

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.