

AGENDA

FLAGSTAFF CITY COUNCIL / COCONINO COUNTY
BOARD OF SUPERVISORS JOINT WORK SESSION
MONDAY
MARCH 11, 2013

COUNCIL CHAMBERS
FLAGSTAFF CITY HALL
211 WEST ASPEN AVENUE
4:00 P.M.

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Roll Call:**

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

CHAIRMAN ARCHULETA
SUPERVISOR BABBOTT
SUPERVISOR FOWLER

SUPERVISOR METZGER
SUPERVISOR RYAN

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

As a reminder, if you are carrying a cell phone, electronic pager, computer, two-way radio, or other sound device, we ask that you turn it off at this time to minimize disruption to tonight's meeting.

4. **Public Participation**

Public Participation enables the public to address the Council about an item that **is not** on the agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment on an item that **is** on the agenda is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone an opportunity to speak.

5. **Discussion of County and City Legislative Agendas.**
6. **Presentation re Brownfield Grant on Route 66.**
7. **Update on Flagstaff Regional Plan 2030: Place Matters.**
8. **Informational Items To/From Chairman, Supervisors and County Manager/Mayor, Council and City Manager.**
9. **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 _____, 2013.

Elizabeth A. Burke, MMC, City Clerk

Memorandum

5.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 03/08/2013
Meeting Date: 03/11/2013



TITLE:

Discussion of County and City Legislative Agendas.

DESIRED OUTCOME:

Information.

INFORMATION:

Attached you will find a copy of the following legislative agendas for both Coconino County and City of Flagstaff.

Attachments: County/Federal
 County/State
 City/Federal
 City/State

Coconino County Federal Priorities

2013

The Coconino County Board of Supervisors respectfully requests action on the following measures:

Protect and Preserve County Revenues By:

1. Continuing Full Funding of the Payment in Lieu of Taxes (PILT) Program

The PILT program was established in 1976 to offset costs incurred by counties for services provided to federal employees and families and to compensate for the use of public lands. These costs include road maintenance, solid waste disposal, law enforcement, search and rescue, public health, environmental compliance, fire fighting and other community services.

- For two decades, Counties watched the value of their PILT receipts drop due to inflation. For example, in FY2007, \$233 million was appropriated for PILT, which is far short of the approximately \$393 million authorized.
- The national average PILT payment amounts to \$.37 per acre. If these lands were taxed, they would return about \$1.48 per acre. This is a \$1.11 million shortfall.
- A new authorization for the program in 2008 (PL 103-397) was secured, which raised the ceiling for PILT payments from \$105 million to over \$300 million.
- The United States Congress reauthorized full funding of PILT through fiscal year 2013. The current authorization of full funding expires Sept. 20, 2013.

2. Supporting a Short-Term Reauthorization of the Secure Rural Schools and Community Self Determination Act (SRS) and a Long-Term Legislative Solution for Continued Revenue Sharing Payments to Forest Counties

In 1908, it was enacted that 25% of Forest Service revenues from timber sales, mineral resources and grazing fees were returned to counties and states that had national lands, because they forgo the opportunity for private development. Over time, receipts from timber sales fluctuated.

In 2000, SRS was enacted to stabilize payments to counties. The funds provide stabilized education and road maintenance funding through predictable payments to counties. Those collecting the funds reinvest 15%-20% of the funds back into projects that benefit the National Forest.

- The Act was reauthorized in 2008 through fiscal year 2011 through Public Law 110-343. Several short-term re-authorizations were secured extending the program through fiscal year 2012. SRS expired Sept. 30, 2012
- Title III of SRS authorized Coconino County to use the funds for specific purposes, including: search, rescue, and emergency services on federal lands; community service work camps, conservation, forestry related after-school activities and fire prevention and planning.
- Arizona would face a dramatic reduction in funds for rural schools and roads totaling \$7.3 million. Coconino County would face a loss of over \$4 million for schools, roads and search and rescue efforts at current funding levels.

3. Ensuring Impacts of Federal Sequestration Do Not Impact Local Services

The current cuts proposed in the Federal Sequestration will have a significant impact on Coconino County. Specifically, cuts to domestic discretionary programs such as aid to local law enforcement, K-12 education, Health and Human Service (HHS) programs for the elderly and other discretionary programs would be cut at the 8.2% level. Mandatory or direct allocation programs such as PILT, HHS Social Service Block Grant, and the NTIA State & Local Implementation Program would be cut at an estimated 7.6%. Combined, the impact could be more than \$1 million locally.

- Federal assistance to state and local governments will help mitigate further layoffs while a new round of cuts will most likely result from sequester.
- Federal investments and matching funds in state and local infrastructure projects helps produce private sector jobs and improve our competitiveness.
- Deficit reduction should *NOT* be accomplished by shifting costs to counties, imposing unfunded mandates, or pre-empting county programs and taxing authority.

Support Legislation to Address Local Needs By:

4. Supporting H.R. 862, Legislation to Correct a Boundary Dispute in the Mountaineer Subdivision

In November 2007, the U.S. Bureau of Land Management (BLM) completed a land survey in the Mountaineer Subdivision. During the 2007 survey, the BLM determined that there was an erroneous privately contracted survey of Mountaineer Unit I which was completed between 1960 and 1961. The survey misidentified several acres of United States Forest Service (USFS) land as private property. Since this time, the surveyors have passed away and the homeowners are faced with a situation of living on land owned by the USFS. The boundary discrepancy impacts 26 lots and 25 property owners in the Mountaineer Subdivision. The entire encroachment for all lots involves a total land area of 2.5 to 3 acres.

- Since 2007, a number of the property owners in the area have attempted to sell their properties and are having a difficult time doing so, due to questions associated with the land ownership.

- The USFS has limited ability to convey land to private landowners. Under the Small Tracts Act, Public Law 97-465, the USFS is authorized to sell or exchange small parcels of federal land that meet certain criteria. The Small Tracts Act requires the USFS to work with the individual landowners to convey the property at fair market value. This option, however, would be the most costly to the landowners and could potentially take several years to correct.
- H.R. 862, as introduced by Representative Kirkpatrick and Representative Gosar, conveys the land to the property owners and would expedite the process. Each property owner will be required to pay for a survey of each individual parcel, the cost to create a legal entity to receive the property, as well as the \$20,000 included as consideration in the legislation. H.R. 1038, the same legislation introduced in the 112th Congress, passed the House of Representatives on April 25th, 2012

Support Local Efforts Administratively By:

5. Continuing to Support Efforts in the Schultz Flood Area, Including:

1. Support Performance Extensions for the Natural Resources Conservation Service's (NRCS) Emergency Watershed Protection Program (EWP) through June 30, 2015.

- On January 24, 2012, the NRCS awarded a \$10.5 million dollar EWP project for watershed recovery and flood mitigation in the Schultz Flood Area. The original period of performance authorized was 220 days. NRCS has verbally committed to a two year extension, but due to restrictions in agency guidelines, the extensions must be issued in 220 day increments.
- Due to project complexity and the short construction season in the Flagstaff area, it is expected that project implementation cannot be fully completed until spring 2015.
- The NRCS has authorized an initial 220 day extension through June 7, 2013.
- Additional 220 day extensions, through June 30, 2015 will be required to ensure full project implementation.

2. Funding for the U.S. Forest Service to Complete Work in the Schultz Flood Area

- During a 2010 visit to the Schultz Flood area, US Forest Service Chief Tidwell made a verbal commitment to affected residents to provide funding to the Coconino National Forest once a mitigation master plan was completed.
- The EWP plan has been completed and of a \$10.5 million project, \$3.9 million is required for watershed restoration on National Forest land.
- \$1.15 million is needed from the U.S. Forest Service to supplement NRCS EWP funds for:
 - Additional engineering costs for on-forest measures - \$150,000
 - Construction costs associated with on-forest measures - \$1,000,000

3. Emergency Repair (ER) funding through the Federal Highway Administration (FHWA)

- FHWA has pledged a preliminary \$5 million for development and construction of mitigation measures to further protect US 89.
- Project engineering is currently underway. Diligence is needed to ensure construction funding is still in place once engineering is complete.

6. *Assisting the Arizona Department of Transportation with their Request for the Release of Emergency Relief Funds for U.S. Highway 89 South of Page in Coconino County*

On February 20, 2013, a slope failure occurred on U.S. Highway 89 at milepost 225, south of Page in Coconino County. The failure caused the closure of U.S. Highway 89 and the Highway remains closed at this juncture 25 miles south of Page. On February 22, 2013, ADOT submitted a request to the U.S. Department of Transportation Federal Highway Administration for emergency relief funds to repair Highway 89.

- Coconino County is supporting ADOT's request for emergency relief funds under Title 23, U.S.C. Section 125 to repair damages to U.S. Highway 89.
- The highway serves as a key connector in rural Arizona, specifically to Page and many tribal communities on the Navajo Nation and Hopi Reservation. Highway 89 serves as a bus route for school children and a corridor for commerce.
- Coconino County is requesting immediate action by the U.S. Department of Transportation to release funds for emergency repair of this key transportation artery in Northern Arizona.

7. *Require Concessionaires to Compensate Local Governments when Operating on Federal Land*

Currently, businesses that operate concessionaire operations on federal land are not liable to be assessed ad valorem taxes. In 2001, *Havasupai Springs v. La Paz County* found that improvements constructed and operated by a concessionaire on land owned by the United States government are not subject to ad valorem taxation. ARAMARK Sports and Entertainment Services, Inc. and Xanterra filed similar claims as the *Havasupai Springs* case.

- In Coconino County, properties were removed from the county tax rolls in 2004. Coconino County litigated the Xanterra appeals for prior years. The county was not successful with the lawsuit and was subsequently required to refund approximately \$2.3 million in taxes and \$1.2 million in interest.
- In Coconino County, there are currently six separate businesses and a total of 267 parcels that are exempt from property taxes because their businesses reside on federally owned land. The 267 parcels have a 2012 total net assessed value of approximately \$7.3 million. The addition of these parcels to Coconino County's current taxable base would provide significant resources to rural schools and alleviate the tax burden on residents and businesses in the county.

- Coconino County has been forced to find alternate budget augmentation due to diminished property tax revenues. In addition, as a result of the net loss in tax collections, there was a burdensome cost shift to taxpayers, counties and county departments of approximately \$570,000 a year to account for the repayment.
- As a result of the settlement, local school districts were left in a financial bind. Specifically, the Grand Canyon School District was responsible for refunding approximately \$1.8 million of the taxes.

8. Continuing to Support the Four Forests Restoration Initiative (Four FRI)

Coconino County has been a strong supporter of the Four Forest Restoration Initiative and the opportunity it will bring to the Northern Arizona region. The county has participated as a stakeholder and through the collaborative process.

- Due to the catastrophic wildfires we have witnessed in our region, it's critical that we carry out landscape-scale forest restoration activities in our forests. We ask for your continued support of Four FRI and your support of the collaborative process.
- While supportive of Four FRI, we must ensure that funding is set aside for maintenance of roads impacted by the increased activity in our forests. We recognize that road funding is dwindling, but it's imperative that funding is set aside to address these potential long-term road issues.

Coconino County State Priorities

2013

The Coconino County Board of Supervisors respectfully requests actions on the following measures:

1. Protect County Fiscal Sustainability by Opposing Revenue Shifts

Coconino County continues to be impacted by the diversion of revenue sources by the Arizona State Legislature. Specifically, the county has received more than \$4.5 million in impacts since fiscal year 2008. Statewide, counties have received more than \$288 million in impacts since fiscal year 2008.

- With the increase of emergencies within Coconino County, it's important that current revenue sources are protected, including secondary district revenue. Coconino County's Flood Control District has been key to providing immediate assistance to protect health and public safety in the Schultz Fire-Flood area.
- A diversion of Highway User Revenue Funds (HURF) from the county to fund state agencies also has a significant impact on the way our county has managed the impacts of natural disasters. To date, the state has swept \$2.5 million of Coconino County's HURF revenue.
- Undo shifts to counties including, eliminating the requirement for counties to make payments for Sexually Violent Persons at the Arizona State Hospital. Counties should not be required to permanently fund the Arizona State Hospital.
- Restore the County Assistance Fund, which allocated lottery revenues to support county operations. Currently, the rural counties receive \$550,035 and the urban counties receive \$249,772. This funding is general fund revenue that can be used by a county for their most urgent needs. In Coconino County's situation, it sustained the county during a year with the most natural disasters in our county's history.

2. Support County Local Authority to Manage Local Needs

Coconino County continues to be concerned by acts by the Arizona State Legislature to minimize local control and the authority of the county boards of supervisors. The County also relies on funding from the federal government through different programs. Over the years, due to inflation and other factors, cuts to programs such as Secure Rural Schools (SRS) and PILT have presented new challenges to the county and furthers the need for the county to pursue other ways to recover those loss of funds. Coconino County is requesting the following from the Arizona State Legislature:

- Limit Unfunded Mandates
- Continue to Protect the Budget Authority for the County Boards of Supervisors
- Provide Local Authority to Counties to Address Local Needs by Supporting SB 1284; Counties General Excise Tax Rate.

CITY COUNCIL REPORT

DATE: March 8, 2013

TO: Mayor and Councilmembers

FROM: David Sullivan

CC: Kevin Burke, Josh Copley, Jerene Watson, Leadership Team

SUBJECT: Legislative Agenda Follow-up

This is in response to the request from February 19, 2013.

DISCUSSION

Federal Agenda Items

Water Settlement –Secure easement rights for required water transmission lines located within Interstate 40 right-of-way.

The City of Flagstaff is the primary water provider in the North Central region of the state, servicing the city, county and tribal members. With water use projected to reach capacity by 2030, the City of Flagstaff purchased Red Gap Ranch and its water rights as a future supply source for water in the region.

A significant supply of water has been secured. However, the challenge is now a matter of delivery. The Arizona Public Service (APS) and Burlington Northern Santa Fe Railroad right-of-ways are too small to accommodate the Red Gap Water Pipeline, and placing the pipeline over tribal lands precludes a regional solution.

We are left with only one alternative. The City urges the Federal Highway Administration (FHWA) to work with the Arizona Department of Transportation (ADOT) to allow the City to use the I-40 right-of-way for the purposes of the Red Gap Water Pipeline.

Rio de Flag Flood Control – Complete the Limited Re-evaluation Report and obtain approval by the Assistant Secretary of the Army. Secure additional funding while increasing the Water Resource Development Act (WRDA) authority to \$92 million. Pursue City of Flagstaff self-administration through the Army Corp of Engineers (ACOE)

A significant flood event in Flagstaff would directly affect more than half of the population, result in damages to approximately 1,500 structures valued at over \$450 million, and would cause an estimated \$93 million in economic damage.

The U.S. Army Corps of Engineers' (ACOE) feasibility report proposes to contain a 100-year flood event through the construction of 1.6 miles of flood control channel improvements, a 72-acre detention basin, property acquisition, utility relocations and three new bridges. The Rio de Flag Flood Control project was originally authorized in the Water Resources Development Act of 2000 and was subsequently reauthorized in 2007.

This project is a critical component to the long-range protection and continued development of the City of Flagstaff. There are several key issues, which must be resolved to facilitate continued progress on this joint project with the ACOE.

The first is completion of the Limited Re-evaluation Report (LRR). The project was previously funded through Congressional earmarks. However, that source of funding has since disappeared, and without a completed LRR, the Rio de Flag project is ineligible for consideration in the president's budget for the FY 2013 workplan. The LRR was scheduled for completion in September of 2011. However, as of this date, the LRR is still not complete, and ACOE cannot provide us with a reliable date for completion.

The second key issue is appropriation of \$2.9 million for repairs on the Clay Wash Detention Basin (CWDB) and \$1 million, in addition to amending the WRDA to allow for self-administration, to complete the project design. CWDB was constructed by a Corps contractor and has been found to have significant deficiencies. The contractor has admitted fault for the construction and has already begun reconstruction, but has not committed to full reimbursement of all costs. The original construction cost of CWDB was \$6.5 million, and it is expected to cost nearly that much for reconstruction.

Forest Health – Leverage voter approved bond dollars for forest restoration with federal dollars to maximize acreage to be treated and minimize municipal costs.

The 2010 Schultz Fire and subsequent flooding events continue to demonstrate the very real and devastating impacts that such fires can have on not only the forest ecosystem, but also the community's quality-of-life, sustainability, and economic base. Post-fire effects associated with the Shultz Fire currently stand at \$120 million and continue to climb.

In November of 2012, Flagstaff voters overwhelmingly approved a \$10 million bond measure to support forest health treatments within two key watersheds on the Coconino National Forest and Arizona State Trust lands. Known as the Flagstaff Watershed Protection Project (FWPP), this is one of only a

handful of examples in the country where forest health treatments on State and Federal lands are funded by a municipality and is the only known instance where such an effort is funded through municipal bonds.

The proposed treatments (which could include logging, hand thinning, prescribed fire, etc.) will result in a healthier and more sustainable forest with a reduced risk of severe wildfire and post-fire flooding. However, in order to effectively conduct FWPP planning and implementation efforts and leverage the city provided funding, additional financial support is required. We are requesting appropriations of up to \$150,000 in anticipated USFS FY12 “carry-over” funds to support NEPA-required planning efforts, and \$200,000 in funding to upgrade the existing Schultz Pass road to support traffic and wood removal efforts associated with the project.

Transportation - Secure authorization and fiscal resources for the Lone Tree Interchange and the 4th Street Bridge.

Milton Road, the primary entrance into Flagstaff from Phoenix, is one of the few instances nationally where an interstate (I-17) transitions directly onto a local surface street. This contributes to the heavy congestion experienced on the road, and the Lone Tree Corridor, including the interchange, is the best option for alleviating that problem. To date, the City has spent \$300,000 on the Lone Tree Corridor Study.

The Lone Tree Traffic Interchange project would create a new North-South corridor into the City, approximately 1.5 miles East of Milton Road on Interstate 40, and would provide intermodal connectivity to Pulliam Regional Airport, arterial redundancy for emergency services, an alternate route to Milton Road, and vital access to Northern Arizona University and Coconino Community College. We are requesting an appropriation of \$6 million to continue the design process.

I-11 Corridor Study – Study, track and participate in options being considered in the I-11 Corridor Study between Nevada and Arizona, investigating possible impacts to the Northern Arizona region.

ADOT and the Nevada Department of Transportation are working together on a two-year Interstate 11 and Intermountain West Corridor (Corridor) Study that includes detailed Corridor planning of a possible priority, high capacity, multimodal interstate link between Phoenix and Las Vegas, with visioning to potentially extend the Corridor north to Canada and south to Mexico.

Numerous potential benefits have been put forward. However, understanding what effects, beneficial or otherwise, such a Corridor will ultimately have in the Northern Arizona region is critically important. To that end, we are asking for more study of that potential impact, while, at the same time, remaining an active participant in the stakeholder process.

See attachment for update on State Agenda Items

RECOMMENDATION / CONCLUSION

This report is for information only.

	State Legislative Agenda Item	Update
1	Protect state shared revenue to municipalities as a revenue percentage and a revenue source.	HB 2657: Significant progress has been made towards convincing legislators to hold cities harmless on the construction sales tax issue. However, there are a lot of parties involved and the discussion remains very fluid. This includes the auditing and self-collecting pieces.
2	Obtain ADOT permission to place a water pipeline in the I-40 right-of-way from Red Gap Ranch to Flagstaff (including USFS land)	We are still talking to the state Department of Transportation and Federal Highway Administration.
3	Obtain legislative authorities to hold serial inebriates in a detox facility for up to five (5) days to provide initial counseling and treatment opportunities.	SB 1273: Sen. Jackson moved forward with another form of the bill that, given the concerns of the County Sheriff, we cannot not support. We could see an amendment soon. Its current form does not address serial inebriates.
4	Work to protect forest health by seeking state partnership funding at a level of \$870,000, leveraging local and federal funding resources to treat forest and range lands (thinning, debris, disposal, prescribed fire) to reduce wildfire threat, enhance watersheds, improve ecological health and protect communities (see end of memo for details).	We have pulled back from the issue in an effort to gain wider support and understanding.
5	Retain and enhance economic development tools that enable cities to compete on a national and international level for business retention and attraction that further the economic viability of Flagstaff and greater Northern Arizona.	H2456 (Revenue allocation districts): Has successfully progressed to the senate.
6	Support the Arizona Water Supply Revolving Fund, and the Legislators' Water Resources Development Commission. These entities legally and financially could support the acquisition of rural water supplies and the development of water infrastructure.	HB 2338: The Speaker's water bill failed in committee. They are now looking into what can be salvaged.

7	Support Energy Districts through flexible financing district authority that can provide finance mechanisms for residents and commercial entities for upfront investment capital in energy efficiency and renewable energy improvements to their properties.	HB 2584: We are running into challenges regarding the language of the bill.
8	Amend Arizona Revised Statutes to clarify the definition of electric bikes in terms of watts versus pistons so they aren't excluded for use on trails.	HB 2177: The bill failed in committee. We will have the opportunity to take it up next year.
9	Seek self administration of Transportation Enhancement and Safe to School grants, as well as Highway Safety Improvements Program funds, which is necessary due to Federal law eliminating local delivery of grants (self administration) so that now any grants received must be delivered by ADOT staff anywhere where the grant applies within the City.	We are not seeing any traction on the issue at this time.
10	Support any state multimedia incentive bills introduced in an effort to increase the attraction possibilities of filming and the motion picture industry using Flagstaff and the greater Northern Arizona region to film motion pictures	SB 1242: The bill is having trouble getting out of committee, and will likely be amended.
11	Support a Property Reclassification (High Wage Jobs for Rural Arizona) bill that provides certain tax benefits to companies in export or base industries in rural Arizona that make significant investments in these regions and provide high-paying jobs with adequate healthcare coverage which asks local jurisdictions to provide a consenting resolution agreeing to the property tax reclassification.	HB 2264 (NOW: job incentives; tax relief act): reclassifies personal property and real property improvements as Class 6 property for qualifying businesses that create new jobs and meet the capital investment threshold. It is progressing to the Senate.
12	Propose technical amendments to State Statute 32-144, allowing a non-registrant to design non-bearing walls in tenant improvement projects and decks or roof additions for townhomes without the seal of an engineer, for significant cost savings to the applicant, to include removing the word "attached."	HB 2341: The bill has easily progressed through its committees, has been generally well-received, and will be heading over to the Senate.

13	Seek assistance from ADOT and the state on getting an economic impact study of the proposed I-11 Corridor on northern Arizona cities east of the proposed route.	We have discussed the issue with the State Transportation Board members and ADOT.
14	Support efforts for the establishment of a VA Home in Bellemont and the financial support needed from the State as matching funds to the federal allocation for the home.	-

Memorandum

6.

CITY OF FLAGSTAFF



To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Submitted For: Karl Eberhard, Comm Design & Redevelopment Mgr
Date: 03/06/2013
Meeting Date: 03/11/2013

TITLE:

Presentation re Brownfield Grant on Route 66.

DESIRED OUTCOME:

Information

INFORMATION:

Brownfield Definition

The EPA originally defined a Brownfield as real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. It was later expanded to include "abandoned or under-utilized" properties and mine scarred properties, as well as clarifications to include more contaminants such as petroleum and controlled substances.

Route 66 Brownfields

Established in 1928, historic Route 66, known as the "Mother Road," became the country's main east-west artery connecting communities from Chicago to Los Angeles with over 2,400 miles of continuously paved roadway. A rich history is tied into Route 66 beyond the road itself. It served as an agent of social transformation and represents a remnant of America's past. Cities and towns along Route 66 reaped the benefits of the highway with motels, diners, and gasoline and service stations springing up along the way as the country increasingly became a mobile society. Northern Arizona communities flourished and grew from this western movement, first driven by those seeking the prospects of a new beginning during the Great Depression, later by traffic headed west to support the defense industry in the 1940s, and then by the new American phenomenon of the 1950s, the family vacation.

By 1966, the interstate highway system replaced Route 66, bypassing over 200 miles of Route 66 roadway in Northern Arizona. This change coincided with other powerful forces that consolidated highway services, including the advent of traffic interchanges and the creation of national chains of gasoline stations, motels, and restaurants. The abandonment of Route 66 resulted in economic, environmental, and cultural resource implications that continue to plague Northern Arizona communities to this day. National chains that sprang up at the interchanges supplanted the locally-owned businesses along the highway. Route 66 businesses became less viable, even closed, and many properties remain underutilized or abandoned.

The environmental legacy includes over 1,100 known underground storage tanks in our area, about 40% of which have leaked. While a number of these have been properly removed and closed, concerns and

suspensions of the potentially-contaminated sites remain. Combined with other sources, such as railroad facilities, timber production sites, and other commercial and industrial operations, we estimate that over 150 Brownfields sites may exist in the project area. The contaminants likely to be encountered at the sites are a host of petroleum hydrocarbons, as well as volatile organic compounds, heavy metals, and asbestos.

Using Flagstaff as an example, 27 motels along Route 66 are eligible for, or are listed on, the National Register of Historic Places. The other highway supporting facilities, such as the diners and service stations, have not been evaluated, but are likely also eligible. The National Park Service, during the course of their recent study of all of Route 66, identified Route 66 in Flagstaff as the most intact segment in the country. Setting aside the intrinsic benefits of preserving our heritage, these properties have the potential to be exploited for heritage tourism. Heritage tourists stay longer, do more, and spend more than other tourists - approximately 50% more. Albuquerque has successfully converted blighted Route 66 motels into viable businesses catering to heritage tourists.

There is great economic potential for these areas, including redevelopment, infill, tourism, heritage tourism, and more; however, the specter of unknown environmental hazards has hindered redevelopment.

Community-wide Assessment Grants

EPA assessment grants provide funding to the community to inventory, characterize, assess, and conduct planning related to Brownfields sites. Eligible applicants include only governments and certain quasi-governmental agencies. An eligible entity may apply for up to \$200,000 to assess sites contaminated by hazardous substances, pollutants, or contaminants (including hazardous substances co-mingled with petroleum) and up to \$200,000 to address sites contaminated by petroleum. A coalition of three or more eligible applicants can submit one grant proposal under the name of one of the coalition members for up to \$1,000,000. The performance period for these grants is three years. Assessment grants do not provide resources to conduct cleanup or building demolition activities.

Prior Experience

The City of Flagstaff individually received this same Community-wide Assessment Grant in 2006. The subject area of that grant was much smaller, focused on south Downtown and a portion of Route 66. However, with those funds, the City performed significant community outreach and involvement, inventoried area properties, prepared a redevelopment plan for City owned properties on Phoenix Avenue, and prepared a GIS based Brownfield Sensitivity (planning) Map. Importantly, 20 Phase I and four (4) Phase II Environmental Site Assessments (ESAs) were prepared for various public and private properties. Approximately \$120,000 was directly disseminated into the Flagstaff community in the form of contract awards and Environmental Site Assessments reports. Grant compliance was exemplary and included the preparation of a Quality Assurance Project Plan (QAPP) and a Health and Safety Plan (HASP), quarterly reports, MBE/WBE reports, and ACRES database reporting, as well as presentations given at three national conferences and three Western Brownfield Workshops.

Key Considerations: Arizona Route 66 Coalition - IGAs

This grant has been submitted in the name of the City of Flagstaff representing the cities of Flagstaff, Winslow, and Holbrook and the counties of Coconino and Navajo. The City of Flagstaff has a track record of very successful grant management that is headed by the Grants Management Team (GMT) composed of the Grants Manager, Financial Officer/Accountant, and Project Representative and is currently managing \$29,776,130 (FY 2013 budgeted grant revenue) in Federal and State grant funding. As a result of this general expertise, and due to our specific experience with EPA Community-wide Assessment grants, the City of Flagstaff is the logical agency to lead the current effort. By including our neighbors as partners, we will need to enter into an Intergovernmental Agreement [IGA - referred to as "Memorandum of Agreement (MOA)" in the grant documents] with each partner. The agreements will memorialize the procedures between the various agencies, already conceptually drafted, and will pass

along the rights and responsibilities of the grant terms from the City of Flagstaff to the partner communities.

Consultant Services

As with the 2006 Community-wide Assessment Grant, the majority of these funds will be expended for a number of consultants that perform services such as preparing ESAs and planning documents. Additionally, for this grant, the City of Flagstaff anticipates engaging a consultant for overall project administration and coordination, community outreach, and project specific assistance. Project administration would include establishing project protocols and preparing various required documents (QAPP and HASP), planning and managing the distribution of funds, managing the project selection process, and preparing and reporting to the EPA via the City, as well as the boards or councils of the Coalition. Project coordination includes coordination with the City of Flagstaff Project Manager and other staff, coordinating the interactions and efforts of the Coalition partners, scheduling and conducting individual and/or group meetings, and coordinating grant activities with local, state, and federal agencies. This consultant would also be responsible for comprehensive community outreach including press releases and newsletters, meetings, and other strategies as well as assisting and advising all of the coalition partners in technical and procedural matters, evaluation of proposed projects, and on-site representation.

Expanded Financial Considerations: Whole Community

For the broader community, this work will foster redevelopment and environmental clean-up, and it will aid with community planning.

Redevelopment directly reduces blight, sprawl, and the cost of city infrastructure, maintenance, and services, provides affordable space for businesses and employment, converts unproductive properties to tax generating properties, improves districts and neighborhoods, increases property values, improves the citizen's quality of life, supports commercial activities and tourism, and preserves heritage resources. Surrounding business and properties indirectly enjoy many of these same benefits.

There is a general public health benefit, and also a general ecosystem benefit for the community if contamination is cleaned up. This is especially true for sensitive sub-populations, such as children, pregnant women and the elderly, who can be disproportionately affected. And, while cleaning up a contaminated site reduces exposure on a particular site, it also reduces exposure off-site by halting the migration of contamination into nearby air, soil and water.

Understanding the extent of contamination of a property aids community and redevelopment planning, and economic development planning, by providing information to prospects early in the process, making more predictable the work needed to be done, allowing for a more accurate determination of profitability.

Setting aside the previously noted economic benefits of heritage preservation, redevelopment through heritage preservation preserves the City's unique sense of place, fosters a strong local identity based upon a sound understanding of our unique history, provides opportunities for public service and volunteerism, enhances local cultural life, and is a critical component of being a sustainable community by reducing reliance on new materials, environmentally unfriendly building materials, and energy intensive production and transport of new building materials.

Property Owners

Direct benefits to specific property owners include many of the community benefits. More simply, having ESAs on hand makes the property inherently more valuable, particularly when they document that a property is not contaminated. This is the case for both private and public property owners, but private property owners also benefit from tax benefits associated with Brownfield redevelopment. The City of Flagstaff has utilized ESAs prepared with these funds as the basis of several land transactions, and

for projects, reducing the draw down of other fund sources.

Community Benefits and Considerations: Preparing the Grant

In preparing the grant, all of the communities along Route 66 in Arizona in all cities and all counties, were invited to participate. Due to time constraints and other considerations, not all were able to do so. Multiple meetings of the interested communities were hosted by the City of Flagstaff to work out particulars, a draft IGA, and to prepare and review the grant application. Each participating community conducted two public meetings in their community to seek review and input on the application. These meetings were noticed on websites, advertised in local newspapers, and were further publicized with handbills and flyers. Numerous agencies and associations were also consulted in the preparation of the application. We received 14 letters of support from these organizations including the Economic Collaborative of Northern Arizona (ECoNA), the Sustainable Economic Development Initiative (SEDI), the Historic Route 66 Association of Arizona, the Rotary Clubs of Winslow and Flagstaff, the Holbrook Painted Desert Kiwanis Club, and the Standin' on the Corner Foundation, Inc. Additionally, the Arizona Department of Environmental Quality was a vital partner in the development of this application.D

During the Grant Term

The work of this grant is divided into four tasks and Task 2 is titled "Community Involvement." The Coalition members will continue to keep the public, business, and regulatory community involved throughout the life of this grant (through mailings, website postings, City Council reports, newsletters, as well as public and one-on-one meetings) regarding the activities planned by the Coalition, schedule information, and utilize means by which individuals and interested organizations can stay informed and involved. Each of the application-supporting agencies and organizations have also committed to assisting with community involvement.

Attachments:

Memorandum

7.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Kimberly Sharp, Neighborhood Planner
Date: 03/08/2013
Meeting Date: 03/11/2013



TITLE:

Update on Flagstaff Regional Plan 2030: Place Matters.

DESIRED OUTCOME:

Concurrence with proposed dates for:

- a) Regional Plan University classes (June / July 2013)
- b) City Council and Board of Supervisors review and adoption schedule
- c) Joint City / County meetings for September and November 2013.
- d) Recommendations for any further public outreach efforts.

INFORMATION:

Please see attached Memo to Council / BOS

Attachments: Regional Plan Memo



MEMO – City of Flagstaff – Comprehensive Planning

March 8, 2013

To: Flagstaff City Council and Coconino County Board of Supervisors

From: Kimberly Sharp, AICP –Comprehensive Planning Manager

Via: Jim Cronk, Planning Director

Re: Flagstaff Regional Plan: Vision 2030 – *Preparing for public hearings*

Dear Mayor, Council and Supervisors

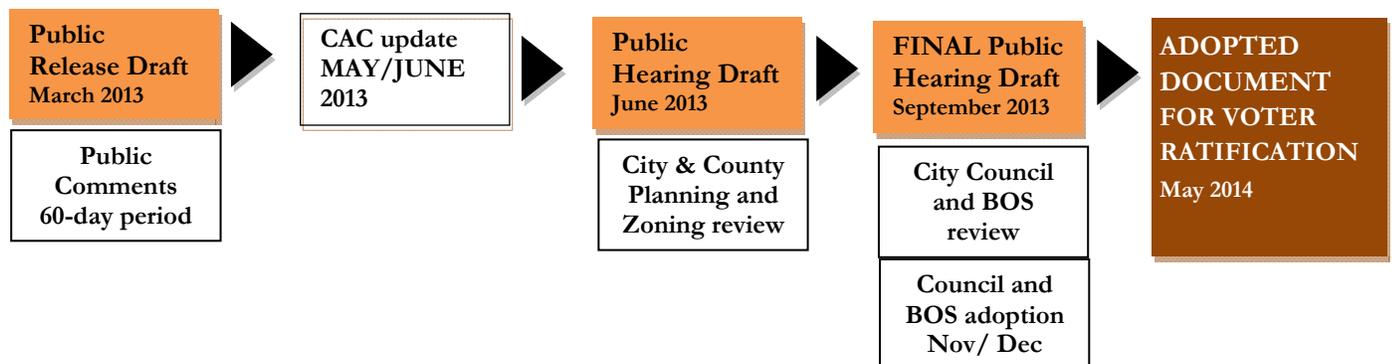
The ***Flagstaff Regional Plan: Vision 2030*** is finally coming to a completion for public release and comment; Planning & Zoning Commission review and recommendation; and subsequently, City Council and County Board of Supervisors adoption.

The ***Flagstaff Regional Plan: Vision 2030*** document addresses:

- Who the plan is for
- Why we plan
- How the Public has been engaged and part of the planning process
- How this plan effects individuals
 - The Regional Plan is used as a POLICY guide, not a rule-book
 - Maps and text work together
 - As a **community vision** that is balanced with political will and financial reality
- How the City and County both implement the plan
- The Amendment process
- How strategies, which are how policies happen and are dynamic, can be updated with the annual report
- The annual report process
- Schedule forward

These will all be addressed in detail at the **Monday, March 11th Joint City/County meeting.**

The Regional Plan will be following this path forward:



There will be a hard copy Flagstaff Regional Plan public release document for each of you by **March 28th**, as well as available on-line: www.flagstaffmatters.com. The following public hearing schedule will be reviewed in detail on March 11th.

March 11	Joint City Council / Board of Supervisor Presentations
March 28	Public Release EVENT: Thursday – City Hall Lobby
April 12	Joint Public Official Introduction Meeting City P&Z, County P&Z, City Council and County BOS: Friday, Aquaplex
June	CAC updates document with public comments and legal review
July / August	City P&Z hearing #1 and #2; recommendation to Council
September	County P&Z hearing and recommendation to BOS
<u>Proposed City Council and BOS review- 2013</u>	
** Regional Plan University classes – for City and County P&Z, Councilmembers and Supervisors:	
June 6 - Thursday	
June 13 - Thursday	
June 20 - Thursday	
June 27 - Thursday	
July 11 - Thursday	
July 18 - Thursday	
September - November	Weekly / bi-weekly Council discussions
September 9	Joint City Council / BOS meeting – review public and P&Z changes
November 18	Joint City Council / BOS meeting – Public Hearing #1
November/ December	Board of Supervisors Hearing #2 and adoption
December 3	City Council Public Hearing #2
December 17	Adoption & call for election
May 20, 2014	General Election – mail-in ballot for General Plan

Once again, thank you for your time and I look forward to your comments.

Kimberly Sharp
 (928) 213-2631
ksharp@flagstaffaz.gov