MINUTES

WORK SESSION
TUESDAY, NOVEMBER 26, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
6:00 P.M.

1. Call to Order.

Mayor Nabours called the Flagstaff Work Session of November 26, 2013, to order at 6:09 p.m.

2. Pledge of Allegiance.

The City Council and audience recited the Pledge of Allegiance.

3. Roll Call

Councilmembers present: **Councilmembers absent:**

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ (telephonically)
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea

4. **Public Participation**

Public Participation enables the public to address the council about items that are not on the prepared 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 at the meeting 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 to have 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.

Laura Myers, representing the La Plaza Vieja Neighborhood, reminded the Council that their area has a neighborhood plan of what they would like to see if their area, and 650 student rooms was not acceptable.

At this time Mayor Nabours notified the public that if their trash collection occurred on Thursday, it would be picked up on Wednesday due to the Thanksgiving holiday.

5. **Preliminary Review of Draft Agenda for the December 3, 2013, City Council Meeting.***

** Public comment on draft agenda items may be taken under "Review of Draft Agenda Items" later in the meeting, at the discretion of the Mayor. Citizens wishing to speak on agenda items not specifically called out by the City Council for discussion under the second Review section may submit a speaker card for their items of interest to the recording clerk.*

Councilmember Overton, in referring to item 9-C, Rio de Flag project, asked if there was any way to tighten up the timeframe. Project Manager James Duval said that 205 days is what they think it will take. They are giving them until June 30 to deliver, but the hope is to come before Council in May to deliver the results of the DCR and how to move forward. In response to a question of Councilmember Overton, Mr. Duval noted that there are benchmarks associated with the project.

6. **Community Reinvestment Policy - Part 2**

Community Design and Redevelopment Manager Karl Eberhard said that awhile back he was before Council asking for decisions to help staff get some decision points, and tonight he would be addressing the subsidiary decision points and asking for direction from Council.

1) Concurrence sought: We will develop "Reinvestment Policy" ideas instead of "Redevelopment and Infill Policy" ideas.

Council concurred with this statement.

2) Concurrence sought: We will develop overarching policies instead of targeting specific districts

- If districts preferred, what districts would you like addressed?

See discussion under #4 below.

3) Concurrence sought: We develop policies that promote reinvestment regardless of land uses (residential and nonresidential)

- If a nonresidential focus is desired, would mixed-use development be included?

Vice Mayor Evans asked, in reference to both #2 and #3, if such policies would address displacement of residents. She said that by knowing the answer to that question she could better answer this for herself. Mr. Eberhard said that he does not know that they have had that conversation at this point.

Mayor Nabours said that he agreed that it is an issue to be addressed, but a larger issue is that it has legal implications. They need to get through this and then come back and address that issue specifically. Vice Mayor Evans said that she respectfully disagreed. A lot of times the Council makes policy that does not connect with other policies needed. They could spend the next two to three months doing this and then never get to the residential relocation issues. If they cannot address that issue at this time perhaps they should focus on commercial. Councilmember Woodson said that he was not sure he agreed with separating them. Reinvestment is a good term; if they are reinvesting in commercial it could mean taking an old residential area and making it commercial.

Mr. Burke said that the proposed policy is trying to merge the two together. A good example is some of the Route 66 parcels. There are some commercial parcels that will stay commercial and they could separate that reinvestment from a residential one on the issue of displacement. If there is an opportunity to add mixed use to a purely commercial development, if there was no displacement of residential, he asked how they would feel, and then the third question would be the policy regarding residential displacement.

Mr. Burke noted that Councilmember Barotz was having audio difficulties, but she had e-mailed that she agreed with the concerns of Vice Mayor Evans.

Mayor Nabours suggested that those items be placed on a “parking lot” for further discussion at a later time.

4) Concurrence – These policies will create a difference (a gap) between green field and reinvestment opportunities and requirements

Council concurred with this statement.

Mr. Burke asked that they return to discussion of Item 2. He said that he and Mr. Eberhard have discussed this and he wants to make sure they were keeping some targeting on the table, in the form of emphasis. An example would be the Fourth Street Corridor. They would not mean to say they need to do a district, but he asked if they would like to be able to say it is an area of interest, so they can concentrate their Capital Improvements Plan (CIP) to a targeted area without it being a district. It would be more of an area of emphasis. Council concurred.

5) Are we willing to make significant infrastructure placement investments?

- Should we add reinvestment needs to our Capital Improvements Plan and priorities?

Mayor Nabours asked if they would be telling a developer, “if you reinvest in this area, then you will have incentives?” Mr. Eberhard said that would be an option available, but what they were suggesting was more systematic in reinvesting altogether. The reinvestment would occur where it is needed if incentivized overall. He said that it gets into what Mr. Burke was saying, that if they invest capital infrastructure where they want it to occur, it tends to happen. He said that

there are many tools that would come back to Council with the full policy if this was something they wanted to consider.

Councilmember Overton said that he thought this was one of the more important bullet points. As a city they have held a tremendous amount of the resources. If they want to encourage reinvestment as much as possible, they have to throw resources toward this in a more robust fashion.

Mr. Eberhard said that one of the things that the City is doing right now is looking at the ageing water/sewer systems. That would be one of the ways to predict, but if reinvestment was part of the matrix, it would support such reinvestment efforts.

Consensus from Council was to make reinvestment a consideration in the five-year plan.

6) Are we willing to invest in more planning?

- Corrective Zoning, Master Planning, Neighborhood and Corridor Planning, and…

Mr. Eberhard said that they have done master planning on some of the major systems such as water and sewer, but they need to do that on a larger scale for other systems, such as neighborhoods, sidewalks, etc. It would be a level of planning lower than a regional plan.

Mayor Nabours asked where it would come up, other than during the CIP. Mr. Eberhard said that it would come up in a number of different places. He does not know that they have any comprehensive study of sidewalks and that would be good to have along with the roads assessment and water and sewer, parks, etc.—everything that they ask a developer to do.

Councilmember Oravits voiced concern with such planning, seeing it as layers on top of layers. Mr. Eberhard said that he would hope they would not overlap much. The Regional Plan does not have enough detail to build infrastructure from.

Councilmember Oravits said that he looks at the Fourth Street Corridor Study and has a different outtake. He asked if they are doing studies for everything and bogging themselves down and putting these plans on the shelves. Mr. Eberhard said that he would hope that such studies, like the others, would be coming before Council.

Councilmember Woodson said that having been through this a number of years, 1) they are presuming they have enough money left over to address these specific needs; 2) they are presuming their crystal ball is better than economic environment out there; and 3) his recommendation, is that if nothing else they would have created an infrastructure bank so they could respond when a developer comes to the table.

Vice Mayor Evans said that if they are going to be successful in the concept of reinvestment, they need to have some type of plan. They already have one

reinvestment project, and it was directly contrary to what the neighborhood said they wanted to have done. That causes conflict and uncertainty. Whether the City likes the plan that is brought forward they have neighbors that have invested time and if they are going to give developers incentives, they should present them with some type of plan showing what that neighborhood's vision is.

She said that one of the reasons they have been having problems with neighborhoods is they have these plans, but they have not been adopted, such as with Sunnyside.

Councilmember Overton said that having a plan for public infrastructure on public property is one thing. The conflict is the one in which private property is involved. They cannot control what landowners would like to do with their properties. He does not find planning private parcels something they should throw more investment into.

He would prefer to see 90% of funding going toward infrastructure and 10% toward planning on the pieces over which the City has control. Vice Mayor Evans said that she agreed 100% that they cannot control what a private property owner wants, but they could consider the wishes of a neighborhood if a plan had been presented and the property owners comes before Council for a rezoning. Councilmember Overton said that it was a different issue for him.

Councilmember Oravits said that he liked what Councilmember Overton was saying. Oftentimes plans are crafted by a small group of people, but he is in favor of a certain degree of planning.

Further discussion was held on the benefits of planning. It was suggested that whether a plan is needed or not for a development could be left up to staff, but it was noted that by doing that it is unpredictable for developers. It was agreed that this was not a high priority at this time.

7) Should we look at eliminating some special study requirements?

- *In favor of lesser specific standards, but better overall outcomes?*
- *In favor of community infrastructure planning and development?*
- *Would an "in-lieu-of fee" system be of interest?*

After brief discussion on this issue Council agreed to consider options in the overall policy.

8) Are we willing to reconsider the use of development impact fees?

- *Would we want to invest in an "aging infrastructure credit" system?*

After brief discussion, Council agreed in not moving forward with additional impact fees.

9) Do we want to invest in parcel assemblage?

After brief discussion, Council agreed in not moving forward with parcel assemblage.

10) Concurrence sought: Certain development requirements will need to be changed to foster reinvestment, but as a broad reinvestment incentive, there is not a lot of meat left on that bone.

Council concurred with this statement.

11) Concurrence sought: Similarly, with permitting processing times measured in weeks, this tool does not offer meaningful reinvestment incentives.

Council concurred with this statement.

12) Concurrent sought: Permit fee waivers were less meaningful… But now we will take another look in light of recent City Council direction.

Council agreed to not look at permit fee waivers.

A break was held from 7:23 p.m. to 7:33 p.m.

David Monihan, Northern Arizona Builders Association, spoke in favor of a reinvestment policy.

7. **Draft 2014 City of Flagstaff State & Federal Legislative Priorities Agenda**

Deputy City Manager Jerene Watson stated that this was the annual review of the legislative agenda for both state and federal. She briefly reviewed the Guiding Principles and then the State issues which were:

- STATE SHARED REVENUES
- HURF RESTORATION
- ADOT ROW USE
- FOREST HEALTH
- PENSION REFORM
- ECONOMIC DEVELOPMENT TOOLS
- SALES TAX SYSTEMS INTEGRATION
- ENERGY DISTRICTS
- BUILDING CODE TECHNICAL AMENDMENT
- ASSISTANCE FROM ADOT AND STATE RE I-11 CORRIDOR ECONOMIC IMPACT STUDY
- SUPPORT EFFORTS FOR ESTABLISHMENT OF A VETERANS' HOME IN BELLEMONT

Additionally, Ms. Watson noted that the City of Flagstaff supported League resolutions regarding harsher penalties for graffiti.

Mayor Nabours noted that he was the League's Executive Committee meeting last week and they addressed a number of these issues, specifically the HURF restoration, the pension reform and sales tax integration.

City Manager Kevin Burke then reviewed the Federal issues being addressed this year:

• RIO DE FLAG FLOOD CONTROL PROJECT
• WATER RESOURCES DEVELOPMENT REAUTHORIZATION
• TRANSPORTATION
• FOREST HEALTH
•WATER
• FAA (AIRPORT)
• FEMA

It was noted that State Representative Brenda Barton had suggested that the state couple matching funds on the forest health issues.

Ms. Watson stated that these would be brought back to Council at their December 17, 2013, for final approval.

Councilmember Overton noted, on the pension side, that they may also run into issues with the Affordable Care Act and how they look at part-time versus full-time formulas.

Discussion was also held on the fact that the Navajo Nation has electronic billboards. This may not be a state issue, but they would not want to see the City's dark sky efforts thwarted with such billboards.

Further discussion was held on the Rio de Flag project. Mr. Burke said that the City is still attempting to get approval to build to federal standards but let the City manage the full project. Mayor Nabours noted that last year when they discussed this with them, the feds indicated that it was a state decision first. If the state denied, then they could appeal to the feds. Mr. Burke said that the state has denied ineligible expenses so now they must appeal to the feds.

Ms. Watson introduced Richard Travis of Nexus Consulting who was present, as well as Bob Holmes attending telephonically, and noted that they were key players in handling the state and federal issues.

Mayor Nabours reminded them that if there was anything from the Council's end that could be of assistance, to not hesitate in asking them. Mr. Travis said that they would do that and it was critical for the Legislature to hear from communities the size of Flagstaff regarding pensions.

Mr. Burke said that they usually schedule a trip to Washington DC the first part of next year. They were looking at the week of February 25, 2014, and asked which Councilmembers would be interested in attending. Mayor Nabours, Vice Mayor Evans, and Councilmembers Overton and Woodson all voiced an interest in attending.

8. **Flagstaff Regional Plan 2030: Place Matters**

Mr. Eastman reviewed the process that was being proposed by staff in moving forward with the "Parking Lot." It was noted that the list they prepared included those items which received 4 or more check marks from Council first; and then they would move down the list, time permitting.

Mr. Cronk said that staff had grouped them by overall topics to be addressed at the same time. After further discussion, staff said that they would prepare the final listing to be brought back to the December 3, 2013, second public hearing, and there may be more items added at that time. They would then review the Parking Lot at the December 6, 2013, Retreat. Additionally, they could make time at the December 10, 2013, Work Session for further discussion, but final direction would need to be given to staff at the December 17, 2013, Council Meeting, at which time they would also agree on a final election date.

9. **Review of Draft Agenda Items for the December 3, 2013, City Council Meeting.***

**Public comment on draft agenda items will be taken at this time, at the discretion of the Mayor.*

None

10. **Public Participation**

None

11. **Informational Items and Reports from Council and Staff, requests for Future Agenda Items**

Councilmember Brewster reminded everyone that on Saturday NAU would be playing football, and she encouraged everyone to attend and show their support.

12. **Adjournment**

The Work Session of the Flagstaff City Council held November 26, 2013, adjourned at 8:35 p.m.

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MAYOR

ATTEST:

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CITY CLERK