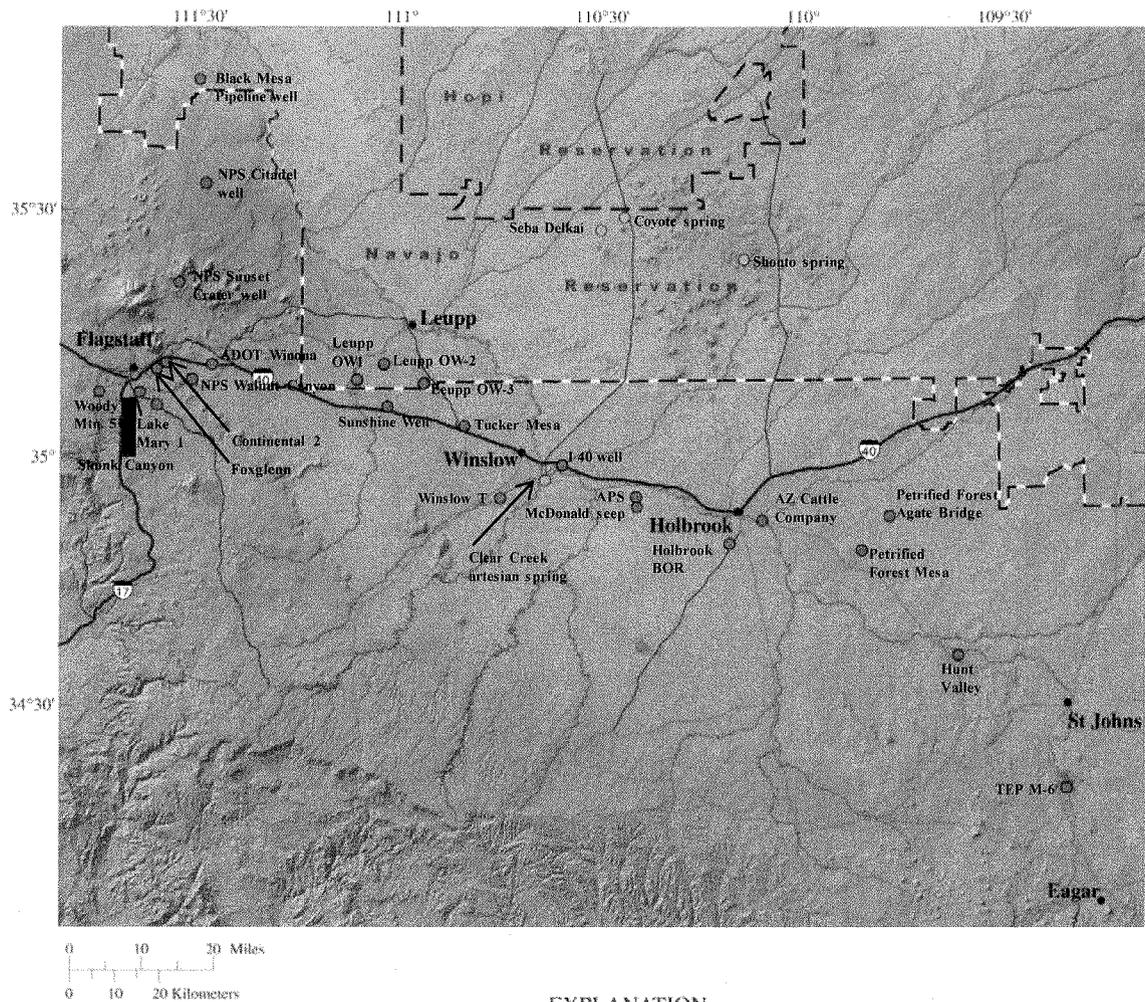


Figure 1. Location of stream-flow gages and monitoring wells, C aquifer monitoring program, Little Colorado River Basin, Arizona.

Site Name	Site ID	Station Number	Data collected by
OW-1	351022111061801	05 145-05.92X05.31	USGS
OW-2B	351214111022101	05 145-02.25X03.18	USGS
OW-3A shallow	350959110562303	05 144-10.70X05.71(2)	USGS
Winslow T	345603110450301	(A18-15) 28aad	USGS
Winslow I-40	350002110355501	(A-19-16) 36dbb	USGS
Clear Creek near Winslow (discontinued, 2007)	09399000	--	--
Artesian Spring near Winslow (Discontinued, 2007)	09399100	--	--
Chevelon Creek near Winslow (Discontinued, 2007)	09398000	--	--



**Figure 2. USGS and ADWR quarterly monitoring wells and springs, C aquifer monitoring network, Little Colorado River Basin, Arizona**

Site number	Site name	Site ID	Data Collected by
Wells			
A-20-12H13CBB	Sunshine Well	350706111014701	USGS
A-18-15 28AAD	Winslow T	345603110450301	USGS
A-19-16 36DBB	Winslow I-40	350002110355501	USGS
A-17-20 26DBC	Holbrook BOR	345023110111401	ADWR
A-17-21 10CBA	AZ Cattle Company	345310110062501	ADWR
A-17-23 35DDA	Petrified Forest Mesa	344928109515301	ADWR

A-17-24 09ABD	Petrified Forest Agate Bridge	345333109474501	ADWR
A-14-26E18CBD2	Hunt Valley	343637109374901	ADWR
A-11-28 22BDD2	TEP M-6	342024109220301	ADWR
05 145-05.92X05.31	Leupp OW-1	351022111061801	USGS
05 145-02.25X03.18	Leupp OW-2	351214111022101	USGS
05 144-10.70X05.71(2)	Leupp OW-3	350959110562303	USGS
A-20-07 03ACA	Skunk Canyon	350848110381701	ADWR
A-21-08 26DAB	NPS Walnut Canyon	351025111303701	ADWR
03 98-13.94x15.20	Black Mesa Pipeline	354646111294801	ADWR
A-25-09 06CCD	NPS Citadel	353410111284001	ADWR
A-23-08 21ABA	NPS Sunset Crater	352214111324601	ADWR
A-21-07 24AAD	Foxglenn	351127111360001	ADWR
A-21-08 17BCA2	Continental 2	351224111342601	ADWR
A-20-08 18BBB	Lake Mary 1	350716111354401	ADWR
A-20-06 02BBB	Woody Mountain 5	350856111441601	ADWR
A-21-09 17ACD	ADOT Winona	351213111274001	ADWR
A-19-14 03AAC1	Tucker Mesa	350446110502501	ADWR
A-18-18 34DAA2	McDonald, seep	345454110245201	ADWR
A-18-18 27AAB	APS	345608110250001	ADWR
<b>Springs</b>			
A-18-16 10CDC	Clear Creek artesian spring	345813110382701	USGS
	Coyote spring	352447110085901	--
	Seba Delkai	353002110364001	USGS
	Shonto spring	352829110300601	--

## CITY OF FLAGSTAFF STAFF SUMMARY REPORT

**To:** The Honorable Mayor and Council  
**From:** Brian Grube, Recreation Services Director  
**Date:** 06/18/2012  
**Meeting Date:** 07/03/2012



### TITLE:

**Consideration and Possible Adoption of Ordinance No. 2012-13:** An ordinance of the Mayor and Council of the City of Flagstaff amending Flagstaff City Code, Title 3, Business Regulations; Chapter 3, User Fees; Section 3-10-001-0005, Recreation, revising Jay Lively Activity Center fees.

### RECOMMENDED ACTION:

Read Ordinance No. 2012-13 for the first time by title only.

### Policy Decision or Reason for Action:

During the FY13 Council Budget Retreat, direction was given to staff by Council to proceed with the proposed fee changes.

Subsidiary Decision Points:

### Financial Impact:

The changes in Jay Lively user fees is intended to generate additional revenue so that the center will cover more of its direct costs of operation. Currently Jay Lively generates revenue which covers approximately 65% to 68% of its operational costs. The new fee structure will bring that number up to approximately 90% cost recovery. Based on historical use the new fees will generate approximately \$100,000.

### Connection to Council Goal:

Livability through good neighborhoods, affordable housing and varied recreational activities.  
 Maintain and deliver quality, reliable infrastructure.

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

The City Council supported the proposed fee increases during the FY13 Council budget planning meetings.

### Options and Alternatives

Options may include:

1. Keeping fees at their current levels. If fees were kept at current levels \$100,000 would need to be found elsewhere within the overall City budget. If fees were kept unchanged, the public would not see an increase to the current fee structure.
2. Choose an alternative amount (lesser) of revenue to be generated. Any decision resulting in less than \$100,000 in additional revenue would need to be found elsewhere within the overall city budget.
3. Phasing of the fee increase over a two or three year period. Pros include a slower transition of the new fee structure to both the public and user groups. User groups would have more time to prepare for fee increases and phasing may lessen the impact of potentially losing members to their organizations. Any decision resulting in less than \$100,000 in additional revenue would need to be found elsewhere within the overall city budget.
4. Additional recommendations provided by Council not mentioned above.

### Background/History:

The Jay Lively Activity Center currently does not have a cost recovery directive associated with its operation. The FY11 operational budget for the center is roughly \$410,000 annually and the center consistently recovers 60% to 65% of operational costs. The additional revenue generated by the proposed fee change will bring Jay Lively to approximately 90% cost recovery. After the collapse of the arena, many user groups and members of the public spoke out in favor of fee increases to keep an ice arena in the City of Flagstaff.

In researching the approaches to fee increases, we looked at several factors. We compared our rates against ice arenas in the region as a place to start. We found that public skating costs an adult on average about \$10 and a child \$7 (including skate



<b>Youth admission</b>	\$7.50 (age 4-12)	\$1.00 (age 5 & under)	\$3.75 (age 6-17) \$1.75 (age 5 & under)	\$2.75 (age 11-17) \$1.75 (age 10 & under)	\$4.50 (age 4-12)	\$5.00 (age 6-15) \$5.00 (age 5 & under-includes rental skates)	Free (5 & under with paid adult) \$2.75 (ages 6-17)	\$3.50 (28%)
<b>Adult admission</b>	\$8.50 (age 13-64) \$7.00 (age 65+)	\$7.00 (age 6+)	\$5.25 (age 18-59) \$3.75 (age 60+)	\$5.00 (age 18-59) \$3.00 (age 60+)	\$5.50 (age 13-54) \$3.50 (age 55+)	\$7.00 (age 16-55) \$5.00 (age 55+)	\$5.25 (ages 18 & up)	\$6.50 (24%)
<b>Group admission</b>	\$7.00 (includes admittance & skate rental)	N/A	\$4.75 (adult) \$3.25 (youth)	N/A			\$2.25 (skate rental not included)	\$2.75 (23%)
<b>Adult Open Hockey</b>	\$12.00 (age 18+)	\$10.00 (age 18+)	\$7.75 (evening) \$6.00 (noon)	N/A	\$15.00 (age 18+)	N/A	\$10.50 (age 18+)	\$13.00 (24%)
<b>Skate Rental</b>	\$3.50	\$3.00	\$3.75 (age 5 & under) \$1.75 (group rate)	\$3.00	\$2.50	\$4.00	\$3.25	\$3.25
<b>Skate Sharpening</b>	N/A	\$5.00 (resharpen) \$8.00 (while you wait)	N/A	\$10.00 (same day) \$7.50 (overnight)	N/A	N/A	\$5.25	\$6.50 (24%) \$9.00 (same day)

**Table 3** offers a comparison to what other rinks charge hourly for private use. All but one rink has a set fee for private rental regardless of group time or peak/non-peak hours.

**Table 3 Hourly Facility Rental Fee Comparison**

	<b>Polar Ice Peoria, AZ (Private)</b>	<b>Outpost Ice Arena, NM (Private)</b>	<b>Los Alamos County Ice Rink, NM (outdoor rink) (Municipal)</b>	<b>Genoveva Chavez Community Center, NM (Municipal)</b>	<b>Arcadia Ice Arena, Phoenix, AZ (Private)</b>	<b>Ice Den, Phoenix, AZ (Private)</b>	<b>Jay Lively Activity Center (current fees)</b>	<b>Proposed fees to achieve additional revenue of \$100,000</b>
Hourly Facility Rental Rates	\$385 hr (all groups/all times)	\$200 hr (all groups/all times)	\$90 hr (non-peak hrs, all groups) \$180 hr (peak hrs, all groups)	\$185 hr (all groups/all times)	\$350 hr (all groups/all times)	N/A	\$52 (youth) \$104 (adult) \$208 (commercial/event)	\$79 (youth) \$166 (adult) \$250 (commercial/event)

**Key Considerations:**

During the FY13 Council Budget Retreat, direction was given to staff by Council to proceed with the proposed fee changes.

**Community Benefits and Considerations:**

There will be no impact to the public regarding the level of service at the Jay Lively Activity Center.

**Community Involvement:**

After the initial collapse of the Jay Lively Activity Center, organizations and individuals from the public spoke in support of fee increases at the Center to ensure a public ice skating rink will continue to operate within the City of Flagstaff.

The fee increases were also discussed at all three FY13 public Council budget retreats. The proposed new fees have been posted on the City's website for a total of 60 days.

Recreation staff has met with all user groups a minimum of two times during this process to keep them informed of the progress, share potential impacts, answer their questions, and respond to their concerns.

**Date of Council Approval:**

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**Attachments:**      Ord. 2012-13

**ORDINANCE NO. 2012-13**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF FLAGSTAFF AMENDING FLAGSTAFF CITY CODE, TITLE 3, BUSINESS REGULATIONS; CHAPTER 3, USER FEES; SECTION 3-10-001-0005, RECREATION, REVISING J. LIVELY ACTIVITY CENTER FEES.**

WHEREAS, the City Council has considered recreational fees and the need for increases to help defray operating expenses; and

WHEREAS, the City Council has previously directed, as part of the Fiscal Year 2012-13 budget process, that J. Lively Activity Center user fees be increased to reflect industry norms;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:**

Section 1: That Flagstaff City Code, Title 3, Business Regulations; Chapter 3, User Fees; Section 3-10-001-0005, Recreation, be amended as follows:

**Section 3-10-001-0005 Recreation**

The user fees of the Recreation Division shall be as follows:

<b>Facility or Equipment</b>	<b>Fee per Each Rounded up</b>
<b>ICE ARENA:</b>	
<b>Admissions - Single Entry – each:</b>	
Youth (5-17)	<del>2.75</del> <u>3.50</u>
Adult (18 & over)	<del>5.25</del> <u>6.50</u>
Chaperoned Youth Group Participant (10 or more youth, 1:15 ratio)	<del>2.25</del> <u>2.75</u>
Specialty Session (ex. Scrimmage, Stick ime)	<del>40.50</del> <u>13.00</u>
<b>Admissions - Punch Cards:</b>	
Youth (20 admissions)	<del>39.00</del> <u>56.00</u>
Adult (20 admissions)	<del>78.00</del> <u>104.00</u>
Specialty Session (10 admissions)	<del>78.00</del> <u>104.00</u>
<b>Arena Rental (Note 1, 8) – hour:</b>	
<i>Non-Public Arena Time:</i>	
Individuals	<del>404.00</del> <u>166.00</u>
Youth Non-Profit Community Organizations	<del>52.00</del> <u>79.00</u>
Adult Non-Profit Community Organizations	<del>404.00</del> <u>166.00</u>

Commercial, For-Profit, or Out of Community Organizations	<del>208.00</del> <u>250.00</u>
<i>Public Session Arena "Buy Out" Time - hour (entire session only)</i>	
Individuals	not available
Youth Non-Profit Community Organizations	260.00
Adult Non-Profit Community Organizations	520.00
Commercial, For-Profit, or Out of Community Organizations	1040.00
 <i>Arena Rental Without Ice (Note 3) (May-Jun subject to avail.) -- hour</i>	
<b>Facility or Equipment</b>	
Individuals	<del>31.25</del>
Youth Non-Profit Community Organizations	<del>15.75</del>
Adult Non-Profit Community Organizations	<del>31.25</del>
Commercial, For-Profit, or Out of Community Organizations	<del>62.50</del>
<b>Spectator Admission (Note 2) - each</b>	
Youth	1.25
Adult	<del>2.25</del> <u>3.00</u>
 <b>Arena Permits</b>	
Concession/Merchandise Table - each, per event	5.25
 <b>Party/meeting room hour</b>	
Individuals	16.75
Youth Non-Profit Community Organizations	9.50
Adult Non-Profit Community Organizations	16.75
Commercial, For-Profit, or Out of Community Organizations	31.25
Holiday Rental - Add 25% on fee	
 <b>Training Room – hour</b>	
Individuals	14.75
Youth Non-Profit Community Organizations	7.50
Adult Non-Profit Community Organizations	14.75
Commercial, For-Profit, or Out of Community Organizations	29.25
Holiday Rental - Add 25% on fee	no change
 <b>Equipment Rental</b>	
Figure Skates	3.25
Hockey Skates	3.25
Skate Rental Punch Pass (20 rentals)	<del>47.00</del> <u>52.00</u>
Skate Sharpening	<del>5.25</del> <u>6.50</u>
<u>Same Day Skate Sharpening</u>	<u>9.00</u>

**RECREATION CENTERS**

**Deposit for room / Facility Rentals (refundable)**

Room Deposit (per room)	50.00
Facility Rental Deposit (five rooms or more)	200.00
<b>Club Annual Meeting Permit (during regular hours only)</b>	
1-3 meetings/yr	26.00
4-12 meetings/yr	47.00
13-26 meetings/yr	67.57
27-52 meetings/yr	88.50
53 + meetings/yr	109.25
<b>Room Rental (Note 3, 8) - hour</b>	
<b>Standard Room</b>	
Individuals	16.75
Youth Non-Profit Community Organizations	9.50
Adult Non-Profit Community Organizations	16.75
Commercial, For-Profit, or Out of Community Organizations	31.25
<b>Thorpe Park Community and Senior Center Kitchen</b>	
Individuals	15.75
Youth Non-Profit Community Organizations	8.00
Adult Non-Profit Community Organizations	15.75
Commercial, For-Profit, or Out of Community Organizations	31.25
Thorpe Park Community and Senior Center Allen/plus divided meeting room:	
Individuals	35.50
Youth Non-Profit Community Organizations	17.75
Adult Non-Profit Community Organizations	35.50
Commercial, For-Profit, or Out of Community Organizations	70.75
Cogdill Gymnasium	
Individuals	23.00
Youth Non-Profit Community Organizations	11.50
Adult Non-Profit Community Organizations	23.00
Commercial, For-Profit, or Out of Community Organizations - Tournaments	46.00
Flagstaff Recreation Center Gymnasium	
Individuals	27.25
Youth Non-Profit Community Organizations	13.75
Adult Non-Profit Community Organizations	27.25
Commercial, For-Profit, or Out of Community Organizations	62.50
Recreation Center Equipment Rental	
Disc Golf Discs	1.25/ea
Billiard Set- Adult (18 & over)	1.25/set

Weight Room Annual Pass - each Cogdill and Flagstaff Recreation Centers Youth (13-17)	15.75
Adult (18 & over)	47.00

Thorpe Park Community and Senior Center Youth (13-17)	60.00
Adult (18 & over)	78.00
Senior Citizen - 55 and older	52.00
Adult Pass = \$6.25 per month. Sr. Pass = \$4.17 per month	6.50 / 4.50

**OUTDOOR COURTS**

**Basketball, Handball, Horseshoe, Volleyball - per court per hour**

*Reserved Practice and Game Allocations (Note 8)*

Individuals	2.75
Youth Non-Profit Community Organizations	1.50
Adult Non-Profit Community Organizations	2.75
Commercial, For-Profit, or Out of Community Organizations	5.25

**Reserved Tournament Rentals**

Individuals	5.25
Youth Non-Profit Community Organizations	2.75
Adult Non-Profit Community Organizations	5.25
Commercial, For-Profit, or Out of Community Organizations	10.50

**Tennis Courts/per hour/ per court**

*Reserved Practice and Game Allocations (Note 8)*

Individuals	5.25
Youth Non-Profit Community Organizations	2.00
Adult Non-Profit Community Organizations	5.25
Commercial, For-Profit, or Out of Community Organizations	10.50

**Reserved Tournament Rentals/ hour**

Individuals	10.50
Youth Non-Profit Community Organizations	5.25
Adult Non-Profit Community Organizations	10.50
Commercial, For-Profit, or Out of Community Organizations	21.00

**OUTDOOR FIELDS**

Baseball, Softball - per field per hour  
*Practice and Game Allocations (Note 8)*

Individuals	5.25
Youth Non-Profit Community Organizations (per part./per season- \$15/max/fam)	5.25
Adult Non-Profit Community Organizations	5.25
Commercial, For-Profit, or Out of Community Organizations	10.50

Holiday Rental - Add 25% on fee

**Tournament Rentals**

Individuals	10.50
Youth Non-Profit Community Organizations (per team/per tournament)	5.25
Adult Non-Profit Community Organizations	10.50
Commercial, For-Profit, or Out of Community Organizations ( <i>Note 4</i> )	21.00

**Soccer - per field per hour**

*Practice and Game Allocations (Note 8)*

Individuals	5.25
Youth Non-Profit Community Organizations (per part./per season-\$15/max/fam)	5.25
Adult Non-Profit Community Organizations	5.25
Commercial, For-Profit, or Out of Community Organizations	10.50

**Tournament Rentals**

Individuals	10.50
Youth Non-Profit Community Organizations (per team/ per tournament)	5.25
Adult Non-Profit Community Organizations	10.50
Commercial, For-Profit, or Out of Community Organizations ( <i>Note 4</i> )	21.00
Additional Beginning of day Field Prep. [Per Field]	15.75

**Field & Court Permits**

Concession Stand - per week, per number fields allocated @ site	5.25
Concession/Merchandise Table - each, per event	5.25

**Field and Court Lights**

Sport Courts - per court, per hour	10.50
Sport Fields - per field, per hour	31.25
Sport Fields - Youth Non-Profit Community Organizations - per field, per hour	10.50

**Ramadas**

<i>Level A (Bushmaster South, Foxglenn 1, Thorpe)</i> Per Hour Charge	10.50
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<i>Level B (Bushmaster North, Foxglenn 2 &amp; 3, Ponderosa)</i> Per Hour Charge	8.00
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<i>Level C (Buffalo, Kiwanis, Mobile Haven, Old Town Springs, Ponderosa Trls)</i> Per Hour Charge	5.25
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Equipment Rental - each Activity/Picnic Pack	15.75
<b>Special Events/Reserved Areas in Parks (Note 5)</b>	
Special Event Application Fee	
"A" Events	41.75
"B" Events	31.25
"C" Events	21.00
<b>Late Fee</b>	
"A" Events	100.00
"B" Events	75.00
"C" Events	52.00
<b>Refundable deposits</b>	
A & B Events	350.00
C Events	100.00
<b>Most Sites (excludes Wheeler, Heritage Square, Parking, Street Closure, Ramada Rental)</b>	
<i>Half Day 7 Hours or Less</i>	
Individuals/Private Gatherings on City Property	21.00
Non-Profit Community Organizations/Public Gatherings on City Property	41.75
Commercial, For-Profit, or Out of Community Organizations on City Property	83.25
<i>Full Day More than 7 Hours</i>	
Individuals/Private Gatherings on City Property	33.50
Non-Profit Community Organizations/Public Gatherings on City Property	66.75
Commercial, For-Profit, or Out of Community Organizations on City Property	135.25
<b>Heritage Square/Wheeler Park</b>	
<i>Half Day 7 Hours or Less</i>	
Individuals/Private Gatherings on City Property	47.00
Non-Profit Community Organizations/Public Gatherings on City Property	47.00
Commercial, For-Profit, or Out of Community Organizations on City Property	93.75
<i>Full Day More than 7 hours</i>	
Individuals/Private Gatherings on City Property	73.00
Non-Profit Community Organizations/Public Gatherings on City Property	73.00
Commercial, For-Profit, or Out of Community Organizations on City Property	145.75
<b>Event Series - each</b>	
Half Day Non-Profit (7 Hours or Less)	
3-6 events	18.75

7-12 events	15.75
13-24	12.50
25+	9.50
Full Day Non-profit (More than 7 Hours)	
3-6 events	25.25
7-12 events	21.00
13-24	17.00
25+	12.75
Half Day Commercial(7 Hours or Less)	
3-6 events	28.50
7-12 events	23.75
13-24	19.00
25+	14.25
Full Day Commercial (More than 7 Hours)	
3-6 events	39.75
7-12 events	33.25
13-24	26.50
25+	20.00
<b>Parking Lot Closure for Events (excludes Wheeler and City Hall Lots)</b>	
<i>Half Day (7 Hours or Less)</i>	
Individuals/Private Gatherings on City Property	23.00
Non-Profit Community Organizations/Public Gatherings on City Property	23.00
Commercial, For-Profit, or Out of Community Organizations on City Property	46.00
<i>Full Day (More than 7 Hours)</i>	
Individuals/Private Gatherings on City Property	36.50
Non-Profit Community Organizations/Public Gatherings on City Property	36.50
Commercial, For-Profit, or Out of Community Organizations on City Property	73.00
<b>Wheeler Park &amp; City Hall Parking Lot Closure for Event</b>	
<i>Half Day (7 Hours or Less)</i>	
Individuals/Private Gatherings on City Property	45.00
Non-profit/Community Organization on City Property	31.25
Commercial, For-Profit, or Out of Community Organizations on City Property	62.50
<i>Full Day (More than 7 Hours)</i>	
Individuals/Private Gatherings on City Property	52.00
Non-Profit Community Organizations/Public Gatherings on City Property	52.00
Commercial, For-Profit, or Out of Community Organizations on City Property	104.00
<b>Street Closure/Parade (Per Street Block)</b>	
Staging Area	25.00
Half Day (7 Hours or Less)	

Non-Profit	10.00
Commercial, For-Profit, or Out of Community Organization – Full Day	
Non-Profit	15.00
Commercial, For-Profit, or Out of community Organization – Overnight (10 p.m. – 8 a.m.)	21.00
<b>Wheeler Park &amp; Heritage Square Electrical Use</b>	
<i>Half Day(7 Hours or Less)</i>	
"A", "B" Events	25.00
"C" Events	13.00
<b>Wheeler Park &amp; Heritage Square Electrical Use</b>	
<i>Full Day (More than 7 Hours)</i>	
"A", "B" Events	41.75
"C" Events	21.00
<b>Event Series - each Electrical Use</b>	
<i>Half Day (7 Hours or Less)</i>	
"A", "B" Events	
Full Day (More than 7 Hours)	
"A", "B" Events	18.00
<b>Event Equipment Rental - each, per event day</b>	
Banner poles (pair)	5.00 per pair
<b>Downtown Banner (Note 7) - each</b>	
<i>North Downtown</i>	
<b>C Pricing (Outlining Areas)</b>	
1-3 month display	21.00
4-6 month display	31.25
7-9 month display	41.75
10-12 month display	52.00
<b>A Pricing (Premium)</b>	
1-3 month display	32.00
4-6 month display	48.00
7-9 month display	63.00
10-12 month display	79.00
<b>B Pricing (Mid-Range)</b>	
1-3 month display	25.00
4-6 month display	38.00
7-9 month display	50.00
10-12 month display	63.00
<b>South Downtown</b>	
4-6 month display	32.00

7-9 month display	48.00
10-12 month display	79.00

SECTION 2: That the City Clerk be authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary; and that the City Clerk be authorized to make formatting changes needed for purposes of clarity and form, if required, to be consistent with Flagstaff City Code.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY

**CITY OF FLAGSTAFF  
STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Rick Tadder, Finance Director  
**Date:** 06/11/2012  
**Meeting Date:** 07/03/2012



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**TITLE:**

**Consideration and Adoption of Ordinance No. 2012-09:** An ordinance levying upon the assessed valuation of the property within the City of Flagstaff, Arizona, subject to taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from other sources of revenue; providing funds for various bond redemptions, for the purpose of paying interest upon bonded indebtedness and providing funds for general municipal expenses, all for the Fiscal Year ending the 30th day of June, 2013.

**RECOMMENDED ACTION:**

(1) Read Ordinance No. 2012-09 for the final time by title only. (2) Adopt Ordinance No. 2012-09.

**Policy Decision or Reason for Action:**

Arizona Revised Statutes require that an Ordinance to adopt property tax levies be passed after the adoption of the final budget. The final budget was passed on June 5, 2012.

**Financial Impact:**

- The City has budgeted a total of \$5,250,000 in FY2013 primary property tax, an approximate 1.0% increase over the FY2012 budget. Primary property tax funds any general purpose use of the city government.
- The City has budgeted a total of \$6,402,304 in FY2013 secondary property tax, an approximate 3.3% decrease over the FY2012 budget. Secondary property tax funds general obligation debt.

**Connection to Council Goal:**

Effective governance.

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

The City Council gave direction on the budget at its April 18-19, 2012 budget retreat; approved the tentative budget on May 22; adopted the final budget on June 5; and approved the tax level on June 5, 2012. Council then approved the first reading of this ordinance on June 19, 2012, with a primary property tax rate amendment.

**Options and Alternatives**

1. Adopt the primary property tax rates as amended on June 19<sup>th</sup> at a rate of \$0.6917, which is considered flat rate. This provides \$5,232,090 in tax revenue and results in a decrease in revenues of \$270,887 compared to the adopted budget. The results would be a decrease of 3.0% in tax revenue under the Truth in Tax requirements.
2. Amend Section 1 of Ordinance 2012-09 to a primary property tax rate of \$0.7131, which is considered flat revenue. This provides \$5,395,370 in tax revenue and results in a decrease in revenues of \$107,907 compared to the adopted budget. This results in no change, 0.0%, in tax revenue under the Truth in Tax requirements.
3. Amend Section 1 of Ordinance 2012-09 to a primary property tax rate of \$0.7273, which is considered 2% increase in tax revenue. This provides \$5,502,977 in tax revenue and results in a \$0 change in revenues compared to the adopted

budget. The results would be an increase of 2.0% in tax revenue under the Truth in Tax requirements.

**Background/History:**

Both the State Constitution and State law specify a property tax levy limitation system. This system consists of two levies, a limited levy known as the primary property tax levy and an unlimited levy referred to as the secondary property tax levy. The primary levy may be imposed for all purposes, while the secondary levy in cities and towns may only be used to retire the principal and interest or redemption charges on bonded indebtedness.

**Key Considerations:**

The key dates for budget and property tax levy adoption have been determined and have been followed throughout this process. The County adopts the property tax levy as proposed by the City on or about August 1, 2012.

Based on historical data, the combined property tax levy has increased by 0.17% over the last five years as shown below:

Property Tax Rates	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013 Proposed	FY2013 Revised	
Primary	\$0.6803	\$0.6547	\$0.6479	\$0.6917	\$0.7273	\$0.6917	
Secondary	0.8366	0.8366	0.8366	0.8366	0.8366	0.8366	
Total	\$1.5169	\$1.4913	\$1.4845	\$1.5283	\$1.5639	\$1.5283	

Primary property taxes account for 10.5% of the General Fund revenues budgeted for Fiscal Year 2012 – 2013. These dollars are used to support the general operations of the City. As the primary property tax rate will be held at the FY2012 level, the City will look to re-balance the ongoing budget by approximately \$270,000 in current and future years.

Secondary property taxes currently support General Obligation bonds.

**Community Benefits and Considerations:**

Primary property taxes support a number of City services including public safety, parks and recreation, other public works services, and general administrative and management functions within the city.

**Community Involvement:**

A public hearing was held on June 5, 2012 for both the final budget adoption and the property tax levy. First reading of Ordinance 2012-09 was held on June 19, 2012 and the ordinance was adopted with amendments.

**Date of Council Approval:**

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**Attachments:**     Ord. No. 2012-09

**ORDINANCE NO. 2012-09**

**AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF FLAGSTAFF, ARIZONA, SUBJECT TO TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS, FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2013,**

WHEREAS, by the provisions of State law, the ordinance levying taxes for fiscal year 2012-2013 is required to be finally adopted not later than the third Monday in August; and

WHEREAS, the County of Coconino is the assessing and collecting authority for the City of Flagstaff;

**NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:**

SECTION 1. There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a primary property tax rate of ~~0.7273~~ 0.6917 for the fiscal year ending on the 30th day of June, 2013. If this tax rate exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Coconino is hereby authorized to reduce the levy to the maximum allowable by law after providing notice to the City.

SECTION 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal within the corporate limits of the City of Flagstaff, except such property as may be by law exempt from taxation, a secondary property tax rate of 0.8366 for the fiscal year ending June 30, 2013.

SECTION 3. Failure by the county officials of Coconino County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Flagstaff upon such property for

the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien thereon or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

SECTION 5. That the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Coconino, Arizona.

SECTION 6. Effective Date. The tax levies imposed by this Ordinance shall take effect August 4, 2012.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY