

FINAL AGENDA

REGULAR COUNCIL MEETING
TUESDAY
DECEMBER 16, 2014

COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

Individual Items on the 4:00 p.m. meeting agenda may be postponed to the 6:00 p.m. 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 BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

- A. **Consideration and Approval of Minutes:** City Council Regular Meeting of October 21, 2014, and the Special Meeting (Executive Session) of November 25, 2014.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Regular Meeting of October 21, 2014, and the Special Meeting (Executive Session) of November 25, 2014.

5. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). 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.

6. PROCLAMATIONS AND RECOGNITIONS

None

7. APPOINTMENTS

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

None

8. LIQUOR LICENSE PUBLIC HEARINGS

None

9. CONSENT ITEMS

All matters under Consent Agenda are considered by the City Council to be routine 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 to Purchase:** Thirty-Four (34) Panasonic CF-31 Toughbook Mobile Data Computers to be installed in patrol vehicles.

RECOMMENDED ACTION:

Approve the purchase contract to the lowest responsive and responsible bid from Creative Communications of Flagstaff, for the purchase of thirty-four (34) Panasonic CF-31 Toughbook Mobile Data Computers for the amount of \$122,501.66, plus applicable taxes.

10. ROUTINE ITEMS

- A. Consideration and Approval of Intergovernmental Agreement:** Agreement for the City of Flagstaff's Owner Occupied Housing Rehabilitation Program staff to administer Coconino County's Owner Occupied Housing Rehabilitation Program.

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement (IGA) with Coconino County for the administration of the County's Owner Occupied Housing Rehabilitation(OOHR) Program.

- B. Consideration and Adoption of Ordinance/Resolution No. 2014-41:** A resolution of the City Council of the City of Flagstaff authorizing signatures for checks and payment vouchers ***(Authority to Sign Checks)***

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-41 by title only
- 2) City Clerk reads Resolution No. 2014-41 by title only (if approved above)
- 3) Adopt Resolution No. 2014-41

- C. Consideration and Agreement:** Intergovernmental Agreement (IGA) with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Licensing through December 31, 2015.

RECOMMENDED ACTION:

Approve IGA with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Licensing through December 31, 2015.

- D. Consideration and Approval of Agreement:** Intergovernmental Agreement (IGA) with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Auditing through December 31, 2015 ***(IGA for Sales Tax Auditing)***

RECOMMENDED ACTION:

Approve IGA with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Auditing through December 31, 2015.

- E. Consideration and Adoption of Resolution No. 2014-39 and Ordinance No. 2014-32:** Amending the Employee Handbook of Regulations and Flagstaff City Code by adopting those amendments as shown in "2014 Addendum 6 of the Employee Handbook of Regulations" relating to the Employee Advisory Committee ***(Employee Advisory Committee election terms; updates)***

RECOMMENDED ACTION:

At the Council Meeting of December 16, 2014

- 1) Read Resolution No. 2014-39 by title only
- 2) City Clerk reads Resolution No. 2014-39 (if approved above)
- 3) Read Ordinance No. 2014-32 for the first time by title only
- 4) City Clerk reads Ordinance No. 2014-32 for the first time by title only (if approved above)

At the Council Meeting of January 6, 2015

- 5) Adopt Resolution No. 2014-39 (declaring public record)
- 6) Read Ordinance No. 2014-32 for the final time by title only
- 7) City Clerk reads Ordinance No. 2014-32 by title only (if approved above)
- 8) Adopt Ordinance No. 2014-32

- F. Consideration and Approval of Two (2) Year Lease Amendments:** United States Geological Survey (U.S.G.S.) for Buildings 3, 4 and 5 (Amendment of U.S.G.S. Leases) ***(Approve Two (2) Year Amendments to Building Leases with U.S.G.S.)***

RECOMMENDED ACTION:

Approve the amendment of the leases with the United States Geological Survey (U.S.G.S.) represented by the Government Services Administration (GSA) for an additional two (2) years.

RECESS**6:00 P.M. MEETING****RECONVENE****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).

11. ROLL CALL

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

MAYOR NABOURS

VICE MAYOR BAROTZ

COUNCILMEMBER BREWSTER

COUNCILMEMBER EVANS

COUNCILMEMBER ORAVITS

COUNCILMEMBER OVERTON

COUNCILMEMBER PUTZOVA

12. PUBLIC PARTICIPATION**13. CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA****14. PUBLIC HEARING ITEMS**

- A. Public Hearing, Consideration and Adoption of Ordinance No. 2014-34:** An Ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege Taxes*, levying a local transaction privilege tax increase of 33 cents per \$100 of taxable gross income (sales) as approved by the majority of the qualified electors of the city voting in the November 4, 2014 General Election, Proposition 406, "Road Repair and Street Safety Initiative"; providing for use of tax revenues, providing for penalties, repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date (***Transaction Privilege Tax - Road Repair and Street Safety Initiative***)

RECOMMENDED ACTION:**At the Council Meeting of December 16, 2014**

- 1) Hold public hearing
- 2) Read Ordinance No. 2014-34 by title only
- 3) City Clerk reads Ordinance No. 2014-34 by title only (if approved above)

At the Council Meeting of January 6, 2015

- 4) Read Ordinance No. 2014-34 for the final time by title only
- 5) City Clerk reads Ordinance No. 2014-34 by title only (if approved above)
- 6) Adopt Ordinance No. 2014-34

15. REGULAR AGENDA

- A. Consideration of Construction Contract Change Order #1:** Flagstaff Urban Trail System (FUTS) Signage Project *(Approve Change Order #1 to FUTS Signage Project contract)*

RECOMMENDED ACTION:

Approve Change Order No. 1 with Conco Concrete Specialist LLC in the amount of \$80,000 and extend the contract by 60 calendar days.

- B. Draft 2015 City of Flagstaff State & Federal Legislative Priorities Agenda**

RECOMMENDED ACTION:

Review and discuss projects and positions proposed as legislative priorities for the City in 2015 covering regional, state and federal issues that provide guidance to City staff and contracted lobbyists representing the City in regional meetings, in state forums involving the Governor, state agencies or before the State Legislature, Congress and federal agencies.

- C. Consideration and Adoption of Resolution No. 2014-43:** A resolution of the Council of the City of Flagstaff, Arizona, ordering questions be submitted to the qualified electors of the City with respect to amendments to the Flagstaff City Charter, said questions to be submitted at a City Special Election to be held on May 19, 2015 *(Calling a Special Election and approving ballot language for Charter amendments)*

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-43 by title only
- 2) City Clerk reads Resolution No. 2014-43 by title only (if approved above)
- 3) Adopt Resolution No. 2014-43

16. DISCUSSION ITEMS

- A. Discussion:** Walnut Canyon Study boundary discussion

RECOMMENDED ACTION:

The intent of the December 16, 2014 presentation is to provide Council with four boundary options and receive direction regarding which boundary to include in the City's resolution supporting option two as outlined in the Walnut Canyon Special Study. A draft resolution is included in the attachment wherein a boundary option can be inserted to reflect the Council's direction.

- B. Discussion:** Student Housing Symposium After Action Report

RECOMMENDED ACTION:

Review and provide direction on possible action items. Once the list is agreed upon, then formalize in the form of a policy resolution.

- C. Discussion:** Potential provision of City owned land on McMillan Mesa (the area currently used for materials storage) to the Arizona Department of Veteran's Services for the construction and operation of a Veteran's Facility. *(Use of City land for a Veteran's home)*

RECOMMENDED ACTION:

Provide staff with guidance regarding the potential provision of City owned land for the development of a Veterans Home operated by the Arizona Department of Veterans Services.

17. POSSIBLE FUTURE AGENDA ITEMS

Verbal comments from the public on any item under this section must be given during Public Participation near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

None

18. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, REQUESTS FOR FUTURE AGENDA ITEMS**19. 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 _____, 2014.

Elizabeth A. Burke, MMC, City Clerk

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 12/12/2014
Meeting Date: 12/16/2014



TITLE

Consideration and Approval of Minutes: City Council Regular Meeting of October 21, 2014, and the Special Meeting (Executive Session) of November 25, 2014.

RECOMMENDED ACTION:

Amend/approve the minutes of the City Council Regular Meeting of October 21, 2014, and the Special Meeting (Executive Session) of November 25, 2014.

INFORMATION

Attached are copies of the minutes of the City Council Regular Meeting of October 21, 2014, and the Special Meeting (Executive Session) of November 25, 2014.

Attachments: [10.21.2014.CCRM.Minutes](#)
[11.25.2014.CCSMES.Minutes](#)

MINUTES

REGULAR COUNCIL MEETING
TUESDAY, OCTOBER 21, 2014
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M. AND 6:00 P.M.

4:00 P.M. MEETING

1. CALL TO ORDER

Mayor Nabours called the Regular Meeting of the Flagstaff City Council held October 21, 2014, to order at 4:02 p.m.

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 .

PRESENT

ABSENT

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER WOODSON (left at 9:30 p.m.)

COUNCILMEMBER OVERTON (Excused)

Others present: Deputy City Manager Jerene Watson; City Attorney Michelle D'Andrea.

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

The audience and City Council recited the Pledge of Allegiance and Mayor Nabours read the mission statement of the City.

MISSION STATEMENT

The mission of the City of Flagstaff is to protect and enhance the quality of life of its citizens.

4. APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

- A. Consideration and Approval of Minutes : City Council Regular Meeting of October 7, 2014; the Special Meeting (Executive Session) of October 14, 2014; and the Work Session of October 14, 2014.

Mayor Nabours clarified a statement at the top of Page 4 noting that he had asked about the attendance at the regular sessions; Councilmember Oravits had asked about the teleconference town hall.

Moved by Councilmember Mark Woodson, **seconded by** Councilmember Karla Brewster to approve the minutes [of the City Council Regular Meeting of October 7, 2014; the Special Meeting (Executive Session) of October 14, 2014; and the Work Session of October 14, 2014] as amended.

Vote: 6 - 0 Passed - Unanimously

5. **PUBLIC PARTICIPATION**

Public Participation enables the public to address the Council about an item that is not on the agenda (or is listed under Possible Future Agenda Items). 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.

None

6. **PROCLAMATIONS AND RECOGNITIONS**

None

7. **APPOINTMENTS**

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

None

8. **LIQUOR LICENSE PUBLIC HEARINGS**

None

9. **CONSENT ITEMS**

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

Mayor Nabours said that they would discuss each of the Consent items separately.

- A. Consideration and Approval of Sole Source Purchase: Solid Waste Route Management and Logistics Software offered by WM Logistics, LLC (**Approve purchase of solid waste route management and logistics software**) .

Solid Waste Collections Manager Steve Bergeron came forward to answer Mayor Nabours' question on how this software would save the City money. Mr. Bergeron said that they currently work off of spreadsheets and printed maps. All of the routing for residential and commercial service is done with several sets of eyes. Software like this will consolidate the routing, indicating right-turns only to minimize lost time, and pick up on areas of routes where there have been duplications. They are anticipating a three to five percent increase in efficiencies the first year, and even more in the following years. It saves money through the increased efficiencies with labor and redundant routing. He said that the trucks cost around \$1200 a day to run and the assumption is that if they save even three percent in operations that would mean \$220,000 in savings with labor, fuel, etc.

Mr. Bergeron said that this money has been set aside, included in the budget for several years while they researched and found the best system. He said that they are coming into this later in the year which is why the first year is not has much. He said that a three percent savings is very conservative; the average percentage in cost savings is around fifteen percent.

He said that after a year or two they will be able to analyze the numbers better, and at the end of the third year they will consider different options of how they can continue. He noted that the average cost each year was around \$40,000. That could go down if they renegotiate the cost after three years. He said that this is used for residential, commercial, bulky, roll-offs, and they have similar systems for meter reading, etc.

Moved by Councilmember Jeff Oravits, **seconded by** Councilmember Karla Brewster to approve the purchase of solid waste route management & logistics software from WM Logistics, LLC in the amount of \$26,710 first year, \$46,690 second year & \$46,690 third year for a total of \$120,090.

Vote: 6 - 0 Passed - Unanimously

- B. Consideration and Approval of Cooperative Contract:** Consideration to enter into an Intergovernmental Agreement (IGA) for cooperative purchasing services with five (5) agencies that are members of the Flagstaff Alliance for the Second Century (FASC), as follows: Flagstaff Unified School District, Northern Arizona University, Coconino County, City of Flagstaff and Coconino County Community College.

Moved by Councilmember Celia Barotz, **seconded by** Councilmember Mark Woodson to approve the IGA for cooperative purchasing services and authorize the Mayor to sign the IGA on behalf of the City of Flagstaff.

Vote: 6 - 0 Passed - Unanimously

10. ROUTINE ITEMS

- A. Consideration and Adoption of Ordinance No. 2014-24:** An ordinance of the Flagstaff City Council authorizing the City of Flagstaff to accept specific deeds of real property and easements and providing for the repeal of conflicting ordinances, severability, and authority for clerical corrections, and establishing an effective date. (***Approval of an ordinance accepting deeds and easements of real property obtained by the City through grants and donations***).

Moved by Councilmember Celia Barotz, **seconded by** Councilmember Jeff Oravits to read Ordinance No. 2014-24 by title only for the final time.

Vote: 6 - 0 Passed - Unanimously

AN ORDINANCE OF THE FLAGSTAFF CITY COUNCIL AUTHORIZING THE CITY OF FLAGSTAFF TO ACCEPT SPECIFIC DEEDS OF REAL PROPERTY AND EASEMENTS AND PROVIDING FOR THE REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY AND AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

Moved by Councilmember Karla Brewster, **seconded by** Councilmember Celia Barotz to adopt Ordinance No. 2014-24.

Vote: 6 - 0 Passed - Unanimously

- B. Consideration and Approval of Grant Agreement:** U.S. Department of Homeland Security, Federal Emergency Management Agency Cooperating Technical Partners award number EMW-2014-CA-00087-S01: Watershed Management Plan and Flood Risk Report for the Rio De Flag Watercourse (***Approve Grant Agreement with Dept. of Homeland Security-FEMA for a Watershed Management Plan***).

Stormwater Manager Malcolm Alter gave a brief PowerPoint presentation which addressed:

FEMA GRANT FUNDED

- \$200,000 no match required
- Potential national model for future FEMA projects
- State of the art models
- Models will include entire Rio watershed
- Shared with and contributions provided by the scientific community, NAU and Coconino County

MODEL USES

- Post fire flood models
- Capital improvement needs
- Remapping floodplains to be more accurate
- Climate change modeling
- Resiliency modeling
- Assess county-wide development control
- Hazard mitigation planning
- Mapping of critical floodplain function and habitat
- Assist development community with modeling
- Real-time flood modeling: Flood warning
- Can get so accurate – state of the art – possible that consultants in community can use the modeling for their development

Mr. Alter said that this will be the first of its kind in the State and will be a national model. He noted that this was a 100% funded grant, with no match required.

Mayor Nabours asked how this ended up in Flagstaff and not Seattle, for example. Mr. Alter said that he has been attending conferences with representatives from FEMA, specifically Region 9 out of San Francisco, and they have had a lot of conversations, floating around various ideas. He said that FEMA is beginning to look at climate change and resiliency and post-fire flood, seeing that that overall they have not been seeing the whole picture.

Ms. Brechler-Knaggs added that the City of Flagstaff has a good name with federal and state agencies because they do what they are supposed to do and their audits are very clean.

Moved by Councilmember Karla Brewster, **seconded by** Councilmember Celia Barotz to approve the application to Federal Emergency Management (FEMA) for grant funds in the amount of \$200,000 and a non-federal commitment/leverage of \$98,198.

Vote: 6 - 0 Passed - Unanimously

RECESS

The Regular Meeting of the Flagstaff City Council held October 21, 2014, recessed at 4:25 p.m.

6:00 P.M. MEETING

RECONVENE

The Regular Meeting of the Flagstaff City Council held October 21, 2014, reconvened at 6:02 p.m.

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).

11. ROLL CALL

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

PRESENT**ABSENT**

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER WOODSON (left at 9:30 p.m.)

COUNCILMEMBER OVERTON (Excused)

Others present: Deputy City Manager Jerene Watson; City Attorney Michelle D'Andrea.

12. PUBLIC PARTICIPATION

None

13. CARRY OVER ITEMS FROM THE 4:00 P.M. AGENDA

None

14. PUBLIC HEARING ITEMS

- A. Public Hearing, Consideration and Adoption of Ordinance No. 2014-30:** An ordinance of the City Council of the City of Flagstaff, Arizona, extending and increasing the corporate limits of the City of Flagstaff, Coconino County, State of Arizona, pursuant to the provisions of Title 9, Chapter 4, Arizona Revised Statutes, by annexing certain land totaling approximately 3.14 acres located at 2701 S. Woody Mountain Road, which land is contiguous to the existing corporate limits of the City of Flagstaff and establishing city zoning for said land as RR, Rural Residential. ***(Annexation of property for Aspen Heights located on Woody Mountain Road)***

Mayor Nabours noted that Items 14-A and 14-B involved the same project and, therefore, the public hearing and discussion would be handled together.

Planning Development Manager Tiffany Antol reviewed the project with a PowerPoint presentation which addressed:

ASPEN HEIGHTS 2701 Woody Mountain Road
CONCEPT ZONING MAP AMENDMENT REQUEST
ANNEXATION AND ZONING MAP AMENDMENT REQUEST
Regional Land Use and Transportation Plan Compliance
Public Facilities and Service Impact Analysis
PROPOSED DEVELOPMENT CONCEPT PLAN
ZONING CODE COMPLIANCE
ZONING CODE COMPLIANCE
Open Space/Community Space, Parking, Design Review

Natural/Cultural resources, landscaping
Outdoor lighting
CITIZEN PARTICIPATION
DRAFT DEVELOPMENT AGREEMENT (to be considered at a subsequent meeting)
RECOMMENDATION
10 Conditions

Ms. Antol then reviewed the findings that the Council could consider in these applications.

Councilmember Barotz said that the staff summary for the Annexation indicated that there was no Traffic Impact Analysis (TIA) performed. Ms. Antol replied that was correct for the annexation; however, there was one performed for the Rezone request.

Councilmember Barotz asked for clarification of the ADOT letter regarding traffic. Traffic Engineer Jeff Bauman came forward and reviewed the letter, noting that based on the traffic generation assumptions this project fell into the smallest category requiring that they look at impact to the nearest signalized intersection which would be at West Route 66 and Woodlands Village Blvd. and there were no impacts found there.

They did find that a signal was nearly warranted at Woody Mountain Road, but not at this time, so this development has been required to provide 26% of the estimated costs of a future signal, and that amount will be required in the Development Agreement. Additionally, Mr. Bauman said that the TIA also indicated right-turn lanes into the development on Route 66 and also on Woody Mountain Road.

Mr. Bauman said that there was no established rate for student housing in determining the traffic generation, so they went with that for apartments. At the time of the study there was no transit reduction taken and no internal capture between retail and residential to keep it more conservative.

Councilmember Barotz said that a comment was made that the developer had provided more information than required, and she asked what information that was. Ms. Antol said that they are not required to provide a landscaping plan and in terms of elevations, they only need to submit pictures. The concept plan is much more detailed as a whole.

Councilmember Barotz noted that this was the first development to be looked at under the most recent Zoning Code revisions, which provides much more information up front. She asked if she was correct that this project came in under the prior Regional Plan. Ms. Antol said that was correct and staff came to the conclusion that it meets the goals of that plan.

Mayor Nabours asked if this intersection under the new Regional Plan was designated as an urban activity center. Ms. Antol said that was correct. She said that the difference between the two was in density, but staff believes they are going to be in compliance with both regional plans.

Councilmember Woodson asked staff to clarify the difference between the Room and Board use and a regular apartment. Ms. Antol explained that the Room and Board rents out individual bedrooms and attached bathrooms and then those four rooms share a kitchen. Councilmember Woodson said that such use requires a Conditional Use Permit (CUP) and asked what the CUP protects them from or gives them. Ms. Antol replied that a CUP allows them to mitigate any negative impacts of the use. She said that this type of use could have different impacts, especially with such things as parking and management.

Councilmember Brewster asked if the 24-hour management meant there would be on-site management 24 hours a day. Ms. Antol said that the developer would address that issue separately. Charlie Vatterott, representing the developer, came forward and first introduced his team which consisted of his engineer Kent Hotsenpiller; Legal Counsel Dana Kjellgren and James Speed of Kjellgren & Speed; Will Ramsey, Regional VP on Management and Wayne Compton, their lighting consultant.

Mr. Vatterott first gave an overview of their company, Aspen Heights, noting that they construct what they develop and manage what they construct. He said that they were founded in 2006 with 12 employees; they now have over 300 staff members and are in more than 20 communities across the country. He said that during the first eight years they have had tremendous success and they have an

excellent, dynamic corporate culture understanding that there has to be a balance between enrollment growth and their community, as evidenced by their average of over 94% occupancies, with some as high as 100%.

He said that understanding that there is a housing shortage in Flagstaff, this development will help get students out of single-family housing neighborhoods into a development with amenities that have a look and feel of a subdivision, but with on-site management that meets the needs of the students.

Mr. Vatterott said that they provide safe, attractive and accessible housing. There have been collaborative efforts with City staff, neighbors, the dark skies community and also Friends of Flagstaff's Future. He said that they already have developments in two other dark sky communities--Ft. Collins, Colorado and Norman, Oklahoma.

Mr. Vatterott said that they have found solutions to the transit needs; their meetings with NAIPTA have been positive. Additionally, they have meetings scheduled with the Observatory and Flagstaff Police Department. Their commitment to the community is strong, as well as their clients--the NAU students. He said that each year their company donates \$100,000 globally to two different countries in Africa and each of their employees are required to sponsor a child in one of the two countries. He said that their proposal is a maximum of two stories.

Mr. Vatterott said that while they had developments in other dark sky communities, he was not sure if they had observatories. He said that they know that the observatory is important to Flagstaff and it is important to them. He said that they have proposed a reduced lumen, consistent with what would be permitted without any type of zone change, but that did not come without a cost.

He said that they have not received any type of approval from the Observatory but their e-mails have been supportive. Dana Kjellgren, attorney for the developer, explained that because the Naval Observatory is part of the Department of Defense they have certain limitations on what can be discussed publicly. She said that they have to have clearance with regard to meeting with attorneys for the Department of Defense. They are in the process of arranging that, but they have not gotten to sit down with them.

William Ramsey, Vice President of Operations, then gave a brief Pointpoint on the management of the development, which addressed:

CRISIS RESPONSE & COMMUNICATION GUIDE
RESPONSE & COMMUNICATION GUIDE
PARTNER WITH LOCAL UNIVERSITY REGULATORY AGENCIES
MULTIHOUSING ROGRAM
CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN
COMMON SENSE SELF DEFENSE
ACTIVE PROOPERTY MANAGEMENT

Mr. Ramsey explained that they have the ability to have 24-hour management on site. He said that they offer living facilities for their management personnel; however, it is their choice on whether they live on site or not, in case they may already own a home. He said that if they are not on-site they have a number for residents to be able to reach management 24 hours a day and they can be on site quickly. Additionally, they offer reduced housing for their maintenance staff which provides for an extra set of eyes. He said that they also hold a safety social which is mandatory for all residents.

Mr. Ramsey said that each year they evaluate their properties, and depending on it, the market, gathering spaces downtown, etc. they determine what level of security they need. In some communities where there are not many places for residents to frequent (downtown) they may have more socializing taking place at the property, in which case they would have more security on site. It is determined property by property.

He said that they like to get involved with apartment associations, meet other property management companies and have direct contact with property owners that are adjacent to their properties so they can take care of issues quickly.

Vice Mayor Evans asked if the development would be gated. Mr. Vatterott said that typically there is a gate; he was not sure if this site included a gate. Mr. Ramsey added that the safety social is mandatory and while it is part of the crime prevention program, they already do it every semester.

Mayor Nabours asked if they would have private security. Mr. Vatterott said that there are two different opportunities to be considered. If the Flagstaff Police Department permitted it, they would possibly hire off-duty officers and, if not, they would contract for private security. Mayor Nabours asked if it would be every night. Mr. Vatterott said that they have different levels of need with regard to security. They would initially plan for Thursday, Friday and Saturday nights, since this is when students have more of a tendency to gather socially, but if additional needs were recognized, they would consider additional security.

Mayor Nabours asked if they were required to take action if they had a chronic violator. Mr. Vatterott said that they did; part of the lease requires students to adhere to local and federal laws, and if they have violations, they will remove them from their property.

In returning to the prior question regarding a gate, Mr. Vatterott said that he was able to review the plans and this particular development did not include a gate.

Councilmember Barotz said that the staff report references that they looked at the issue of connectivity and she asked staff to elaborate on that issue. Ms. Antol said that there is connectivity within the site between the commercial and residential areas. Additionally, there is some connectivity along Route 66 and the bike route on Woodland Village, recognizing that there is no bike lane on Route 66. She said that there will also be some ability to use streets through Presidio in the Pines and Boulder Point to connect with the FUTS trail at some point.

Vice Mayor Evans said that she had been told that the applicant had been working with NAU, but her understanding is that the Student Code of Conduct does not go off of the campus. She asked what the university's involvement was in this development. Ms. Antol said that she could not answer that.

Vice Mayor Evans asked who would monitor the Conditional Use Permit, and if the City has ever repealed a Conditional Use Permit based on excessive reports. She asked for examples to be provided, not necessarily this evening. Ms. Antol said that she would need to do some research to report on past conditional use permits, but a conditional use permit could be revoked due to not complying with its conditions. There would need to be a condition on file that they could not receive over a certain number of complaints; they would need to be very specific and succinct. Vice Mayor Evans asked if she was correct that it was not too late for residents to come forward and ask for specific conditions to be put on the conditional use permit. Ms. Antol replied that was correct.

A break was held from 7:27 p.m. to 7:38 p.m. at which time Mayor Nabours opened the Public Hearing.

The following individuals spoke in opposition to the development:

- Bob Mason, Flagstaff
- Paul Shankland, representing the US Naval Observatory
- Jeff Hall, representing Lowell Observatory
- Lance Diskan
- Andy Fernandez
- Moran Henn, representing Friends of Flagstaff's Future
- Ted Reed
- Adam Shimoni

The following comments were received:

- 700+ students is a lot of students to not have property management on-site 24 hours a day
- The Naval Observatory appreciates the concerns and interests of all parties, and they look forward to further conversation regarding lighting
- The Naval Observatory was glad to see a lighting plan submitted, but they have not had time to review it
- Lowell Observatory appreciates the City's support of dark skies

- The Naval Observatory is five miles from City Chambers; this development is half that distance
- Any type of lighting impacts the dark skies
- Dark sky concerns are not just from astronomers
- Asked Council to direct the City Manager and all relevant staff to specifically include the Dark Skies Coalition as part of the community involvement process
- The Dark Skies Coalition is the longest existing nonprofit re dark skies and has been involved in community activities for years
- The Dark Skies Coalition is not governed by the Department of Defense and have not been contacted by the developer, although they were conditioned at the Planning and Zoning Commission meeting to speak to the dark skies community
- While the Friends of Flagstaff's Future appreciate the developer and their attorney for meeting with them, FFF is looking at the bigger picture and would like to see community dialogue and long-term planning with regard to: 1) community's vision for off-campus student housing; 2) still don't have decision from NAIPTA; 3) Milton and Route 66; 4) on-site management and whether pools were needed
- Believes in intentional planning; believe this should be placed on hold until a solid plan is developed
- Asked the Council to vote against the development, and if not, give more time for community feedback
- Has lived in Flagstaff for 16 years; knows of the impact such a development would have on their criminal system
- Will experience great impact on traffic on Route 66
- Consider safety of fire and crime in the Woody Mountain area and State Trust Land

Councilmember Barotz asked Mr. Shankland to briefly review the mission of the US Naval Observatory. Mr. Shankland replied that a few of the significant missions include: 1) cataloguing of accurate star positions; 2) targeting of oversees munitions and addressing targets; 3) monitoring objects orbiting in space, not just for natural security purposes, but also with regard to banking, the INternet, ATM's, power grids; etc.

Mayor Nabours said that the City Council was committed to dark skies. In the Regional Plan there is some call for development in this area; in fact, the City is putting their public works yard across the street. He asked for help in finding a medium point between bright skies and no lights at all, because no lights at all is not realistic. Mr. Hall said that a Dark Skies Ordinance is not a dark ground ordinance; it is to manage the lights so they are still able to utilize their facilities.

Jeff Meilbeck, Northern Arizona Intergovernmental Transit Authority (NAIPTA) read a letter from their Board of Directors, signed by Richard Payne, Chairman, Exhibit A attached hereto and made a part hereof, indicating that they will be holding a special meeting to discussion this matter further.

Mayor Nabours said that based on the past discussion, he saw several issues to be addressed and said that he would not be closing the public hearing tonight.

Moved by Mayor Jerry Nabours, **seconded by** Councilmember Jeff Oravits to continue the Public Hearing for two weeks to the November 3, 2014, Council Meeting.

Vote: 6 - 0 Passed - Unanimously

- B. Public Hearing, Consideration and Adoption of Ordinance No. 2014-31:** An Ordinance amending the Flagstaff Zoning Map designation of approximately 36.94 acres of real property generally located at the intersection of Route 66 and Woody Mountain Road, from Rural Residential ("RR") to Highway Commercial ("HC") for 3.6 acres, and to Medium Density Residential ("MR") for 33.33 acres. ***(Rezoning of property for Aspen Heights located on Woody Mountain Road)***

Discussion held under Item 16A above.

C. Public Hearing, Consideration and Adoption of Resolution No. 2014-35 and Ordinance No.

2014-27: Public hearing to consider proposed amendments to Flagstaff Zoning Code Chapter 10-50 (Supplemental to Zones), specifically Division 10-50.100 (Sign Standards), and related amendments to Chapter 10-20 (Administration, Procedures and Enforcement), Chapter 10-80 (Definitions), and Chapter 10-90 (Maps); consideration of Resolution No. 2014-35 declaring the proposed amendments as a public record; and adoption of Ordinance No. 2014-27, adopting amendments to Flagstaff Zoning Code Chapter 10-20 (Administration, Procedures and Enforcement), Chapter 10-50 (Supplemental to Zones), specifically Division 10-50.100 (Sign Standards), Chapter 10-80 (Definitions), and Chapter 10-90 (Maps), by reference.

Zoning Administrator Roger Eastman said that although they had been discussing proposed amendments to the Sign Code for some time, this was the official public hearing on the topic. He then presented a PowerPoint presentation which addressed the proposed amendments.

Discussion was held on the need to address those vehicles with signs on them that are parked strictly for advertising, rather than being used during the day. Mr. Eastman said that it will still not be clear cut, but the amendments will reduce the gray area of the code which addresses this.

Further discussion was held on A-frame signs. Mr. Eastman said that the current code allows for A-frame signs, but does not clearly explain how they should be used. The problem now is that they are being used permanently, so they are attempting to allow temporary signs, but tie them to promotional or seasonal sales.

He explained, as an example, that if a tire company came in to put up a temporary sign for snow tires, they would apply for a temporary sign permit, noting that it would run from November 1 through November 20. That permit would then be logged into the City's computer system and they would then have 40 more days to advertise. There is only one fee, one permit, one contact with the City.

Further discussion was held on those tenants that rent within a complex and those permits would be obtained and managed by the management of the complex and is based on the lineal footage of the front.

Vice Mayor Evans reminded the Council that one of the major reasons they decided to review the Sign Code was due to the excessive use of A-frames on the road. While she understands that they will have a policy to follow, they have now also allowed for monument signs to be larger.

Councilmember Oravits noted that they may need to revisit this in a year as he has had many people comment to him that it is confusing.

Councilmember Barotz asked that they revisit the issue of nonconforming signs for institutional uses, and asked why the change from four to six feet was being proposed. Mr. Eastman said that they had an apartment complex on the northeast side of the City that had an existing nonconforming sign that was difficult to read. They wanted to upgrade the sign, but the standards would require it be smaller, so the property manager walked away from upgrading the sign. Staff thought it was an appropriate increase from four to six feet for those uses.

Mayor Nabours opened the Public Hearing.

The following individuals spoke on the proposed amendments:

- Andy Fernandez
- Nat White
- Marilyn Weismann, representing Friends of Flagstaff's Future

The following comments were received:

- Drury Sign is nonconforming
- Comments were supplied in written form (Exhibit B attached hereto and made a part hereof)
- These amendments are comparing apples to oranges. Seems to be arbitrary

Councilmember Barotz asked if they could consider making some minor changes in an effort to define more of a middle ground. She said that she could not get her arms around the building mounted and free-standing institutional signs and asked if they could take those out.

Councilmember Woodson said that in the interest of the hour, perhaps they could be brought back to the next meeting since this was just the first reading of the ordinance. Vice Mayor Evans said that she would second the request of Councilmember Barotz.

Vice Mayor Evans said that when they first started the conversation it seemed like they had a lot of temporary signs being used as permanent signs, along Milton, Fourth, and other areas. She said that a lot of businesses in shopping centers do not have the ability to have a sign on the free-standing sign. In talking with the business owners, it was suggested that the use of the free-standing sign that identifies the center being utilized differently so that the names of more businesses could be included, and perhaps an additional free-standing sign could be permitted.

She said that Mr. White came forward and asked that they keep Flagstaff looking the way it does from the Interstate, and she was also willing to consider Councilmember Woodson's proposal.

Councilmember Barotz said that she would bring back her proposed changes at the next meeting, and she wanted to make it clear that her vote tonight was not necessarily indicative of what it would be later.

Moved by Councilmember Jeff Oravits, **seconded by** Councilmember Mark Woodson to read Resolution No. 2014-35 by title only.

Vote: 6 - 0 Passed - Unanimously

A RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, DECLARING AS A PUBLIC RECORD THAT CERTAIN DOCUMENT FILED WITH THE CITY CLERK AND ENTITLED "2014 AMENDMENTS TO CHAPTER 10-50, SUPPLEMENTAL TO ZONES, SPECIFICALLY DIVISION 10-50.100, SIGN STANDARDS"

Moved by Councilmember Jeff Oravits, **seconded by** Councilmember Mark Woodson to read Ordinance No. 2014-27 by title only for the first time.

Vote: 6 - 0 Passed - Unanimously

AN ORDINANCE OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ADOPTING THAT CERTAIN DOCUMENT ENTITLED "2014 AMENDMENTS TO CHAPTER 10-50, SUPPLEMENTAL TO ZONES, SPECIFICALLY DIVISION 10-50.100, SIGN STANDARDS" BY REFERENCE

15. REGULAR AGENDA

- A. **Consideration and Approval of a Preliminary Plat** request from Mogollon Engineering & Surveying, Inc., on behalf of Pinnacle 146 LLC, for a subdivision of approximately 18.59 acres into 106 single-family residential townhouse lots located at 800 E Sterling Lane within the Medium Density Residential (MR) zone.

Planning Manager Brian Kulina presented a PowerPoint presentation which addressed:

OWNER: MAP
BACKGROUND / HISTORY
AFFORDABLE HOUSING
NATURAL RESOURCES
OPEN SPACE
TRAFFIC/ACCESS/PEDESTRIAN/BICYCLE
FINAL PLAT OF UNIT 1

Mr. Kulina said that prior to securing easements from the HOA and Pine Canyon they tried to get through the USFS, and they just received a letter which explains why that access

WATER/WASTEWATER/STORMWATER
CITIZEN PARTICIPATION
RECOMMENDATION

Mr. Kulina said that one thing not included in the draft Development Agreement is language which all have agreed to that the Planning and Zoning Commission requested.

The following individuals spoke on this item:

- Andy Fernandez
- Sue Ellen Smith

The following comments were received:

- Did not hear Tract 4 (to be reserved for a roadway through Pine Canyon) addressed yet.
- They would like the Council to delay action to allow more time to have further discussions with the developers.

Mayor Nabours said that the City Attorney has given an opinion that the language regarding Tract 7 is adequate to allow a road.

Councilmember Barotz asked what the thinking was in not considering Tract 4. Mr. Kulina said that it was mainly due to the design of the roads. The primary loop road internal to Unit One was larger; the road near Tract 4 is a narrower road and it was not feasible from a traffic perspective.

Councilmember Barotz asked if the applicant was interested in having further discussion with the neighbors. Brian Rhoten said that they have spent three years trying to get this done. They have had several meetings with the HOA and they have exhausted all options. They looked at Tract 4 but the road was not designed appropriately. He said that they have contacted the owners and have offered as much as they can to buffer the impact.

Mayor Nabours said that the revised Development Agreement requires a parkway along the road with screening and landscaping between Lots 11 and 22 and Mr. Rhoten said that they were committed to that.

Ken Hotsenpiller, engineer for the project, said that they did the first plat of the subdivision with a second access on to Zuni, but at that time the Fire Marshal declared that if they came out there it was not remote enough from the Masonic Lodge.

Councilmember Barotz told Ms. Smith that it was a terrible feeling when someone comes forward, but based on what the applicant is saying, she is not sure that a delay would provide any relief. Mayor Nabours added that the Council's action would not preclude them from any type of legal action.

Moved by Mayor Jerry Nabours, **seconded by** Councilmember Celia Barotz to find in agreement with the Planning and Zoning Commission to approve the Preliminary Plat subject to one condition.

Vote: 6 - 0 Passed - Unanimously

- B. Consideration and Adoption of Resolution No. 2014-37:** A resolution of the City Council of the City of Flagstaff, Coconino County, Arizona, repealing Resolution No. 2013-01 which adopted the *Board and Commission Members' Handbook*, and adopting the *2014 Board and Commission Members' Rules and Operations Manual*

City Clerk Elizabeth Burke reviewed the proposed resolution briefly, noting that it contained changes to reflect recent direction of the Council.

Moved by Councilmember Celia Barotz, **seconded by** Councilmember Jeff Oravits to read Resolution No. 2014-37 by title only.

Vote: 6 - 0 Passed - Unanimously

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA, REPEALING RESOLUTION NO. 2013-01 WHICH ADOPTED THE BOARD AND COMMISSION MEMBERS' HANDBOOK, AND ADOPTING THE 2014 BOARD AND COMMISSION MEMBERS' RULES AND OPERATIONS MANUAL

Moved by Councilmember Karla Brewster, **seconded by** Mayor Jerry Nabours to adopt Resolution No. 2014-37.

Vote: 6 - 0 Passed - Unanimously

16. DISCUSSION ITEMS

None

17. POSSIBLE FUTURE AGENDA ITEMS

Verbal comments from the public on any item under this section must be given during Public Participation near the beginning of the meeting. Written comments may be submitted to the City Clerk. After discussion and upon agreement of three members of the Council, an item will be moved to a regularly-scheduled Council meeting.

None

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

Vice Mayor Evans said that she had been asked by citizens about the advertising in CitySpace and whether it was a budget decision to recuperate the costs. She asked to receive a copy of the advertising guidelines and suggested that they consider including them in the future editions.

19. ADJOURNMENT

The Regular Meeting of the Flagstaff City Council held October 21, 2014, adjourned at 9:55 p.m.

MAYOR

ATTEST:

CITY CLERK

CERTIFICATION

STATE OF ARIZONA,)
) ss.
Coconino County.)

I, ELIZABETH A. BURKE, do hereby certify that I am the City Clerk of the City of Flagstaff, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Flagstaff held on October 21, 2014. I further certify that the Meeting was duly called and held and that a quorum was present.

DATED this 16th day of December, 2014.

CITY CLERK

MINUTES

SPECIAL MEETING (EXECUTIVE SESSION)
NOVEMBER 25, 2014
STAFF CONFERENCE ROOM - SECOND FLOOR
FLAGSTAFF CITY HALL - 211 WEST ASPEN
4:00 P.M.

1. Call to Order

Mayor Nabours called the Special Meeting of November 25, 2014, to order at 4:00 p.m.

2. Roll Call

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

PRESENT

ABSENT

MAYOR NABOURS (COI on Item 4.B.i)
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

Others present: City Manager Kevin Burke; City Attorney Michelle D'Andrea (both partially)

3. Recess into Executive Session.

Moved by Mayor Jerry Nabours, **seconded by** Councilmember Jeff Oravits to recess into Executive Session.

Vote: 6 - 0 Passed - Unanimously

4. Executive Session:

- A. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting...., pursuant to A.R.S. §38-431.03(A)(1).
- i. Consideration of Interim City Manager and Selection Process for Interim and City Manager
- B. Discussion or consultation for legal advice with the attorney or attorneys of the public body; and discussions or consultations with designated representatives of the public body in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property, pursuant to A.R.S. §38-431.03(A)(3) and (7), respectively.

- i. 4 S. San Francisco

Mayor Nabours declared a conflict of interest and left the meeting at this time.

5. Adjournment

The Flagstaff City Council reconvened into Open Session at 5:38 p.m. at which time the Special Meeting of November 25, 2014, adjourned.

MAYOR

ATTEST:

CITY CLERK

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Jennifer Brown, Special Services Supervisor
Co-Submitter: Candace Schroeder, Sr Procurement Specialist
Date: 10/30/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Approval to Purchase: Thirty-Four (34) Panasonic CF-31 Toughbook Mobile Data Computers to be installed in patrol vehicles.

RECOMMENDED ACTION:

Approve the purchase contract to the lowest responsive and responsible bid from Creative Communications of Flagstaff, for the purchase of thirty-four (34) Panasonic CF-31 Toughbook Mobile Data Computers for the amount of \$122,501.66, plus applicable taxes.

Policy Decision or Reason for Action:

The Flagstaff Police Department currently has Mobile Data Computers (MDC) and are utilizing Windows XP as the operating system. On April 8, 2014 Microsoft announced the end of support for the Windows XP operating system. All MDC's in the Police Department's inventory are still operating on Windows XP which means they are not being supported by Microsoft and running on Windows XP. Thankfully, our wireless carrier has agreed to support our MDC's using the Windows XP operating system until January of 2015.

Financial Impact:

In anticipation of the elimination of technical, operating support, replacement of the Mobile Data Computers are already budgeted \$100,000 in the Police Communications Equipment (001-04-061-0221-2-4303) and \$30,000 in the Computer Equipment (001-04-061-0221-2-4301) accounts.

Connection to Council Goal:

Effective governance

Has There Been Previous Council Decision on This:

None.

Options and Alternatives:

Forego purchase of the Mobile Data Computers at this time. One unknown is how long the MDC's will be supported by our wireless carrier and Microsoft support to include security updates and technical support. By accepting this option the City may experience additional downtime, additional overtime for officers and may potentially affect the City's ability to provide responsiveness and customer service to the community.

Background/History:

A Mobile Data Computer (MDC) is a computerized device used by the police officers to communicate with our Communications Center which provides for more efficiency and effectiveness in our community. The MDC is also equipped with a GPS locator to allow dispatch to identify the location of the patrol vehicle. The MDC allows law enforcement officers the ability to have access to the Flagstaff Police Department calls for service, I/Leads Records Management database system along with the DMV files, ACJIS, and NCIC (FBI National Crime Information Center). The MDC's are also used by officers to type reports in the field. The Flagstaff Police Department purchased the Panasonic CF-29 Toughbooks over a period of five to seven years ago with replacement purchases as needed. FPD has 34 working units which are used on a 24/7 basis. MDC's are utilizing Windows XP as the operating system.

On April 8, 2014 Microsoft announced the end of support for the Windows XP operating system. All MDC's in the Police Department's inventory are still operating on Windows XP which means they are not being supported by Microsoft while running on Windows XP. Thankfully, our wireless carrier agreed to support our MDC's using the windows XP operating system until January of 2015. The Flagstaff Police Department has conducted extensive research and tested various models of MDC's that would meet the demands of the police force. We tested models in the patrol field and received feedback from the officers.

Below are the top three units that met our needs; Panasonic laptop CF31-\$3602.99 per unit use existing docking station (no extra cost incurred); GETAC V110 convertible tablet \$4,066.00 per unit plus new docking station needed; Dell Latitude Rugged Extreme convertible (no internal GPS or Wi-Fi)- \$5182.00 per unit plus new docking station needed. On November 14, 2014 staff advertised an Invitation for Bids (IFB) solicitation for procuring thirty-four (34) police MDC laptop toughbooks. A total of four (4) vendors submitted seven (7) bids on November 24, 2014. Staff reviewed all bids and determined Creative Communications of Flagstaff to be the lowest responsive and responsible bidder. Unit price bid is \$3,602.99, and staff is recommending to purchase thirty-four (34) MDC units for a total of \$122,501.66.

During the evaluation period we researched the idea of having an integrated system that would allow for a camera, electronic citation program and electronic signature pad to allow for the violator to sign citations on scene. Unfortunately, we were unsuccessful in finding a unit that met the above options while also keeping GPS, which is an absolute necessity. We located systems which had the overall capability but we would have to give up the GPS locator option. We conducted a survey on agencies and found most of the agencies using an electronic citation program are using separate devices; an MDC and a handheld e-citation unit. Those agencies predominately using a tablet such as the Department of Public Safety do not use the tablet for report writing on the scale that FPD would.

Key Considerations:

The purchases being recommended were reviewed with extensive research and testing by officers in the field. The Police Department currently has \$130,000 budgeted in FY 15 to purchase these MDC's. We have funds in this account to purchase equipment for the vehicle in the current budget to help offset the extra \$2695.02. Our recommendation is to purchase the Panasonic CF-31 laptops with the total cost including tax at \$132,695.02 to ensure connectivity and operational responsiveness between our patrol officers and the communications center.

Community Benefits and Considerations:

The MDC's will have the GPS locator which allows the officer to visually have a map of the city, enabling quicker response and allowing dispatch to track the location of the officers. The officers in the field will have access to run data and write reports for citizens involved in incidents. This MDC will be used as a tool in the future for electronic citations as well.

Community Involvement:

None.

Expanded Options and Alternatives:

Forego purchase of the MDC's at this time. The Police Department has budgeted for this purchase with the knowledge of Windows XP not being supported. The current MDC's are outdated and operating at less than ideal condition for their intended purpose.

Attachments: Bid Tab 2015-46

BID/PROJECT NAME: Police MDC Laptop Toughbook

ANTICIPATED COUNCIL AWARD DATE:

ENGINEERS ESTIMATE: \$

[illegible]

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Justyna Costa, Housing & Grants Administrator
Co-Submitter: Sarah Darr, Deputy Housing Director
Date: 06/12/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Approval of Intergovernmental Agreement: Agreement for the City of Flagstaff's Owner Occupied Housing Rehabilitation Program staff to administer Coconino County's Owner Occupied Housing Rehabilitation Program.

RECOMMENDED ACTION:

Approve the Intergovernmental Agreement (IGA) with Coconino County for the administration of the County's Owner Occupied Housing Rehabilitation(OOHR) Program.

Policy Decision or Reason for Action:

The purpose of the IGA is to allow Coconino County Community Services and the City of Flagstaff Housing Section to combine the administration of their respective OOHR program in order to achieve a greater degree of efficiency, leveraging of resources, program stability and better service to regional customers.

Subsidiary Decisions Points:
None

Financial Impact:

There no financial impacts to City General Funds.

The City of Flagstaff OOHR Program has historically utilized entitlement Community Development Block Grant (CDBG) funding from the US Department of Housing and Urban Development (HUD), as well as HOME and Housing Trust Funds when awarded through the Arizona Department of Housing's (ADOH) competitive grant process. CDBG allocations in recent years have been around \$100,000 and HOME awards have been around \$330,000.

The County OOHR Program has historically utilized CDBG funding from ADOH and HOME and Housing Trust Funds when awarded through the ADOH competitive process. In FY 2011 HOME funding was awarded at \$330,000. In FY 2010 State CDBG funding amounted to \$303,586. The County currently has a pending award with the State for 2014/2015 funding for rehabilitation. Grant funding will be released in early 2015, pending the approval of this agreement.

The proposed OOHR administrative merger will not impact compliance of either agency with any funding source, however it is intended to streamline both programs and create efficiencies.

The merger will only combine administration of the two programs. Administration will be performed by the City, and the City will be a sub-recipient to the County. The resulting rehabilitation projects will be directly tied to the various funding requirements. City grant funding will be spent on City projects and County grant funding will be spent on County projects. This proposed structure will not impact compliance issues for either agency with the funding sources.

Connection to Council Goal and/or Regional Plan:

- 5. Retain, expand, and diversify economic base
- 11. Effective governance.

Regional Plan Goals

Goal NH.4. All housing is safe and sanitary.

Has There Been Previous Council Decision on This:

No previous Council Decisions have been made regarding this IGA.

Options and Alternatives:

- 1) Approve the IGA and combine the administration of the two OOHR programs.
- 2) Not approve the IGA and continue only the administration of the City's OOHR Program.

Background/History:

OOHR services are designed to address health and safety housing needs of low and moderate income households (currently a maximum of \$47,600 for a household of four) who reside in their homes. Both the City and County operate an OOHR Program. The programs are substantially the same, but serve different respective geographical areas. Both programs utilize CDBG, HOME and Housing Trust funds to provide services, leading to identical oversight regulation. Combining the programs under one staff position, with the City serving as the sub-recipient, will lead to administrative efficiencies and program stability for both programs.

Key Considerations:

The City has the administrative framework and staffing in place to effectively manage the merger of the two programs. The City OOHR program has been successfully operating for over 15 years. The City's Housing Rehabilitation Specialist is well versed in and familiar with all grant compliance regulations required for the administration of both programs.

Coconino County has not had funding for any housing programs since 2011 and currently does not have the funds to employ and support a housing program. Partnering with the City will provide the County with the administrative backbone that will enable them to utilize grant funds for this purpose when awarded. In turn, the addition of the administration of the County OOHR program will provide funding stabilization to the Housing Rehabilitation Specialist, ensuring continuity in program delivery.

The County Board of Supervisors unanimously approved the IGA on November 18, 2014. If approved by the City the IGA will allow the City to partner with Coconino County and will lead to administrative efficiencies and program stability for both programs. An Administration Plan is being developed to outline day to day operations of the program including reporting, outreach, marketing, etc.

Expanded Financial Considerations:

The City of Flagstaff Housing Rehabilitation Specialist position is grant funded. The merger of the programs will allow for greater program stability, as the City will bill the County (on a reimbursement basis) for the administration of the County rehabilitation projects. The County will serve as the pass through agency for grant funds, and the City will become the sub-recipient.

Community Benefits and Considerations:

Currently, residents interested in the Program must obtain application materials from the agency that serves their area (City of Flagstaff residents come to the City, County resident go to the County). Combining administration of OOHR programs will allow for better customer service through cross-pollination and applications for both programs being available at both locations, with all clients being served by the same Housing Rehabilitation Specialist. The merger will streamline the application process and provide a greater ability to leverage additional funding sources such as money from utility companies for new appliances, etc.

Community Involvement:

Collaborate

The City has worked closely with the County in creating a program that will best serve the public.

Attachments: [IGA - OOHR Administration](#)

INTERGOVERNMENTAL AGREEMENT BETWEEN

Coconino County
and
City of Flagstaff for Housing Rehabilitation Services

This Intergovernmental Agreement ("Agreement") is made this ____ day of _____, 2014, by and between COCONINO COUNTY, a political subdivision of the State of Arizona, of 219 East Cherry Avenue, Flagstaff, Arizona ("County" or "Recipient") and the CITY OF FLAGSTAFF, an Arizona municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, Arizona ("City" or "Subrecipient") to authorize the City Community Development Division to administer the County's Rehabilitation Program in partnership with the County's Community Services Department.

WHEREAS, the County is applying for Community Development Block Grant (CDBG) and HOME funds through the Arizona Department of Housing to be used for Owner Occupied Housing Rehabilitation (OOHR) throughout the County, outside of the City of Flagstaff limits; and

WHEREAS, the City currently administers the OOHR Program for the City, within city limits; and

WHEREAS, the City is willing to be a subrecipient of the federal, state or local grants obtained by the County (the "Grants"); and

WHEREAS, the County and the City, desire to participate jointly in activities involved in completing Grant funded OOHR (the "Program").

NOW THEREFORE, pursuant to A.R. S. § 11-952, authorizing contracts between public agencies for services or the joint exercise of powers common to both, and A.R.S. §36-1422 which allows cities and counties to cooperate with each other for the purpose of constructing or contracting with respect to housing projects, and the inherent powers of each party to protect the health and welfare of its constituents, for and in consideration of the mutual obligations and covenants set forth herein, the parties agree as follows:

I. DURATION; TERMINATION.

This Agreement shall be effective on the date first set forth above and shall continue in force and effect for a period of six (6) years and upon mutual consent of the parties, duration of this Agreement may be extended for two additional one year terms. The City Community Development Director and the County Community Services Department Manager may consent on behalf of the respective parties for the purpose of extending this Agreement consistent with the language above.

This Agreement may be terminated by either party upon thirty (30) days written notice of termination delivered to the other party. Either party may terminate this Agreement if sufficient funding is no longer available to carry out that party's responsibilities under this Agreement. This Agreement may be terminated by either party without penalty or further obligation, except those mandated by the Grants

and in accordance with the provisions of Arizona Revised Statutes § 38-511 (F), in the event of the occurrence of any of the circumstances described in A.R.S. § 38-511 (A).

II. SCOPE OF WORK, FUNDING; AND FINANCIAL RESPONSIBILITIES

1. Scope of Work:

A. The City shall provide the services for the County as approved in the Grant application and Grant agreement and act as a subrecipient of all Grant funds.

B. Coconino County and City of Flagstaff shall be responsible as follows:

1. Coconino County will:

1.1 Apply for the Grants after submitting applications for the Grants to the City for review and comment.

1.2 Serve as the fiscal agent for the Grants. Remain accountable to Grant providers for proper administration of grant funds, including any claw back of funds. Evaluate the City to determine if there is risk that the City will not comply with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring including the factors listed in 2 CFR §200.331(b)(1-4).

1.3 As required by federal regulation: Clearly identify every subaward to the City as a subaward and include the following information at the time of the subaward and include any changes in subsequent subaward modifications. When the information is not available, the County must provide the best information available to describe the Federal award and subaward:

A) Federal Award identification;

- a. Subrecipient name (which must match registered name in DUNS);
- b. Subrecipient's DUNS number;
- c. Federal Award Identification Number (FAIN);
- d. Federal Award Date;
- e. Subaward Period of Performance Start and End date;
- f. Amount of Federal Funds Obligated by this action;
- g. Total Amount of Federal Funds Obligated to the subrecipient;
- h. Total Amount of the Federal Award;
- i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

- j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official;
 - k. CFDA Number and name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
 - l. Identification of whether the award is R & D; and
 - m. Indirect cost rate for the Federal award (including if the de minimis rate is charged. All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- B) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
 - C) Any approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient or a de minimis indirect cost rate as defined in the CFR.
 - D) A requirement that that subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of 2 CFR §200.331, §§200.300 Statutory and national policy requirements through 200.309 Period of performance, and Subpart F- Audit Requirements; and
 - E) Appropriate terms and conditions concerning closeout of the subaward.
 - F) In addition, County will identify this Agreement number in all correspondence and communications with the City.

1.4

Monitor the Grant Programs, including reviewing financial and programmatic reports provided by the City. Follow-up and ensure that the City takes timely and appropriate action on all deficiencies pertaining to the Federal award detected through audits, on-site reviews and other means. Issue a management decision for audit findings pertaining to the Grants provided to the City from the

County as required by 2 CFR §200.521 Management decision. See also the City's obligation under Section 2.9 below.

- 1.5 Report on progress to Grant providers.
- 1.6 Submit payment requests to Grant providers.
- 1.7 Provide grant funding on a reimbursement basis to the City of Flagstaff for: 1) payment of contracted services on behalf of applicants based on work completed; 2) payment for services provided to the County by the City, including payment for indirect costs, as negotiated with the City before the City accepts administration of the Grant. The County will pay the City of Flagstaff within a reasonable amount of time after the City submits an invoice and the County verifies the invoice.

2. City of Flagstaff shall:

- 2.1 Review Grant applications for the County prior to the County's submission to the Arizona Department of Housing;
- 2.2 City reserves the right to negotiate with County after receiving the notification required by 1.3, and the right to refuse to administer and act as sub recipient of any Grant. Council delegates authority for negotiation and agreement to administer to the City's Deputy Housing Director.
- 2.3 Determine Program eligibility of applicants according to the County's Rehabilitation standards.
- 2.4 Administer the Program including, but not limited to providing regulatory testing and compliance for environmental testing of structures, contractor procurement, construction oversight, and loan processing. The City may use its own procurement procedures if the procurements conform to applicable Federal law. If there is no State law on a particular aspect of procurement, then Federal contract principles will apply.
- 2.5 Maintain funds received under this Agreement in separate ledger accounts and not mix funds with other sources. Manage funds according to applicable Federal regulations for administrative requirements, costs principles, and audits. Maintain adequate business systems to comply with Federal requirements. The business systems that must be maintained are: Financial Management, Procurement, Personnel, Property, and Travel. A system is adequate if it is written, followed consistently (it applies to similar items), and consistently applied (it applies to all sources of funds).
- 2.6 Comply with federal debarment and suspension regulations.
- 2.7 Provide quarterly programmatic reports to the County within five working days of the last day of the month in which services are provided. Use the form provided by the County to submit quarterly programmatic reports. The report shall contain such information as

deemed necessary by the County. If the scope of the project has been fully completed and implemented, and there will be no further updates, then the quarterly programmatic report for the quarter in which the project was completed will be sufficient as the final report. The report should be marked as final and should be inclusive of all necessary and pertinent information regarding the project as deemed necessary by the County. Quarterly programmatic reports shall be submitted to the County until the entire scope of the Program is completed. Notwithstanding anything to the contrary in this Section, the County shall not request, and the City shall not be required to provide, any of the City's confidential or proprietary information in reports provided to the County, including without limitation, any information regarding research collaborators, research plans or any data, results or other information resulting from City's performance of research or any other activities relating thereto.

2.8 Provide as frequently as monthly, but not less than quarterly, requests for reimbursement. Reimbursements shall be submitted with the Reimbursement Form provided by the County. Submit a final reimbursement for expenses received and invoiced prior to the end of the termination of this Agreement no more than forty-five (45) days after the end of the Agreement. Requests for reimbursement received later than the forty-five (45) days after the Agreement termination will not be paid. The final reimbursement request as submitted shall be marked FINAL, and include a copy of the Property Control Form. All reports shall be submitted to the contact person as described in Section IX of this Agreement.

2.9 Have an annual audit conducted in accordance with OMB Circular A-133 ("Audits of States, Local Governments, and Non-profit Organizations"), if the City expends more than five hundred thousand dollars (\$500,000) from Federal awards, in compliance with the Federal Single Audit Act (31 U.S.C. par. 7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104 to 156). If the City has expended more than five hundred thousand dollars (\$500,000) in Federal funds, a copy of the City's audit report for the previous fiscal year must be submitted to the County for review within thirty (30) days of signing this Agreement.

2.10 During the term of this Agreement, the City shall be monitored periodically by the County, both programmatically and financially, to ensure that the Program's goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria, are being met. Monitoring will be accomplished through a combination of office-based reviews and onsite monitoring visits. Monitoring can involve aspects of the work involved under this contract including but not limited to the review and analysis of the financial, programmatic, performance, and administrative issues relative to each program, and will identify areas where technical assistance and other support may be needed.

All on-site monitoring shall take place during normal business hours, upon advance written notice, on dates and at times as mutually agreed upon by the County and the City.

2.11 Close out the Grants.

2.12 Perform all obligations required of subrecipients under the Grants.

3. The City of Flagstaff and Coconino County mutually agree:

3.1 To comply with all legal requirements for the Grants and Coconino County's Housing Rehabilitation Program guidelines.

3.2 That the City of Flagstaff and Coconino County will assign designated staff for this Agreement and shall confer at such times as may be mutually agreed to evaluate each housing rehabilitation project to ensure successful completion.

III. RECORD RETENTION

Both parties agree to prepare, retain, and permit each other to inspect all records as deemed necessary for the purpose of carrying out this Agreement. Further, both parties agree to carry out monitoring and evaluation activities as are reasonably necessary and permitted by law and that each will effectively ensure the cooperation of its employees, officials, and governing body in such efforts.

The retention of records for this project shall be in accordance to the City/County, State and Federal requirements. Federal regulations requires the records to be retained for a period of three years from the date of submission of the final expenditure report, or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. City records retention schedules, however, require record retention for seven years after a successful single audit. Therefore, records must be retained for seven years after the City and County's successful single audit, or per the City's record retention schedule on the date this Agreement expires. Records must be retained longer if a litigation, claim, or audit is started before the expiration of the three year period. Other extensions to the record retention period may apply as specified in 2 CFR §200.333.

IV. SUBRECIPIENT'S STATUS

It is understood and agreed by both parties that the employees of neither party shall be deemed to be an employee of the other party to this Agreement. Moreover, this Agreement shall not be construed as creating any joint employment between the City and County.

V. CONFLICT OF INTEREST

The City and County stipulate that their officers and employees do not have a conflict of interest and further agrees that their officers and employees will not contract for or accept employment for the performance of any work or services with any individual business, corporation, or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Agreement.

VI. LAWS

The County and the City shall each be fully responsible for compliance with all statutes, ordinances, codes, regulations, applicable to the performance of this Agreement. The Parties understand and acknowledge the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

Under the provisions of A.R.S. §41-4401, Parties hereby warrant that each of its Sub Consultants ('Sub Consultants') will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. §23-214(A) (hereinafter "Consultant Immigration Warranty").

A breach of the Consultant Immigration Warranty shall constitute a material breach of the Agreement and shall subject the Consultant to penalties up to and including terminations of this Agreement at the sole discretion of the County.

The County retains the legal right to inspect the papers of any Consultant or Sub Consultant's employee who works on this Agreement to ensure that the Consultant or any Sub Consultant is complying with the Consultant Immigration Warranty. Consultant agrees to assist the County in regard to any such inspections.

The County may, at its sole discretion, conduct random verification of the employment records of the Consultant and any of the Sub Consultants to ensure compliance with Consultant's Immigration Warranty. Consultant agrees to assist the County in regard to any random verification performed.

Neither the Consultant nor any of the Sub Consultants shall be deemed to have materially breached the Consultant Immigration Warranty if the Consultant or Sub Consultant establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214 (A).

The County and the City agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act as amended. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency.

VII. INSURANCE

The County and the City shall each maintain sufficient liability insurance to cover each party's respective activities associated with this Agreement.

VIII. INDEMNIFICATION

Except as stated in Section II (1) (B)(1.2), each party (as "Indemnitor") agrees to indemnify, defend and hold harmless the other party (as "Indemnity") for, from and against any and all claims, losses, liability, costs or expenses, including reasonable attorney fees, (hereinafter collectively referred to as ("Claims")) arising out of this Agreement, but only to the extent that such Claims which result in vicarious or derivative liability to the Indemnity are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees or volunteers.

IX. NOTICES

Any notice or other communication required or permitted to be given under this Agreement shall be in writing and sent to the address given below for the party to be notified, or to such other address, notice of which is given in accordance with this Section:

COUNTY:

Community Services Department
Attn: Janet K. Regner, Director
2625 N. King Street
Flagstaff, AZ 86004

CITY:

Housing Section
Attn: Sarah Darr, Deputy Housing Director
211 W. Aspen Avenue
Flagstaff, AZ 86001

X. AUTHORITY TO CONTRACT

Each party represents and warrants that it has full power and authority to enter into this Agreement and perform its obligations hereunder and has taken all required acts or actions necessary to authorize the same.

XI. GOVERNING LAW

This Agreement shall be governed, interpreted, and enforced in accordance with the laws of the State of Arizona.

XII. DISPUTE RESOLUTION

Either party shall have the right to litigate any disputes which arise under this Agreement. In the event any action at law or in equity is instituted between the parties in connection with this Agreement, the prevailing party in the action will be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party.

XIII. AGENTS, EMPLOYEES, AND CONTRACTORS

Agents, employees and contractors hired by a Party to provide services under this Agreement shall be and remain the agents, employees, and contractors of the hiring Party solely, and shall not be considered agents, employees, or contractors of the other Party.

XIV. CONSTRUCTION

This Agreement shall be construed as a whole and in accordance with its fair meaning. This Agreement shall not be construed for or against either Party.

XV. INTEGRATION; MODIFICATION

Both parties acknowledge and agree that they have not relied upon any statements, representations, agreements, or warranties, except as expressed in this Agreement, and that this Agreement constitutes the parties' entire Agreement with respect to the matters addressed. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are superseded by and merged in this Agreement. This Agreement may be modified or amended only by written agreement signed by or for both parties, and any such modification or amendment will become effective on the date so specified.

XVI. NO ASSIGNMENT; BINDING EFFECT; THIRD PARTY BENEFICIARIES

This Agreement is not assignable by either party. Any attempt to do so shall render the assignment null and void and the Agreement may be terminated immediately by the non-assigning party. There are no intended third-party beneficiaries to this Agreement.

XVII. SEVERABILITY

In the event that a court of competent jurisdiction shall hold any part or provision of this Agreement void or if no effect, the remaining provisions of this Agreement shall remain in full force and effect.

XVIII. WAIVER

No failure to enforce any condition or covenant of this Agreement shall imply or constitute a waiver of the right to insist upon performance of such condition or covenant, or of any other provision hereof, nor shall any waiver by either party of any breach of any one or more conditions or covenants of this Agreement constitute a waiver of any succeeding or other breach of this Agreement.

XIX. HEADINGS

The headings used in this Agreement are for convenience only and are not intended to alter or affect the meaning of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

COCONINO COUNTY:

CITY OF FLAGSTAFF:

Mandy Metzger
Chairwoman, Board of Supervisors

Jerry Nabours
Mayor, City of Flagstaff

ATTEST:

ATTEST:

Clerk of the Board

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

County Attorney

City Attorney

REVIEWED BY:

Janet K. Regner, Director
Community Services Department

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Rick Tadder, Finance Director
Date: 11/26/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Adoption of Ordinance/Resolution No. 2014-41: A resolution of the City Council of the City of Flagstaff authorizing signatures for checks and payment vouchers (***Authority to Sign Checks***)

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-41 by title only
- 2) City Clerk reads Resolution No. 2014-41 by title only (if approved above)
- 3) Adopt Resolution No. 2014-41

Policy Decision or Reason for Action:

When the City experiences a change in staff related to current authorized signers for checks and payment vouchers, the City's bank requires a resolution to update the authorized signers.

Financial Impact:

None.

Connection to Council Goal and/or Regional Plan:

COUNCIL GOALS:

Effective governance

REGIONAL PLAN:

None.

Has There Been Previous Council Decision on This:

The last change to the authorize signers was Resolution 2012-27 at the July 17, 2012 meeting.

Options and Alternatives:

- Adopt Resolution 2014-41 as submitted.
- Amend the Resolution with consideration of internal controls,
 - Change, expand or limit the authorized signatories.
 - Raise or lower the dollar threshold for two signatures.

Background/History:

Recently we experienced a change to three positions that are authorized to sign checks and payment vouchers on behalf of the City. This resolution give appropriate authority for our commercial banks to process revised signatory cards. The first change comes from the appointment of Celia Barotz as the Vice Mayor. The second change comes from the resignation of the City Manager Kevin Burke. We may come back to Council when the new City Manager is appointed and do not feel having one less signatory during this time will hinder payment processing. The third change comes with the retirement of Court Magistrate Charlotte Beyal. This full time position was not re-filled so we will not be adding anyone else at this time.

The Mayor, Vice-Mayor, City Manager, Deputy City Managers, and the Management Services Director are authorized signatories for the City of Flagstaff. Any one member of these designated positions is authorized to sign checks up to \$100,000 and any check over \$100,000 requires two signatures.

For the Court, the Presiding Magistrate has the authority to sign and appoint additional signers. Historically this has included the Magistrates, the Court Administrator, and the Deputy Court Administrators. Any one member of these designated positions is authorized to sign checks up to \$10,000 and any check over \$10,000 requires two signatures. The Court's authority is to issue bond refund checks.

For the Flagstaff Housing Authority, the Executive Director, Maintenance Director, Director of Section 8, and Finance Director are authorized signatories for the Flagstaff Housing Authority bank accounts. All checks require two signatures.

Key Considerations:

Authority for signing checks must be in place with those in the organization that have the depth of understanding needed to understand the payment being processed, however they are far enough removed from the accounts payable/purchasing process to maintain adequate internal control.

Community Benefits and Considerations:

The community is best served through the application of internal controls that dictate the separation of duties to minimize the possibility of any fund misappropriation.

Community Involvement:

Inform

Attachments: Resolution 2014-41

RESOLUTION NO. 2014-41

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF
AUTHORIZING SIGNATURES FOR CHECKS AND PAYMENT VOUCHERS**

RECITALS:

WHEREAS, the Wells Fargo Bank (Flagstaff Branch) has been designated the depository for the City of Flagstaff; and

WHEREAS, the bank requires a corporate resolution naming those persons authorized by the municipal corporation to sign checks drawn upon the account as may be used by the City of Flagstaff.

ENACTMENTS:

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

SECTION 1. That Gerald W. Nabors, Celia Barotz, G. Jerene Watson, Josh Copley, and Barbara Goodrich each be hereby authorized to sign checks drawn upon the general and payroll accounts of the above named bank for amounts up to \$100,000.00 and that any combination of two of the authorized signatures be required for checks in excess of \$100,000.00.

SECTION 2. That Thomas Chotena, Michael Araujo, Donald Jacobson, Jessica Cortes, and Cathy Harrison each be hereby authorized to sign checks drawn upon the Court account of the above mentioned bank for amounts up to \$10,000.00 and that any combination of two of the authorized signatures be required for checks in excess of \$10,000.00.

SECTION 3. That Michael A. Gouhin, Jose J. Dominguez, Ellen Ishii, and Deborah S. Beals each be hereby authorized to sign checks drawn upon the Flagstaff Housing Authority account of the above mentioned bank and that any combination of two of the authorized signatures be required for all checks issued.

SECTION 4. That the City Clerk of the City of Flagstaff is hereby authorized to certify the signatures of the above named individuals.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this 16th day of December, 2014.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Andy Wagemaker, Revenue Director
Date: 11/19/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Agreement: Intergovernmental Agreement (IGA) with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Licensing through December 31, 2015.

RECOMMENDED ACTION:

Approve IGA with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Licensing through December 31, 2015.

Policy Decision or Reason for Action:

On October 7, 2014, the Arizona Department of Revenue officially postponed the implementation of the single point of administration provisions of Transaction Privilege Tax (TPT) Simplification for one additional year, until January 1, 2016. The original legislation called for the takeover of all TPT licensing activities by the state on January 1, 2015. With the postponement, by law, the City of Flagstaff is unable to issue TPT licenses effective January 1, 2015. This IGA gives the City the ability to issue TPT licenses for an additional year, through December 31, 2015.

Subsidiary Decisions Points: None.

Financial Impact:

If the City chooses to not approve the IGA and not have the authority to issue TPT Licenses, the City would lose approximately \$30,000 in uncollected license fees. In addition, the City may not receive the sales tax revenues from unlicensed businesses that do not remit taxes to the City.

Connection to Council Goal and/or Regional Plan:

Effective governance.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

- 1) Approve the agreement and issue TPT licenses through December 31, 2015. The Arizona Department of Revenue will assume TPT license issuance on behalf of the City beginning January 1, 2016.
- 2) Do not approve the agreement and do not issue TPT licenses through December 31, 2015. The Arizona Department of Revenue will assume TPT license issuance on behalf of the City beginning January 1, 2016.

Background/History:

In May, 2012, Governor Jan Brewer issued Executive Order 2012-01 calling for the creation of a Transaction Privilege Tax Simplification Task Force. The Task Force was charged with:

...reviewing, identifying, or developing proposals that would simplify the TPT code and TPT practice in order to alleviate taxpayer frustration, improve compliance, and avoid redundancies. Specific areas of focus shall include, but not be limited to:

- a. options for a single point administration to avoid redundancies;
- b. identification of differences between state statute and the Model City Tax Code; and
- c. standardization of definitions of taxable transactions between taxing authorities.

All three areas noted above were significantly modified by state legislation since the completion of the Task Force, as noted below.

- a. options for a single point administration to avoid redundancies;

Original legislation called for the single point administration changeover to take place on January 1, 2015. The postponement by the Arizona Department of Revenue provision has moved the date to January 1, 2016.

- b. identification of differences between state statute and the Model City Tax Code; and
- c. standardization of definitions of taxable transactions between taxing authorities.

These two areas have been modified by multiple updates to the Model City Tax Code and the State of Arizona tax codes over the past few years. More modifications are expected in the future as the Cities and State continue to work through the simplification process.

Key Considerations:

If the City chooses to not approve the IGA with the Arizona Department of Revenue, the City will not have the authority to issue TPT licenses, resulting in approximately \$30,000 in uncollected license fees. In addition, the City may not receive the sales tax revenues from unlicensed businesses that do not remit taxes to the City.

Expanded Financial Considerations:

None.

Community Involvement:

Inform

Attachments: IGA

AGREEMENT
between the
ARIZONA DEPARTMENT OF REVENUE
and the
CITY/TOWN OF FLAGSTAFF

Pursuant to A.R.S. § 42-1004, this Agreement is developed and entered into by and between the Arizona Department of Revenue, hereinafter referred to as Department of Revenue, and the City/Town of Flagstaff, hereinafter referred to as City/Town.

WHEREAS as of January 1, 2015, Department of Revenue will be responsible for issuing annual municipal privilege tax licenses and tax license renewals to persons who engage in a taxable business activity within City/Town; and

WHEREAS Department of Revenue is not able to begin licensing such persons at this time; and

WHEREAS City/Town has the ability to process applications and issue municipal privilege tax licenses to persons who engage in a taxable business activity in City/Town; and

THEREFORE the parties agree City/Town shall perform municipal licensing services on behalf of Department of Revenue as follows:

A. SCOPE OF SERVICES

1. For persons who engage in a business activity in City/Town that require a municipal privilege tax license, City/Town will process the municipal privilege tax license application, issue the municipal privilege tax license, and renew such license for calendar year 2015.
2. Upon application for a municipal privilege tax license, City/Town may charge persons who will be engaged in a taxable business activity in City/Town a fee as specified in A.R.S. § 42-5005(B), as effective January 1, 2015. For persons who apply for a license renewal, City/Town may charge a municipal privilege tax license renewal fee as specified in A.R.S. § 42-5005(D), as effective January 1, 2015. All fees collected pursuant to this section shall be in accordance with A.R.S. § 42-1001 et seq.
3. City/Town shall provide Department of Revenue with licensing information for all persons who obtain a new municipal privilege tax license and/or renew their municipal privilege tax license under the terms of this Agreement.
4. To the extent required by City/Town to perform licensing services under this Agreement, Department of Revenue shall provide City/Town with licensing information. Any information provided by Department of Revenue shall be treated as confidential pursuant to A.R.S. § 42-2001.

5. Nothing in this Agreement shall be interpreted to limit or preclude the City/Town's ability to do what is otherwise authorized by law.

B. FINANCING

City/Town shall be responsible for, and shall not charge Department of Revenue a fee for, the expenses incurred for the services City/Town provides to Department of Revenue under this Agreement. All fees collected by City/Town under the terms of this Agreement are the property of the City/Town and shall be retained by City/Town.

C. DURATION

This Agreement is entered into and is effective on the date it is executed by both parties and shall expire December 31, 2015 unless terminated earlier by the mutual written agreement of the parties.

D. GENERAL TERMS AND CONDITIONS

1. This Agreement is subject to cancellation under A.R.S. § 38-511, cancellation of State contracts.
2. Pursuant to A.R.S. §§ 35-214, 35-215 and 41-2548, the parties must keep all books, accounts, reports, files and other records relating to this Agreement for a period of five (5) years after the completion of this Agreement. All records shall be subject to inspection and audit by the State at all reasonable times.
3. To the extent required by A.R.S. §§ 12-1518(B) and 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration.
4. The parties agree to comply with Arizona Executive Order No. 2009-09 and any other Federal or State laws relating to equal opportunity and non-discrimination, including the Americans with Disabilities Act.
5. This Agreement may be amended or modified by written agreement approved and executed by Department of Revenue and City/Town.
6. Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of parties or as requiring the parties to expend any sum in excess of its appropriations.

E. NOTICES

All notices regarding this Agreement shall be sent to the following addresses:

DOR: Arizona Department of Revenue
Audit Division/Cities Unit
1600 W. Monroe
Phoenix, AZ 85007

City/Town City of Flagstaff
Mark Landsiedel, Management Services Director
Management Services Department
211 W. Aspen Avenue
Flagstaff, Arizona 86001

By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein.

Arizona Department of Revenue

By: _____

Printed Name: _____

Title: _____

Date: _____

CITY OF FLAGSTAFF
a political subdivision of the State of Arizona

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Andy Wagemaker, Revenue Director
Date: 11/26/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Approval of Agreement: Intergovernmental Agreement (IGA) with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Auditing through December 31, 2015 (*IGA for Sales Tax Auditing*)

RECOMMENDED ACTION:

Approve IGA with Arizona Department of Revenue for Transaction Privilege (Sales) Tax Auditing through December 31, 2015.

Policy Decision or Reason for Action:

A recent state law requires the Arizona Department of Revenue (DOR) to takeover local transaction privilege tax administration, auditing and collection on behalf of cities. On October 7, 2014, DOR officially postponed the implementation of the single point of administration provisions of Transaction Privilege Tax (TPT) Simplification for one additional year, until January 1, 2016. Specifically, the City will continue to issue local TPT licenses for now. However, ADOR did not postpone and will be responsible for local tax auditing effective January 1, 2015, with the exception that the City may continue to audit businesses which are only engaging in business within the City ("single taxpayers"). State law requires that DOR and the City enter into an intergovernmental agreement regarding their respective responsibilities. The proposed Modification merely tracks the language of state law, and is considered to be an interim agreement. The Modification enables the City to continue to audit single taxpayers. A comprehensive and permanent IGA with DOR is being negotiated by municipal representatives and DOR and will be brought to Council before December 31, 2015. The Modification modifies an existing agreement with DOR related to sharing of taxpayer audit information. DOR is in the process of locating the earlier agreement, it is possible City never updated its 1990 IGA with DOR, in which case DOR may be requesting the City also adopt a more recent form of IGA, along with the Modification.

Subsidiary Decisions Points: None.

Financial Impact:

If the City chooses to not approve the IGA and not have the authority to audit taxpayers, the City could lose revenues gained from the auditing function. In addition, the City will not be able to educate taxpayers on correcting mistakes that led to the audit, compounding the loss of revenues by taxpayers filing incorrect returns.

Connection to Council Goal and/or Regional Plan:

Effective governance.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

- 1) Approve the agreement and audit taxpayers through December 31, 2015. The Arizona Department of Revenue and the City of Flagstaff will coordinate audits beginning January 1, 2016.
- 2) Do not approve the agreement and do not audit taxpayers through December 31, 2015. The Arizona Department of Revenue and the City of Flagstaff will coordinate audits beginning January 1, 2016.

Background/History:

In May, 2012, Governor Jan Brewer issued Executive Order 2012-01 calling for the creation of a Transaction Privilege Tax Simplification Task Force. The Task Force was charged with:

...reviewing, identifying, or developing proposals that would simplify the TPT code and TPT practice in order to alleviate taxpayer frustration, improve compliance, and avoid redundancies. Specific areas of focus shall include, but not be limited to:

- a. options for a single point administration to avoid redundancies;
- b. identification of differences between state statute and the Model City Tax Code; and
- c. standardization of definitions of taxable transactions between taxing authorities.

All three areas noted above were significantly modified by state legislation since the completion of the Task Force, as noted below.

- a. options for a single point administration to avoid redundancies;

Original legislation called for the single point administration changeover to take place on January 1, 2015. The postponement by the Arizona Department of Revenue provision has moved the date to January 1, 2016.

- b. identification of differences between state statute and the Model City Tax Code; and
- c. standardization of definitions of taxable transactions between taxing authorities.

These two areas have been modified by multiple updates to the Model City Tax Code and the State of Arizona tax codes over the past few years. More modifications are expected in the future as the Cities and State continue to work through the simplification process.

Key Considerations:

If the City chooses to not approve the IGA with the Arizona Department of Revenue, the City will not have the authority to audit taxpayers, resulting in a loss of revenues. In addition, the City will not be able to educate taxpayers on correcting mistakes that led to the audit, compounding the loss of revenues by taxpayers filing incorrect returns.

Expanded Financial Considerations:

None.

Community Involvement:

Inform

Attachments: Modification of ADOR IGA

**MODIFICATION TO INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE STATE OF ARIZONA AND CITY/TOWN**

WHEREAS, The Arizona Department of Revenue, hereinafter referred to as Department of Revenue and City/Town of _____, hereinafter referred to as City/Town, have entered into an Intergovernmental Agreement regarding the administration of taxes imposed by the State or City/Town dated _____, hereinafter referred to as the IGA, and

WHEREAS, The Arizona Legislature has enacted legislation amending the provisions of A.R.S. § 42-6001 et seq. that take effect January 1, 2015, and

WHEREAS, the Department of Revenue and the City/Town are negotiating a comprehensive intergovernmental agreement in accordance with the modified statutory provisions and enter into this modification to the IGA in order to provide an interim method for disclosure of information and audit until the comprehensive agreement is completed and executed.

The parties agree to modify the IGA as follows effective January 1, 2015:

1. Additional Disclosure of Information by Department of Revenue to City/Town.

In addition to the information set forth in the IGA, and subject to the same constraints outlined in the IGA, the Department of Revenue shall provide to the City/Town information relating to transaction privilege tax, use tax, severance tax, jet fuel excise and use tax and any other tax collected by the Department of Revenue on behalf of any jurisdiction if the information relates to a taxpayer who is or may be taxable by a county, city or town or who may be subject to audit by the Department of Revenue pursuant to A.R.S. § 42-6002.

2. Audits. The Department of Revenue shall administer the audit functions for the City/Town's taxpayers in accordance with the following provisions.

2.1 Standards: All audits shall be conducted in accordance with standard audit procedures defined in the Department of Revenue audit manual.

2.2 Training: All auditors shall be trained in accordance with the policies of the Department of Revenue.

2.3 Conflict of Interest: An auditor that is trained and authorized to conduct an audit may not represent any taxpayer in any tax matter.

2.4 Single City or Town Audits: City/Town may conduct an audit of a taxpayer that is engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department of Revenue.

2.5 Other Audits: The Department of Revenue shall conduct all audits of taxpayers that have locations in two or more cities or towns unless the Department of Revenue expressly authorizes City/Town to conduct such an audit.

2.6 Jurisdictions Included in Audit: All audits shall include all taxing jurisdictions in this State regardless of which jurisdiction conducts the audit.

2.7 Assessments: The Department of Revenue shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

2.8 Appeals: Appeals of audit assessments shall be directed to the Department of Revenue and shall be administered pursuant to A.R.S. § 42-1251 et seq.

2.9 Notice: The Department of Revenue shall notify City/Town before entering into any compromise, closing, settlement or other agreement with a person related to the tax levied and imposed by the City/Town.

3. Merger. All other terms of the IGA not in conflict with this Modification or the statutory amendments remain in full force and effect until the IGA is terminated.

4. Non-Waiver. The signing of this Modification shall not serve as a waiver by either City/Town or Department of Revenue of any of its rights, remedies, powers, and privileges it otherwise has.

5. Signature Authority.

31.1 By signing below, the signer certifies that he or she has the authority to enter into this Agreement and has read the foregoing and agrees to accept the provisions herein.

31.2 This Intergovernmental Agreement may be executed in counterpart.

Signature _____ Date _____	Signature _____ Date _____
Typed Name and Title _____	Typed Name and Title _____
Entity Name _____	Entity Name _____
RESERVED FOR THE ATTORNEY GENERAL:	RESERVED FOR CITY/TOWN ATTORNEY:
Attorney General no. _____, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General. TOM HORNE	APPROVED AS TO FORM AND AUTHORITY: BY: _____ CITY/TOWN ATTORNEY Date: _____

<p>The Attorney General</p> <hr/> <p>Signature Assistant Attorney General</p> <p>Date: _____</p>	
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CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Shannon Anderson, Human Resources Manager
Co-Submitter: Noah Eisenman, Employee Advisory Committee
Co-Submitter: Amelia Mason, Employee Advisory Committee
Date: 08/28/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Adoption of Resolution No. 2014-39 and Ordinance No. 2014-32: Amending the Employee Handbook of Regulations and Flagstaff City Code by adopting those amendments as shown in "2014 Addendum 6 of the Employee Handbook of Regulations" relating to the Employee Advisory Committee *(Employee Advisory Committee election terms; updates)*

RECOMMENDED ACTION:

At the Council Meeting of December 16, 2014

- 1) Read Resolution No. 2014-39 by title only
- 2) City Clerk reads Resolution No. 2014-39 (if approved above)
- 3) Read Ordinance No. 2014-32 for the first time by title only
- 4) City Clerk reads Ordinance No. 2014-32 for the first time by title only (if approved above)

At the Council Meeting of January 6, 2015

- 5) Adopt Resolution No. 2014-39 (declaring public record)
- 6) Read Ordinance No. 2014-32 for the final time by title only
- 7) City Clerk reads Ordinance No. 2014-32 by title only (if approved above)
- 8) Adopt Ordinance No. 2014-32

Policy Decision or Reason for Action:

The amendments to the Employee Handbook of Regulations and Flagstaff City Code relating to the Employee Advisory Committee include:

- Clarifying the EAC makes recommendations to the City Manager;
- Ratifying the 2014 election results and two-year terms;
- Aligning the structure of the EAC to reflect the current organizational structure;
- Moving the election time frame closer to the beginning of the fiscal year and staggering representative terms by allowing a new two-year term from the date of election versus completing the remaining two-year term;
- Clarifying the EAC may choose to meet less frequently than twice per month with a majority vote, the co-chairs may call a special meeting without a majority vote and an EAC designee may present information to City Council in addition to an EAC co-chair;
- Creating notice and procedures for meetings; and
- Simplifying what is considered hours worked.

Financial Impact:

None.

Connection to Council Goal and/or Regional Plan:

Effective governance.

Has There Been Previous Council Decision on This:

No.

Options and Alternatives:

Option 1: Support the changes requested by the Employee Advisory Committee.

Option 2: Support some of the changes recommended by the Employee Advisory Committee.

Option 3: Request other changes to be incorporated into the ordinance.

Option 4: Maintain the current ordinance as written and do not adopt any changes.

Background/History:

The Employee Advisory Committee has been in existence since February, 1992, and has served the organization and its employees for 22 years. Since its inception, there have been numerous changes in the City's organizational structure and in the structure of the Committee.

The Employee Advisory Committee has been an organizational tool used in bringing forward issues of concern and interest to City of Flagstaff employees and has forged a collaborative working relationship with City Divisions and management staff.

The City of Flagstaff reorganized its organizational structure in July 2013, prompting the Employee Advisory Committee to review its established structure.

In an effort to encourage participation, the Employee Advisory Committee is recommending a reduced term and are aligning it closely with the fiscal year to eliminate changing of EAC co-chairs in the middle of the budget process.

Key Considerations:

The new structure and provisions for the Employee Advisory Committee has been reviewed, approved and recommended by the current Employee Advisory Committee who wishes to make these changes based on current organizational structure.

The City of Flagstaff's Leadership Team has also reviewed the proposed changes as part of the agenda review process.

The new provisions can be summarized as follows:

- Clarifying the EAC makes recommendations to the City Manager since it was unclear in the purpose statement.
- Aligning the structure of the EAC to reflect the current organizational structure by removing the Community Enrichment Service Division, moving the Recreation Section to the Public Works Division and moving the Library Section to the Management Services Division.
- Reducing the term of the Employee Advisory Committee representative from three to two years;
- Moving the election time frame closer to the beginning of the fiscal year with elections being held by July 15th with terms starting on August 1st. Additionally, elections for special appointments (i.e.

co-chair, minute taker, compensation committee, budget team, etc.) are completed during the second meeting in August. Orientation for the newly elected EAC representatives will be held between August and November rather than October to January.

- Staggering representative terms by allowing a new two-year term from the date of election versus completing the remaining two-year term.
- Clarifying if a co-chair leaves mid-term, a newly elected co-chair will finish the remaining months of the original co-chair's twelve month term.
- Clarifying the EAC may choose to meet less frequently than twice per month with a majority vote, the co-chairs may call a special meeting without a majority vote and an EAC designee may present information to City Council in addition to an EAC co-chair.
- Creating notice and procedures for meetings.
- Simplifying what is considered hours worked.

Community Involvement:

Inform.

Attachments: Res. 2014-39
 Addendum 6
 Ordinance 2014-32

RESOLUTION NO. 2014-39

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF,
ARIZONA, DECLARING THAT CERTAIN DOCUMENT KNOWN AS THE "2014
ADDENDUM 6 OF THE EMPLOYEE HANDBOOK OF REGULATIONS" AS A
PUBLIC RECORD, AND PROVIDING FOR AN EFFECTIVE DATE**

RECITALS:

WHEREAS, pursuant to A.R.S. § 9-802, a municipality may enact or amend provisions of the City Code by reference to a public record, provided that the adopting ordinance is published in full.

ENACTMENTS:

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

SECTION 1.

That certain document known as the *"2014 Addendum 6 of the Employee Handbook of Regulations"* attached hereto as Exhibit A is hereby declared to be a public record, and three (3) copies shall remain on file with the City Clerk.

SECTION 2.

This resolution shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Attachment: Exhibit A 2014 Addendum 6 of the Employee Handbook of Regulations

EXHIBIT A

2014 ADDENDUM 6 OF THE EMPLOYEE HANDBOOK OF REGULATIONS

CITY CODE

The Flagstaff City Code, Title 1, *Administrative*, Chapter 14, *Personnel System*, Section 1-14-001-0006, *Employee Advisory Committee*, is hereby amended as follows (additions shown in underlined; capitalized text and deletions shown as stricken):

1-14-001-0006 EMPLOYEE ADVISORY COMMITTEE

The Employee Advisory Committee (EAC) is hereby established.

1-14-001-0006.1 Definitions

- A. "Regular Member" is an eligible employee elected to serve on behalf of that employee's respective group. ~~Regular members shall serve three (3) year terms.~~
- B. "Alternate Member" is an eligible employee elected to serve on the EAC when the Regular Member is unable to attend. ~~Alternate Members shall serve three (3) year terms.~~
- C. "Eligible Employee" is defined as any full-time tenured or exempt employee not identified as an "Ineligible Employee."
- D. "Ineligible Employee" is defined as any employee directly appointed by the City Council, or Deputy City Managers, Division Directors, Section Heads, Human Resources personnel, probationary, part-time or temporary employees.

1-14-001-0006.2 Mission Statement

The mission of the EAC is to form a body of elected members and alternates to represent individual employees, groups of employees, and divisions of the City of Flagstaff with fairness and impartiality.

1-14-001-0006.3 Purpose

The purpose of the EAC is to foster ongoing employee-employer relations by providing a process and forum for employees to recommend changes to THE CITY MANAGER CONCERNING employment-related policies and procedures, safety, compensation and benefits. ~~The following employment-related policies and procedures shall not be included in this ordinance:~~ THE EAC DOES NOT MAKE RECOMMENDATIONS REGARDING hiring, employee discipline, promotions, demotions, transfers, voluntary reassignments, suspensions, or dismissal.

The EAC is a body of elected members and alternates established for the purpose of discussing and making recommendations based on the requests received from individual employees, groups of employees and the City of Flagstaff with fairness and impartiality. The EAC is an advisory committee and does not represent individual employees with regard to an individual's personnel issues.

Individual employment issues affecting any employee shall be processed through any of the City's established grievance or appeal procedures. Employees are encouraged to resolve any issue or employment-related concern through the established administrative procedures.

1-14-001-0006.4 Objectives

The objectives of the EAC are to:

- A. Work together in the spirit of trust and cooperation in an attempt to reach consensus on matters under discussion.
- B. Review and recommend to the City Manager any initiatives or changes to City's policies and procedures which are related to employment, safety, compensation, or benefits prior to submission to the City Council for consideration.
- C. Provide a forum for EMPLOYEES TO ~~the discussion of~~ City-wide EMPLOYEE issues as they pertain to employment-related policies and procedures, safety, compensation and benefits.
- D. Ensure that each member attends EAC meetings and regularly communicates with the employees in the EAC member's group.
- E. Attend, participate and/or provide input and recommendations at City Council budget meetings.
- F. RESPOND TO CITY MANAGER QUESTIONS OR CONCERNS.

1-14-001-0006.5 Committee Structure

- A. The Employee Advisory Committee shall consist of the following members, by group, excluding ineligible employees except for the Human Resources Director, or designee, who shall serve as a non-voting member, and shall provide information to the EAC as needed:
 - 1. Administrative Services - (City Manager's Office, Legal, Human Resources, Risk Management, City Clerk's Office, Real Estate, and Information Technology) - one (1) member
 - 2. Management Services - (Finance, Sales Tax, Purchasing, Customer Service ~~and Payroll,~~ AND LIBRARY) ~~--one (1)~~ TWO (2) memberS
 - 3. Police - (Commissioned two members and Non-Commissioned one member) - three (3) members
 - 4. Fire - two (2) members
 - 5. Public Works - (Public Works Administration, Environmental Services, Streets, Parks, Cemetery, Fleet, Facility Maintenance, Environmental Management, ~~and Sustainability,~~ AND RECREATION) - three (3) members
 - 6. Community Development - (Planning & Development, Housing, Engineering, and Housing Authority) - two (2) members
 - 7. Utilities - two (2) members
 - 8. City Court - one (1) member

9. Economic Vitality - (Convention & Visitors Bureau, Airport and Community Investment) - one (1) member
 - ~~10. Community Enrichment Services - (Recreation and Library) - two (2) members~~
 11. The Human Resources Director, or designee, is a permanent, non-voting member.
- B. Each group will be assigned a number of members based on the number of tenured, tenure-eligible and exempt employees.
1. A group with less than 50 employees is assigned one (1) EAC member.
 2. A group with 50 to 100 employees is assigned two (2) EAC members.
 3. A group with more than 100 employees is assigned three (3) EAC members.
- C. The number of members per group will be evaluated each year and may be reviewed by EAC at other times as required.
1. If the number of members is too high at the time of the election, the regular and alternate members at the end of their term or at the time of resignation will be removed.
 2. If the number of members is too low at the time of the election, the appropriate number of regular and alternate members will be added.
- D. Members AND ALTERNATE MEMBERS will serve a ~~three-year~~ TWO (2) YEAR term, ~~except when elected to complete a previously nominated member's term.~~ Memberships will be staggered.
- E. There will be an equal number of regular and alternate members.
- F. Alternate members are encouraged to attend all meetings; however, alternate members shall only vote when filling in for the regular member.
- G. There will be two co-chairs who will serve a one (1) year term. Alternate members are not eligible to serve as co-chair.
- H. Any member of the EAC shall not act independently on behalf of EAC without prior approval of an EAC majority vote.

1-14-001-0006.6 Elections and Membership

- A. City-wide elections for membership shall be held annually, by ~~September~~ JULY 15, with terms starting ~~October~~ DURING THE FIRST MEETING IN AUGUST.
1. Eligible employees shall nominate regular and alternate members who will also be eligible employees as defined in this Chapter.

2. The eligible employee with the most votes will become the regular member and the employee with the next highest will become the alternate member. In the event of a tie, a ballot will be sent out to the division for a formal vote.

B. Elections for special appointments will be conducted during the ~~first~~ SECOND meeting in ~~January~~ AUGUST.

1. Election of two co-chairs.
2. Elect an EAC member to take minutes of the meetings, with a back-up and/or rotation as deemed necessary.
3. Elect an EAC member to attend Budget Committee meetings, when the Budget Committee is discussing any benefit and compensation issues and during the add-back and delete portion of the budget, in an ongoing effort to foster better communication and understanding.
4. Elect two (2) EAC members to attend the Compensation Committee meetings.
5. EAC members may also be elected to serve on special committees or task forces concerning employment-related policies and procedures, safety, compensation and benefits.

C. Newly elected regular and alternate members shall attend an orientation meeting with a co-chair and/or the Human Resources Director after annual elections between ~~October and January~~ AUGUST AND NOVEMBER.

1-14-001-0006.7 RESIGNATION OR REMOVAL

~~DA.~~ EAC members who want to resign from service shall submit their requests in writing to the two co-chairs and the Human Resources Director.

~~EB.~~ When a regular member resigns from service an election will be held ~~to determine who will complete the remaining portion of the three-year term~~ AND THE NEWLY ELECTED MEMBER WILL SERVE A TWO (2) YEAR TERM FROM THE TIME OF THE ELECTION.

~~DC.~~ IF THE RESIGNING MEMBER IS A CO-CHAIR, A SPECIAL ELECTION FOR THE APPOINTMENT OF A NEW CO-CHAIR WILL TAKE PLACE AND THE NEWLY ELECTED CO-CHAIR WILL FINISH OUT THE ONE (1) YEAR TERM OF THE PREVIOUS CO-CHAIR.

D. MEMBERS WITH THREE (3) CONSECUTIVE UNEXCUSED ABSENCES MAY BE REMOVED BY A MAJORITY VOTE OF THE EAC.

~~FE.~~ If an employee from a group desires to remove the current EAC member, they must follow criteria listed:

1. Submit a formal complaint in writing explaining the reason for the request to remove the current EAC member to the Human Resources Director.
 - a. The complaint may only be filed from the EAC member's group.

- b. Human Resources will relay the complaint information to the current co-chairs.
 - c. The co-chair will recuse himself or herself from the process, if the complaint is about them or another EAC member from the same group.
 - d. The co-chairs will speak with the EAC member about the complaint to obtain additional information.
 - e. The EAC co-chairs, with assistance from the Human Resources Director, may evaluate the information obtained through discussions with the complainant and the EAC member to substantiate the complaint.
 - i. If unable to substantiate the complaint, the EAC co-chairs will reply to the complainant.
 - ii. If able to substantiate the complaint, the process will continue.
2. There will be a two (2) month period to allow for the EAC member to address the area(s) of concern.
3. The co-chairs will contact the complainant to review any improvements.
- a. If there have been improvements, the co-chairs will provide a written response to the complainant closing the complaint.
 - b. If there have been no improvements and the complainant is still dissatisfied, a second complaint will be filed by the co-chairs.
4. If a second complaint is received, the co-chairs, with the assistance of Human Resources, will hold an election to remove the EAC member.
- a. The election must have fifty percent (50%) plus one (1) votes of the EAC member's group for the election to be valid.
 - b. If the election does not receive enough votes to be considered valid, the EAC member will continue his or her term.
 - c. If the election does receive enough votes and the majority of employees in the EAC member's group votes to keep the EAC member, then the EAC member will continue his or her term.
 - d. If the election does receive enough votes and the majority of employees in the EAC member's group votes to remove the EAC member, then the EAC member will not continue his or her term and another election will be held to select another EAC member to ~~complete the remaining portion of the three (3) year term~~ SERVE A TWO (2) YEAR TERM FROM THE TIME OF THE ELECTION.

1-14-001-0006.78 Meetings

- A. Meetings of the City EAC shall be held twice per month, OR LESS FREQUENTLY IF APPROVED BY A MAJORITY VOTE OF THE EAC. Dates and times will be determined by the majority vote of the EAC.
- ~~1. The members of the EAC will be allowed to attend the regular meetings, utilizing City time to the degree necessary to conduct EAC business.~~
 - ~~2. Subcommittees may be formed to address specific EAC issues to bring to the full EAC for input and approval. Subcommittees are encouraged to meet for one (1) hour, two (2) times per month, with the cessation of the subcommittee once the issue is voted on by the full EAC. Each subcommittee, at its own discretion, may ask non-EAC members to participate.~~
- B. Special meetings, when required, may be called by the co-chair(s) WITHOUT A MAJORITY VOTE OF THE EAC. ~~The co-chair(s) will inform the City Manager and employees of the meeting time and place.~~
- C. Regular members shall notify the appropriate group alternate member and the EAC co-chairs, in a timely manner, when they are unable to attend a meeting. ~~Members with three (3) consecutive unexcused absences may be removed by a vote of the EAC and an election will be held to determine who will complete the remaining portion of the three (3) year term.~~
- D. Co-chairs may request a meeting with the City Manager as needed, or on a regular basis.
- E. When the EAC co-chairs have brought an issue to the attention of the City Manager and the issue is not resolved to the satisfaction of the EAC, a co-chair OR EAC DESIGNEE MAY ~~shall~~ address the City Council at a public meeting to review the issue, upon recommendation and majority vote of the EAC.
- F. All votes regarding recommendations must be approved by a majority vote of the quorum. A quorum shall be one more than half of the voting membership of the EAC.
- G. All votes that are not unanimous shall result in a roll call vote and will be recorded into the meeting minutes.
- H. Employees, including ineligible employees, desiring an item to be discussed by the EAC shall contact their group's regular member or any regular EAC member to place the item on the EAC's agenda.
1. Employees may request to keep their names confidential and it will not be part of the EAC's discussion.
 2. An employee with an item on the EAC agenda shall be notified by a co-chair of the meeting time and date. Time in attendance at EAC meetings shall constitute hours worked.
- ~~I. Time spent by EAC and subcommittee members attending EAC meetings shall constitute hours worked.~~

~~J. The members of the EAC may choose a member to attend the portion of the leadership meetings when EAC agenda items are scheduled for discussion.~~

~~K. Agendas and minutes will be distributed to all employees. The agenda and minutes will be posted on the EAC website and distributed to areas that do not have access once they have been reviewed, amended if necessary, and approved by the EAC. All EAC regular and alternate members will receive a copy of final, approved minutes. Each group member will post minutes in their group posting area for use by all employees. If there is more than one member in a group, only one member will be responsible for posting the agendas and minutes, as determined by those members.~~

I. THE CITY MANAGER MAY CONTACT AN EAC CO-CHAIR TO PLACE AN ITEM ON THE EAC AGENDA.

1-14-001-0006.9 NOTICE AND PROCEDURES FOR MEETINGS

A. THE EAC AGENDA WILL BE POSTED ON THE INTERNAL CITY OF FLAGSTAFF EAC WEBSITE AND AT LOCATIONS APPROVED BY THE EAC AT LEAST TWENTY-FOUR (24) HOURS PRIOR TO THE MEETING DATE AND TIME BY EAC MEMBERS FOR THE GROUP THEY REPRESENT.

B. EAC MEETING MINUTES WILL BE POSTED ON THE EAC WEBSITE AND AT THE APPROVED LOCATIONS WITHIN FIVE (5) CALENDAR DAYS AFTER APPROVAL, AND EMAILED TO ALL EAC REGULAR AND ALTERNATE MEMBERS.

C. THE EAC MAY ADOPT PROCEDURES FOR GOVERNANCE OF THE COMMITTEE'S MEETINGS.

1-14-001-0006.10 SUBCOMMITTEES

SUBCOMMITTEES MAY BE FORMED TO ADDRESS SPECIFIC EAC ISSUES TO BRING TO THE FULL EAC FOR INPUT AND APPROVAL. SUBCOMMITTEES ARE ENCOURAGED TO MEET FOR ONE (1) HOUR, TWO (2) TIMES PER MONTH, AND THE CESSATION OF THE SUBCOMMITTEE WILL OCCUR ONCE THE ISSUE IS VOTED ON BY THE FULL EAC. EACH SUBCOMMITTEE, AT ITS OWN DISCRETION, OR THE CITY MANAGER, MAY ASK NON-EAC MEMBERS TO PARTICIPATE.

1-14-001-0006.11 ATTENDANCE AND HOURS WORKED

A. EAC MEMBERS SHALL ATTEND EAC MEETINGS, UTILITIZING CITY TIME TO THE DEGREE NECESSARY TO CONDUCT EAC BUSINESS, AND SUCH TIME SHALL BE CONSIDERED HOURS WORKED.

B. EMPLOYEES WHO ARE NOT MEMBERS OF THE EAC, INCLUDING SUBCOMMITTEE MEMBERS, MAY ATTEND EAC MEETINGS OR SUBCOMMITTEE MEETINGS DURING REGULAR WORK HOURS FOR UP TO FOUR (4) HOURS PER MONTH, WITH WRITTEN APPROVAL OF THEIR IMMEDIATE SUPERVISORS, AND SUCH TIME SHALL BE HOURS WORKED.

C. AN EMPLOYEE MAY ATTEND EAC MEETINGS, DURING NON-WORKING HOURS, AND SUCH TIME SHALL NOT BE HOURS WORKED.

- D. THE EAC MAY CHOOSE A MEMBER TO ATTEND THE PORTION OF THE LEADERSHIP MEETINGS WHEN EAC AGENDA ITEMS ARE SCHEDULED FOR DISCUSSION OR UPON REQUEST OF THE CITY MANAGER, AND SUCH TIME SHALL BE HOURS WORKED.
- E. THE EAC, CITY MANAGER, OR HUMAN RESOURCES DIRECTOR MAY INVITE ANY PERSON TO ATTEND EAC MEETINGS, AND THE EMPLOYEE'S TIME SHALL BE CONSIDERED HOURS WORKED.

THE EMPLOYEE HANDBOOK OF REGULATIONS (PARALLEL PROVISIONS)

The Flagstaff City Code, Title 1, *Administrative*, Chapter 14, *Personnel System*, Section 1-14-001-0001, *Personnel System Adopted*, and Employee Handbook of Regulations incorporated therein by reference is hereby amended by repealing Section 1-10-070, Employee Advisory Committee, in its entirety and replacing it with the following:

1-10-070. EMPLOYEE ADVISORY COMMITTEE

Note: This section of the Employee Handbook of Regulations is copied from Section 1-14-0001-0006 of the Flagstaff City Code. In order to ensure consistency, numbering and formatting of this section matches Section 1-14-001-0006.

1-14-001-0006 EMPLOYEE ADVISORY COMMITTEE

The Employee Advisory Committee (EAC) is hereby established.

1-14-001-0006.1 Definitions

- A. "Regular Member" is an eligible employee elected to serve on behalf of that employee's respective group.
- B. "Alternate Member" is an eligible employee elected to serve on the EAC when the Regular Member is unable to attend.
- C. "Eligible Employee" is defined as any full-time tenured or exempt employee not identified as an "Ineligible Employee."
- D. "Ineligible Employee" is defined as any employee directly appointed by the City Council, or Deputy City Managers, Division Directors, Section Heads, Human Resources personnel, probationary, part-time or temporary employees.

1-14-001-0006.2 Mission Statement

The mission of the EAC is to form a body of elected members and alternates to represent individual employees, groups of employees, and divisions of the City of Flagstaff with fairness and impartiality.

1-14-001-0006.3 Purpose

The purpose of the EAC is to foster ongoing employee-employer relations by providing a process and forum for employees to recommend changes to the City Manager concerning employment-related policies and procedures, safety, compensation and benefits. The EAC does not make recommendations regarding hiring, employee discipline, promotions, demotions, transfers, voluntary reassignments, suspensions, or dismissal.

The EAC is a body of elected members and alternates established for the purpose of discussing and making recommendations based on the requests received from individual employees, groups of employees and the City of Flagstaff with fairness and impartiality. The EAC is an advisory committee and does not represent individual employees with regard to an individual's personnel issues.

Individual employment issues affecting any employee shall be processed through any of the City's established grievance or appeal procedures. Employees are encouraged to resolve any issue or employment-related concern through the established administrative procedures.

1-14-001-0006.4 Objectives

The objectives of the EAC are to:

- A. Work together in the spirit of trust and cooperation in an attempt to reach consensus on matters under discussion.
- B. Review and recommend to the City Manager any initiatives or changes to City's policies and procedures which are related to employment, safety, compensation, or benefits prior to submission to the City Council for consideration.
- C. Provide a forum for employees to discuss City-wide employee issues as they pertain to employment-related policies and procedures, safety, compensation and benefits.
- D. Ensure that each member attends EAC meetings and regularly communicates with the employees in the EAC member's group.
- E. Attend, participate and/or provide input and recommendations at City Council budget meetings.
- F. Respond to City Manager questions or concerns.

1-14-001-0006.5 Structure

- A. The Employee Advisory Committee shall consist of the following members, by group, excluding ineligible employees except for the Human Resources Director, or designee, who shall serve as a non-voting member, and shall provide information to the EAC as needed:
 - 1. Administrative Services - (City Manager's Office, Legal, Human Resources, Risk Management, City Clerk's Office, Real Estate, and Information Technology) - one (1) member
 - 2. Management Services - (Finance, Sales Tax, Purchasing, Customer Service, Payroll, and Library) – two (2) members
 - 3. Police - (Commissioned two members and Non-Commissioned one member) - three (3) members
 - 4. Fire - two (2) members
 - 5. Public Works - (Public Works Administration, Environmental Services, Streets, Parks, Cemetery, Fleet, Facility Maintenance, Environmental Management, Sustainability, and Recreation) - three (3) members
 - 6. Community Development - (Planning & Development, Housing, Engineering, and Housing Authority) - two (2) members

7. Utilities - two (2) members
 8. City Court - one (1) member
 9. Economic Vitality - (Convention & Visitors Bureau, Airport and Community Investment) - one (1) member
 10. The Human Resources Director, or designee, is a permanent, non-voting member.
- B. Each group will be assigned a number of members based on the number of tenured, tenure-eligible and exempt employees.
1. A group with less than 50 employees is assigned one (1) EAC member.
 2. A group with 50 to 100 employees is assigned two (2) EAC members.
 3. A group with more than 100 employees is assigned three (3) EAC members.
- C. The number of members per group will be evaluated each year and may be reviewed by EAC at other times as required.
1. If the number of members is too high at the time of the election, the regular and alternate members at the end of their term or at the time of resignation will be removed.
 2. If the number of members is too low at the time of the election, the appropriate number of regular and alternate members will be added.
- D. Members and alternate members will serve a two (2) year term. Memberships will be staggered.
- E. There will be an equal number of regular and alternate members.
- F. Alternate members are encouraged to attend all meetings; however, alternate members shall only vote when filling in for the regular member.
- G. There will be two co-chairs who will serve a one (1) year term. Alternate members are not eligible to serve as co-chair.
- H. Any member of the EAC shall not act independently on behalf of EAC without prior approval of an EAC majority vote.

1-14-001-0006.6 Elections and Membership

- A. City-wide elections for membership shall be held annually, by July 15, with terms starting during the first meeting in August.
1. Eligible employees shall nominate regular and alternate members who will also be eligible employees as defined in this Chapter.

2. The eligible employee with the most votes will become the regular member and the employee with the next highest will become the alternate member. In the event of a tie, a ballot will be sent out to the division for a formal vote.
- B. Elections for special appointments will be conducted during the second meeting in August.
1. Election of two co-chairs.
 2. Elect an EAC member to take minutes of the meetings, with a back-up and/or rotation as deemed necessary.
 3. Elect an EAC member to attend Budget Committee meetings, when the Budget Committee is discussing any benefit and compensation issues and during the add-back and delete portion of the budget, in an ongoing effort to foster better communication and understanding.
 4. Elect two (2) EAC members to attend the Compensation Committee meetings.
 5. EAC members may also be elected to serve on special committees or task forces concerning employment-related policies and procedures, safety, compensation and benefits.
- C. Newly elected regular and alternate members shall attend an orientation meeting with a co-chair and/or the Human Resources Director after annual elections between August and November.

1-14-001-0006.7 Resignation or Removal

- A. EAC members who want to resign from service shall submit their requests in writing to the two co-chairs and the Human Resources Director.
- B. When a regular member resigns from service an election will be held and the newly elected member will serve a two (2) year term from the time of the election.
- C. If the resigning member is a co-chair, a special election for the appointment of a new co-chair will take place and the newly elected co-chair will finish out the one (1) year term of the previous co-chair.
- D. Members with three (3) consecutive unexcused absences may be removed by a majority vote of the EAC.
- E. If an employee from a group desires to remove the current EAC member, they must follow criteria listed:
1. Submit a formal complaint in writing explaining the reason for the request to remove the current EAC member to the Human Resources Director.
 - a. The complaint may only be filed from the EAC member's group.
 - b. Human Resources will relay the complaint information to the current co-chairs.

- c. The co-chair will recuse himself or herself from the process, if the complaint is about them or another EAC member from the same group.
 - d. The co-chairs will speak with the EAC member about the complaint to obtain additional information.
 - e. The EAC co-chairs, with assistance from the Human Resources Director, may evaluate the information obtained through discussions with the complainant and the EAC member to substantiate the complaint.
 - i. If unable to substantiate the complaint, the EAC co-chairs will reply to the complainant.
 - ii. If able to substantiate the complaint, the process will continue.
2. There will be a two (2) month period to allow for the EAC member to address the area(s) of concern.
3. The co-chairs will contact the complainant to review any improvements.
- a. If there have been improvements, the co-chairs will provide a written response to the complainant closing the complaint.
 - b. If there have been no improvements and the complainant is still dissatisfied, a second complaint will be filed by the co-chairs.
4. If a second complaint is received, the co-chairs, with the assistance of Human Resources, will hold an election to remove the EAC member.
- a. The election must have fifty percent (50%) plus one (1) votes of the EAC member's group for the election to be valid.
 - b. If the election does not receive enough votes to be considered valid, the EAC member will continue his or her term.
 - c. If the election does receive enough votes and the majority of employees in the EAC member's group votes to keep the EAC member, then the EAC member will continue his or her term.
 - d. If the election does receive enough votes and the majority of employees in the EAC member's group votes to remove the EAC member, then the EAC member will not continue his or her term and another election will be held to select another EAC member to serve a two (2) year term from the time of the election.

1-14-001-0006.8 Meetings

- A. Meetings of the City EAC shall be held twice per month, or less frequently if approved by a majority vote of the EAC. Dates and times will be determined by the majority vote of the EAC.

- B. Special meetings, when required, may be called by the co-chair(s) without a majority vote of the EAC.
- C. Regular members shall notify the appropriate group alternate member and the EAC co-chairs, in a timely manner, when they are unable to attend a meeting.
- D. Co-chairs may request a meeting with the City Manager as needed, or on a regular basis.
- E. When the EAC co-chairs have brought an issue to the attention of the City Manager and the issue is not resolved to the satisfaction of the EAC, a co-chair or EAC designee may address the City Council at a public meeting to review the issue, upon recommendation and majority vote of the EAC.
- F. All votes regarding recommendations must be approved by a majority vote of the quorum. A quorum shall be one more than half of the voting membership of the EAC.
- G. All votes that are not unanimous shall result in a roll call vote and will be recorded into the meeting minutes.
- H. Employees, including ineligible employees, desiring an item to be discussed by the EAC shall contact their group's regular member or any regular EAC member to place the item on the EAC's agenda.
 - 1. Employees may request to keep their names confidential and it will not be part of the EAC's discussion.
 - 2. An employee with an item on the EAC agenda shall be notified by a co-chair of the meeting time and date. Time in attendance at EAC meetings shall constitute hours worked.
- I. The City Manager may contact an EAC co-chair to place an item on the EAC agenda.

1-14-001-0006.9 Notice and Procedures for Meetings

- A. The EAC agenda will be posted on the internal City of Flagstaff EAC website and at locations approved by the EAC at least twenty-four (24) hours prior to the meeting date and time by EAC members for the group they represent.
- B. EAC meeting minutes will be posted on the EAC website and at the approved locations within five (5) calendar days after approval, and emailed to all EAC regular and alternate members.
- C. The EAC may adopt procedures for governance of the Committee's meetings.

1-14-001-0006.10 Subcommittees

Subcommittees may be formed to address specific EAC issues to bring to the full EAC for input and approval. Subcommittees are encouraged to meet for one (1) hour, two (2) times per month, and the cessation of the subcommittee will occur once the issue is voted on by the full EAC. Each subcommittee, at its own discretion, or the City Manager, may ask non-EAC members to participate.

1-14-001-0006.11 Attendance and Hours Worked

- A. EAC members shall attend EAC meetings, utilizing City time to the degree necessary to conduct EAC business, and such time shall be considered hours worked.
- B. Employees who are not members of the EAC, including subcommittee members, may attend EAC meetings or subcommittee meetings during regular work hours for up to four (4) hours per month, with written approval of their immediate supervisors, and such time shall be hours worked.
- C. An employee may attend EAC meetings, during non-working hours, and such time shall not be hours worked.
- D. The EAC may choose a member to attend the portion of the Leadership meetings when EAC agenda items are scheduled for discussion or upon request of the City Manager, and such time shall be hours worked.
- E. The EAC, City Manager, or Human Resources Director may invite any person to attend EAC meetings, and the employee's time shall be considered hours worked.

S:\Legal\Civil Matters\2013\2013-325 Employee Advisory Committee (EAC) Meetings - Legal Opinion\Addendum 6 11-18-14.docx

ORDINANCE NO. 2014-32

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF RELATING TO THE EMPLOYEE ADVISORY COMMITTEE, AMENDING THE EMPLOYEE HANDBOOK OF REGULATIONS AND FLAGSTAFF CITY CODE BY ADOPTING THOSE AMENDMENTS AS SHOWN IN "2014 ADDENDUM 6 OF THE EMPLOYEE HANDBOOK OF REGULATIONS" BY REFERENCE, RATIFYING THE 2014 ELECTION RESULTS AND TWO-YEAR TERMS, PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

ENACTMENTS:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. In General.

The Employee Advisory Committee regulations found in the Employee Handbook of Regulations, adopted under Flagstaff City Code, Title 1, *Administrative*, Chapter 14, *Personnel System*, Section 1-14-001-0001 *Personnel System Adopted*, and found in Section 1-14-001-0006, *Employee Advisory Committee*, are hereby amended by adopting those changes as set forth in that certain document known as "2014 Addendum 6 of the Flagstaff Employee Handbook of Regulations", three copies of which are on file in the office of the City Clerk, which document was made a public record by Resolution No. 2014-39 of the City of Flagstaff, and which is hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

SECTION 2. Ratifying EAC Election.

The City Council hereby ratifies and confirms that the EAC members and alternates elected in the fall of 2014 shall have two-year terms commencing October 1, 2014, consistent with this Ordinance and the election ballot.

SECTION 3. Penalties.

Any person found in violation of any provision of the Flagstaff Employee Handbook of Regulations may be subject to discipline, as set forth in such Handbook.

SECTION 4. Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed.

SECTION 5. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 6. Clerical Corrections.

The Human Resources Director is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary, related to the City of Flagstaff Employee Handbook of Regulations as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency.

SECTION 6. Effective Date.

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2014.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

ATTORNEY

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: David McIntire, Asst. to City Manager - Real Estate
Date: 11/21/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Approval of Two (2) Year Lease Amendments: United States Geological Survey (U.S.G.S.) for Buildings 3, 4 and 5 (Amendment of U.S.G.S. Leases) ***(Approve Two (2) Year Amendments to Building Leases with U.S.G.S.)***

RECOMMENDED ACTION:

Approve the amendment of the leases with the United States Geological Survey (U.S.G.S.) represented by the Government Services Administration (GSA) for an additional two (2) years.

Policy Decision or Reason for Action:

The GSA wishes to amend their leases with the City of Flagstaff for an additional two (2) year period with the same terms and conditions. The terms and conditions include rent escalation clauses so the rents do continue to increase and generate additional revenue during that period. The GSA has indicated their intention to release a future solicitation that would, should the City respond and be successful, lead to the potential renovation and expansion of the U.S.G.S. campus. These lease amendments will provide the time necessary to have the GSA release their solicitation and for the City to respond.

Financial Impact:

The amendment of the leases will allow the continuation of lease revenues and associated escalations. The lease revenue from Building 3 is over \$330,000. The lease revenue from Buildings 4-5 is over \$550,000 annually. In addition to the direct lease revenue generated, the amendment of the leases will allow for a maintained relationship with U.S.G.S. that will preserve over 200 jobs which have an annual payroll value of over \$13,000,000. Failure to amend the leases could impact future U.S.G.S. use or expansion of the facilities and will result in significant lost revenue.

Connection to Council Goal:

COUNCIL GOALS:

- 5. Retain, expand, and diversify economic base
- 11. Effective governance

Has There Been Previous Council Decision on This:

There has been a long relationship between the City of Flagstaff and the U.S.G.S.. Numerous Council actions and a bond question have defined the specific and unique nature of the lease and the relationship. Two examples include the approval of Resolution 2011-16 in March of 2011 which authorizes the City to submit a bid response to the GSA to continue providing leased space and to potentially renovate and construct additional space specific to the U.S.G.S.; and Question Number 101 from the General Election in 2004 in which the voters authorized the construction and renovation of the facilities for USGS.

Options and Alternatives:

- 1) Approve the amendment of the leases for two (2) years. This will continue the leases under the current terms and conditions until a new Federal process has been completed and longer term leases can be executed with potential for expansion and redevelopment.
- 2) Not approve the amendment of the leases which will result in non-payment by the GSA.

Background/History:

The City of Flagstaff has leased buildings to the U.S.G.S. since the 1960s. These buildings both generate revenue for the City of Flagstaff and the location of the U.S.G.S. in Flagstaff provides skilled employment opportunities. Over the decades there have been numerous lease extensions, amendments, master plans, and renovations. This requested amendment of the leases will allow the GSA to complete a new procurement process that will lead, according to our correspondence, to new long term leases for the campus.

Key Considerations:

The two (2) year lease amendments allow the time necessary for the process required for the GSA to release a new procurement solicitation. The City could then respond to the solicitation in order to maintain and enhance the existing unique relationship with the U.S.G.S.

The leases expire December 31st so the amendment is time sensitive. Should the leases expire they will enter a holdover situation which will not allow for continued lease payment and could damage the current and future relationship.

Having the leases in place is both a revenue generator and a source of jobs.

Community Benefits and Considerations:

The amendment of the leases provides jobs and revenue and maintains the relationship between the City and U.S.G.S. which has an economic and employment benefit long term. There is also a value to the synergy between the U.S.G.S., NAU and other science based institutions which provide a strong scientific component to assist in diversifying the economy.

Community Involvement:

Inform

Attachments: [Lease amendment 4-5](#)
 [Lease amendment 3](#)

LEASE NO. GS-09P-LAZ03408

Succeeding/Superseding Lease
GSA FORM L202 (September 2014)

INSTRUCTIONS TO OFFERORS: Do not attempt to complete this lease form (GSA Lease Form L202). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on the lease proposal form (GSA Lease Proposal Form 1364-S, hereinafter Lease Proposal Form) into a Lease Form, and transmit the completed Lease Form, together with appropriate attachments, to the successful Offeror for execution.

This Lease is made and entered into between

City of Flagstaff

(Lessor), whose principal place of business is **211 West Aspen Ave., Flagstaff, AZ 86001**, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

2255 North Gemini Drive, Flagstaff, AZ 86001

and more fully described in Section 1 and Exhibit **A**, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning January 1, 2015 and continuing for a period of

5 Years, 2 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

Name: _____

Title: _____

Date: _____

FOR THE GOVERNMENT:

[Name]

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

WITNESSED FOR THE LESSOR BY:

Name: _____

Title: _____

Date: _____

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: 33,010 rentable square feet (RSF), yielding **33,010** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located in Buildings 4 & 5, as depicted on the floor plan(s) attached hereto as Exhibit **A**.

B. Common Area Factor: The Common Area Factor (CAF) is established as **1.00** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: **115** parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces, and **115** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$143,708.00	\$143,708.00
OPERATING COSTS ³	\$ 208,293.10	\$ 208,293.10
TOTAL ANNUAL RENT	\$352,001.10	\$352,001.10

¹Shell rent calculation:

(Firm Term) **\$4.35 (rounded)** per RSF multiplied by **33,010** RSF

(Non Firm Term) **\$4.35 (rounded)** per RSF multiplied by **33,010** RSF

³Operating Costs rent calculation: **\$6.31** per RSF multiplied by **33,010** RSF

B. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

C. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

D. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease , by providing not less than **30** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)		
PARKING PLAN(S)		
SECURITY REQUIREMENTS		
GSA FORM 3517B GENERAL CLAUSES		
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS		

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 INTENTIONALLY DELETED

1.10 INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **100** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **33,010** RSF by the total Building space of **33,010** RSF.

1.12 INTENTIONALLY DELETED

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be **\$6.31** per RSF (**\$208,293.10**/annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$0.00** per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **\$0.00** per hour per zone
- Number of zones: **N/A**
- **\$0.00** per hour for the entire Space.

1.16 INTENTIONALLY DELETED

1.17 INTENTIONALLY DELETED

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEP 2013)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.
- C. Building. The building(s) situated on the Property in which the Premises are located shall be referred to as the Building(s).
- D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the Commission Credit.
- E. Common Area Factor (CAF). The Common Area Factor (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF - 10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.
- F. Contract. Contract and contractor means Lease and Lessor, respectively.
- G. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- H. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- I. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- J. Lease Term Commencement Date. The Lease Term Commencement Date means the date on which the lease term commences.
- K. Lease Award Date. The Lease Award Date means the date of execution of the Lease by the LCO and the mailing or otherwise furnishing written notification of the executed Lease to the successful Offeror (and on which the parties' obligations under the Lease begin).
- L. Premises. The Premises are defined as the total Office Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- M. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.
- N. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: $ABOA\ SF\ of\ Space \times (1 + CAF) = RSF$.
- O. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Office Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.
- P. Office Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-1996) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed." References to ABOA mean ANSI/BOMA Office Area.
- Q. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

2.02 AUTHORIZED REPRESENTATIVES (JUN 2012)

The signatories to this Lease shall have full authority to bind their respective principals with regard to all matters relating to this Lease. No other persons shall be understood to have any authority to bind their respective principals, except to the extent that such authority may be explicitly delegated by notice to the other party, or to the extent that such authority is transferred by succession of interest. The Government shall have the right to substitute its Lease Contracting Officer (LCO) by notice, without an express delegation by the prior LCO.

2.03 ALTERATIONS REQUESTED BY THE GOVERNMENT (SEP 2013)

A. The Government may request the Lessor to provide alterations during the term of the Lease. Alterations will be ordered by issuance of a Lease Amendment, GSA Form 300, Order for Supplies or Services, or, when specifically authorized to do so by the LCO, a tenant agency-approved form. The GSAM clause, 552.270-31, Prompt Payment, including its invoice requirements, shall apply to orders for alterations. All orders are subject to the terms and conditions of this Lease and may be placed by the LCO or a warranted contracting officer's representative (COR) in GSA or the tenant agency when specifically authorized to do so by the Lease Contracting Officer, subject to the threshold limitation below.

B. Orders for alterations issued by an authorized COR are limited to no more than \$150,000 (LCOs are not subject to this threshold). This threshold will change according to future adjustments of the simplified acquisition threshold (see FAR 2.101). The LCO will provide the Lessor with a list of tenant agency officials authorized to place orders and will specify any limitations on the authority delegated to tenant agency officials. The tenant agency officials are not authorized to deal with the Lessor on any other matters.

C. Payments for alterations ordered by the tenant agency under the authorization described in sub-paragraph B will be made directly by the tenant agency placing the order.

2.04 WAIVER OF RESTORATION (APR 2011)

The Lessor shall have no right to require the Government to restore the Premises upon termination of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

2.05 INTENTIONALLY DELETED

2.06 CHANGE OF OWNERSHIP (SEP 2013)

A. If during the term of the Lease, title to the Property is transferred, the Lease is assigned, or the Lessor changes its legal name, the Lessor and its successor shall comply with the requirements of FAR Subpart 42.12. If title is transferred, the Lessor shall notify the Government within five days of the transfer of title.

B. The Government and the Lessor may execute a Change of Name Agreement if the Lessor is changing only its legal name, and the Government's and the Lessor's respective rights and obligations remain unaffected. A sample form is found at FAR 42.1205.

C. If title to the Property is transferred, or the Lease is assigned, the Government, the original Lessor (Transferor), and the new owner or assignee (Transferee) shall execute a Novation Agreement providing for the transfer of Transferor's rights and obligations under the Lease to the Transferee. When executed on behalf of the Government, a Novation Agreement will be made part of the Lease via Lease Amendment.

D. In addition to all documents required by FAR 42.1204, the LCO may request additional information (e.g., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the Transferor or Transferee to verify the parties' representations regarding the transfer, and to determine whether the transfer of the Lease is in the Government's interest.

E. If the LCO determines that recognizing the Transferee as the Lessor will not be in the Government's interest, the Transferor shall remain fully liable to the Government for the Transferee's performance of obligations under the Lease, notwithstanding the transfer. Under no condition shall the Government be obligated to release the Transferor of obligations prior to (a) the rent commencement date; and (b) any amounts due and owing to the Government under the Lease have been paid in full or completely set off against the rental payments due under the Lease.

F. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Transferee must register in the Central Contractor Registration (CCR) database, now the System for Award Management (SAM) (See FAR 52.232-33), and complete and sign GSA Form 3518, Representations and Certifications.

G. If title to the Property is transferred, or the Lease is assigned, rent shall continue to accrue, subject to the Government's rights as provided for in this Lease. However, the Government's obligation to pay rent to the Transferee shall be suspended until the Government has received all information reasonably required by the LCO under sub-paragraph D, the Government has determined that recognizing the Transferee as the Lessor is in the Government's interest (which determination will be prompt and not unreasonably withheld), and the Transferee has met all conditions specified in sub-paragraph F. So long as any delays in effecting the recognition of Transferee as Lessor are not the responsibility of the Government, no interest shall accrue on suspended rent.

2.07 REAL ESTATE TAX ADJUSTMENT (JUN 2012)

A. Purpose: This paragraph provides for adjustment in the rent (tax adjustment) to account for increases or decreases in Real Estate Taxes for the Property after the establishment of the Real Estate Tax Base, as those terms are defined herein. Tax adjustments shall be calculated in accordance with this paragraph.

B. Definitions: The following definitions apply to the use of the terms within this paragraph:

Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas to which the Government is granted rights).

Real Estate Taxes are those taxes that are levied upon the owners of real property by a Taxing Authority (as hereinafter defined) of a state or local Government on an ad valorem basis to raise general revenue for funding the provision of government services. The term excludes, without limitation, special assessments for specific purposes, assessments for business improvement districts, and/or community development assessments.

Taxing Authority is a state, commonwealth, territory, county, city, parish, or political subdivision thereof, authorized by law to levy, assess, and collect Real Estate Taxes.

Tax Year refers to the 12-month period adopted by a Taxing Authority as its fiscal year for assessing Real Estate Taxes on an annual basis.

Tax Abatement is an authorized reduction in the Lessor's liability for Real Estate Taxes below that determined by applying the generally applicable real estate tax rate to the Fully Assessed (as hereinafter defined) valuation of the Property.

Unadjusted Real Estate Taxes are the full amount of Real Estate Taxes that would be assessed for the Property for one full Tax Year without regard to the Lessor's entitlement to any Tax Abatements (except if such Tax Abatement came into effect after the date of award of the Lease), and not including any late charges, interest or penalties. If a Tax Abatement comes into effect after the date of award of the Lease, "unadjusted Real Estate Taxes" are the full amount of Real Estate Taxes assessed for the Property for one full Tax Year, less the amount of such Tax Abatement, and not including any late charges, interest, or penalties.

Real Estate Tax Base is the unadjusted Real Estate Taxes for the first full Tax Year following the commencement of the Lease term. If the Real Estate Taxes for that Tax Year are not based upon a Full Assessment of the Property, then the Real Estate Tax Base shall be the Unadjusted Real Estate Taxes for the Property for the first full Tax Year for which the Real Estate Taxes are based upon a Full Assessment. Such first full Tax Year may be hereinafter referred to as the Tax Base Year. Alternatively, the Real Estate Tax Base may be an amount negotiated by the parties that reflects an agreed upon base for a Fully Assessed value of the Property.

The Property is deemed to be Fully Assessed (and Real Estate Taxes are deemed to be based on a Full Assessment) only when a Taxing Authority has, for the purpose of determining the Lessor's liability for Real Estate Taxes, determined a value for the Property taking into account the value of all improvements contemplated for the Property pursuant to the Lease, and issued to the Lessor a tax bill or other notice of levy wherein the Real Estate Taxes for the full Tax Year are based upon such Full Assessment. At no time prior to the issuance of such a bill or notice shall the Property be deemed Fully Assessed.

Percentage of Occupancy refers to that portion of the Property exclusively occupied or used by the Government pursuant to the Lease. For Buildings, the Percentage of Occupancy is determined by calculating the ratio of the RSF occupied by the Government pursuant to the Lease to the total RSF in the Building or Buildings so occupied, and shall not take into account the Government's ancillary rights including, but not limited to, parking or roof space for antennas (unless facilities for such ancillary rights are separately assessed). This percentage shall be subject to adjustment to take into account increases or decreases for Space leased by the Government or for rentable space on the Property.

C. Adjustment for changes in Real Estate Taxes. After the Property is Fully Assessed, the Government shall pay its share of any increases and shall receive its share of any decreases in the Real Estate Taxes for the Property, such share of increases or decreases to be referred to herein as "tax adjustment." The amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base, less the portion of such difference not paid due to a Tax Abatement (except if a Tax Abatement comes into effect after the date of award of the Lease). If a Tax Abatement comes into effect after the date of award of the Lease, the amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base. The Government shall pay the tax adjustment in a single annual lump sum payment to the Lessor. In the event that this tax adjustment results in a credit owed to the Government, the Government may elect to receive payment in the form of a rental credit or lump sum payment.

If the Property contains more than one separately assessed parcel, then more than one tax adjustment shall be determined based upon the Percentage of Occupancy, Real Estate Tax Base, and Real Estate Taxes for each respective parcel.

After commencement of the Lease term, the Lessor shall provide to the LCO copies of all real estate tax bills for the Property, all documentation of Tax Abatements, credits, or refunds, if any, and all notices which may affect the assessed valuation of the Property, for the Tax Year prior to the commencement of the Lease Term, and all such documentation for every year following. Lessor acknowledges that the LCO shall rely on the completeness and accuracy of these submissions in order to establish the Real Estate Tax Base and to determine tax adjustments. The LCO may memorialize the establishment of the Real Estate Tax Base by issuing a unilateral administrative lease amendment indicating the base year, the amount of the Real Estate Tax Base, and the Government's Percentage of Occupancy.

The Real Estate Tax Base is subject to adjustment when increases or decreases to Real Estate Taxes in any Tax Year are attributable to (a) improvements or renovations to the Property not required by this Lease, or (b) changes in net operating income for the Property not derived from this Lease. If either condition results in a change to the Real Estate Taxes, the LCO may re-establish the Real Estate Tax Base as the Unadjusted Real Estate Taxes for the Tax Year the Property is reassessed under such condition, less the amount by which the Unadjusted Real Estate Taxes for the Tax Year prior to reassessment exceeds the prior Real Estate Tax Base.

If this Lease includes any options to renew the term of the Lease, or be otherwise extended, the Real Estate Tax Base for determining tax adjustments during the renewal term or extension shall be the last Real Estate Tax Base established during the base term of the Lease.

If any Real Estate Taxes for the Property are retroactively reduced by a Taxing Authority during the term of the Lease, the Government shall be entitled to a proportional share of any tax refunds to which the Lessor is entitled, calculated in accordance with this Paragraph. Lessor acknowledges that it has an affirmative duty to disclose to the Government any decreases in the Real Estate Taxes paid for the Property during the term of the

Lease. Lessor shall annually provide to the LCO all relevant tax records for determining whether a tax adjustment is due, irrespective of whether it seeks an adjustment in any Tax Year.

If the Lease terminates before the end of a Tax Year, or if rent has been suspended, payment for the real estate tax increase due because of this section for the Tax Year will be prorated based on the number of days that the Lease and the rent were in effect. Any credit due the Government after the expiration or earlier termination of the Lease shall be made by a lump sum payment to the Government or as a rental credit to any succeeding Lease, as determined in the LCO's sole discretion. Lessor shall remit any lump sum payment to the Government within 15 calendar days of payment or credit by the Taxing Authority to Lessor or Lessor's designee. If the credit due to the Government is not paid by the due date, interest shall accrue on the late payment at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978, as amended (41 USC § 611), that is in effect on the day after the due date. The interest penalty shall accrue daily on the amount of the credit and shall be compounded in 30-day increments inclusive from the first day after the due date through the payment date. The Government shall have the right to pursue the outstanding balance of any tax credit using all such collection methods as are available to the United States to collect debts. Such collection rights shall survive the expiration of this Lease.

In order to obtain a tax adjustment, the Lessor shall furnish the LCO with copies of all paid tax receipts, or other similar evidence of payment acceptable to the LCO, and a proper invoice (as described in GSA Form 3517, General Clauses, 552.270-31, Prompt Payment) for the requested tax adjustment, including the calculation thereof. All such documents must be received by the LCO within 60 calendar days after the last date the real estate tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest. FAILURE TO SUBMIT THE PROPER INVOICE AND EVIDENCE OF PAYMENT WITHIN SUCH TIME FRAME SHALL CONSTITUTE A WAIVER OF THE LESSOR'S RIGHT TO RECEIVE A TAX ADJUSTMENT PURSUANT TO THIS PARAGRAPH FOR THE TAX YEAR AFFECTED.

Tax Appeals. If the Government occupies more than 50 percent of the Building by virtue of this and any other Government Lease(s), the Government may, upon reasonable notice, direct the Lessor to initiate a tax appeal, or the Government may elect to contest the assessed valuation on its own behalf or jointly on behalf of Government and the Lessor. If the Government elects to contest the assessed valuation on its own behalf or on behalf of the Government and the Lessor, the Lessor shall cooperate fully with this effort, including, without limitation, furnishing to the Government information necessary to contest the assessed valuation in accordance with the filing requirements of the Taxing Authority, executing documents, providing documentary and testimonial evidence, and verifying the accuracy and completeness of records. If the Lessor initiates an appeal at the direction of the Government, the Government shall have the right to approve the selection of counsel who shall represent the Lessor with regard to such appeal, which approval shall not be unreasonably withheld, conditioned or delayed, and the Lessor shall be entitled to a credit in the amount of its reasonable expenses in pursuing the appeal.

2.08 ADJUSTMENT FOR VACANT PREMISES (SEP 2013)

A. If the Government fails to occupy any portion of the leased Premises or vacates the Premises in whole or in part prior to expiration of the term of the Lease, the rental rate and the base for operating cost adjustments will be reduced.

B. If no rate reduction has been established in this Lease, the rate will be reduced by that portion of the costs per ABOA SF of operating expenses not required to maintain the Space. Said reduction shall occur after the Government gives 30 calendar days' prior notice to the Lessor and shall continue in effect until the Government occupies the vacant Premises or the Lease expires or is terminated.

2.09 OPERATING COSTS ADJUSTMENT (JUN 2012)

A. Beginning with the second year of the Lease and each year thereafter, the Government shall pay annual incremental adjusted rent for changes in costs for cleaning services, supplies, materials, maintenance, trash removal, landscaping, water, sewer charges, heating, electricity, and certain administrative expenses attributable to occupancy.

B. The amount of adjustment will be determined by multiplying the base rate by the annual percent of change in the Cost of Living Index. The percent change will be computed by comparing the index figure published for the month prior to the Lease Term Commencement Date with the index figure published for the month prior which begins each successive 12-month period. For example, a Lease which commences in June of 2005 would use the index published for May of 2005, and that figure would be compared with the index published for May of 2006, May of 2007, and so on, to determine the percent change. The Cost of Living Index will be measured by the Department of Labor revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. city average, all items, (1982 to 1984 = 100) published by the Bureau of Labor Statistics. Payment will be made with the monthly installment of fixed rent. Rental adjustments will be effective on the anniversary date of the Lease; however, payment of the adjusted rental rate will become due on the first workday of the second month following the publication of the Cost of Living Index for the month prior to the commencement of each 12-month period.

C. In the event of any decreases in the Cost of Living Index occurring during the term of the occupancy under the Lease, the rental amount will be reduced accordingly. The amount of such reductions will be determined in the same manner as increases in rent provided under this paragraph.

D. If the Government exercises an option to extend the Lease term at the same rate as that of the original term, the option price will be based on the adjustment during the original term. Annual adjustments will continue.

SECTION 3 CONSTRUCTION STANDARDS AND SHELL COMPONENTS

3.01 WORK PERFORMANCE (JUN 2012)

All work in performance of this Lease shall be done by skilled workers or mechanics and shall be acceptable to the LCO. The LCO may reject the Lessor's workers 1) if such are unlicensed, unskilled, or otherwise incompetent, or 2) if such have demonstrated a history of either untimely or otherwise unacceptable performance in connection with work carried out in conjunction with either this contract or other government or private contracts.

3.02 RECYCLED CONTENT PRODUCTS (COMPREHENSIVE PROCUREMENT GUIDELINES) (SEP 2013)

A. The Lessor shall comply to the extent feasible with the Resource Conservation and Recovery Act (RCRA), Section 6002, 1976. The Lessor shall use recycled content products as indicated in this Lease and as designated by the U.S. Environmental Protection Agency (EPA) in the Comprehensive Procurement Guidelines (CPG), 40 CFR Part 247, and its accompanying Recovered Materials Advisory Notice (RMAN). The CPG lists the designated recycled content products. EPA also provides recommended levels of recycled content for these products. The list of designated products, EPA's recommendations, and lists of manufacturers and suppliers of the products can be found at <http://www.epa.gov/cpg>.

B. The Lessor, if unable to comply with both the CPG and RMAN lists, shall submit a Request for Waiver for each material to the LCO with the TI pricing submittal. The request for waiver shall be based on the following criteria:

1. The cost of the recommended product is unreasonable.
2. Inadequate competition exists.
3. Items are not available within a reasonable period.
4. Items do not meet Lease performance standards.

3.03 ENVIRONMENTALLY PREFERABLE BUILDING PRODUCTS AND MATERIALS (SEP 2013)

A. The Lessor shall use environmentally preferable products and materials. The Lessor is encouraged to consider the lifecycle analysis of the product in addition to the initial cost.

B. Refer to EPA's environmentally preferable purchasing Web site, www.epa.gov/epp and USDA Bio-Preferred products Web site www.biopreferred.gov. In general, environmentally preferable products and materials do one or more of the following:

1. Contain recycled material, are bio-based, are rapidly renewable (10-year or shorter growth cycle), or have other positive environmental attributes.
2. Minimize the consumption of resources, energy, and water.
3. Prevent the creation of solid waste, air pollution, or water pollution.
4. Promote the use of nontoxic substances and avoid toxic materials or processes.

C. The Lessor is encouraged to use products that are extracted and manufactured regionally.

3.04 EXISTING FIT-OUT, SALVAGED, OR REUSED BUILDING MATERIAL (JUN 2012)

A. Items and materials existing in the Premises, or to be removed from the Premises during the demolition phase, are eligible for reuse in the construction phase of the project. The reuse of items and materials is preferable to recycling them; however, items considered for reuse shall be in re-furnished condition and shall meet the quality standards set forth by the Government in this Lease. In the absence of definitive quality standards, the Lessor is responsible to confirm that the quality of the item(s) in question shall meet or exceed accepted industry or trade standards for first quality commercial grade applications.

B. The Lessor shall submit a reuse plan to the LCO. The Government will not pay for existing fixtures and other TIs accepted in place. However, the Government will reimburse the Lessor, as part of the TIA, the costs to repair or improve such fixtures or improvements identified on the reuse plan and approved by the LCO.

3.05 CONSTRUCTION WASTE MANAGEMENT (SUCCEEDING) (JUN 2012)

A. Recycling construction waste is mandatory for initial space alterations for TIs and subsequent alterations under the Lease.

B. Recycling construction waste means providing all services necessary to furnish construction materials or wastes to organizations which will employ these materials or wastes in the production of new materials. Recycling includes required labor and equipment necessary to separate individual materials from the assemblies of which they form a part.

C. SUBMITTAL REQUIREMENT: Prior to construction commencement, a proposed plan following industry standards to recycle construction waste. The construction waste management plan shall quantify material diversion goals and maximize the materials to be recycled and/or salvaged (at least 50 percent) from construction, demolition, and packaging debris. Where the small quantity of material, the extraordinarily complex nature of the waste disposal method, or prohibitive expense for recycling would represent a genuine hardship, the Government, upon written request of the Lessor and approval of the LCO, may permit alternative means of disposal.

D. The Lessor shall recycle the following items during both the demolition and construction phases of the project, subject to economic evaluation and feasibility:

1. Ceiling grid and tile
2. Light fixtures, including proper disposal of any transformers, ballasts, and fluorescent light bulbs
3. Duct work and HVAC equipment
4. Wiring and electrical equipment
5. Aluminum and/or steel doors and frames
6. Hardware
7. Drywall
8. Steel studs
9. Carpet, carpet backing, and carpet padding
10. Wood
11. Insulation
12. Cardboard packaging
13. Pallets
14. Windows and glazing materials
15. All miscellaneous metals (as in steel support frames for filing equipment)
16. All other finish and construction materials.

E. If any waste materials encountered during the demolition or construction phase are found to contain lead, asbestos, polychlorinated biphenyls (PCBs) (such as fluorescent lamp ballasts), or other harmful substances, they shall be handled and removed in accordance with Federal and state laws and requirements concerning hazardous waste.

F. In addition to providing "one time" removal and recycling of large scale demolition items such as carpeting or drywall, the Lessor shall provide continuous facilities for the recycling of incidental construction waste during the initial construction.

G. Construction materials recycling records shall be maintained by the Lessor and shall be accessible to the LCO. Records shall include materials recycled or land-filled, quantity, date, and identification of hazardous wastes.

3.06 BUILDING SHELL REQUIREMENTS (SEP 2013)

A. The Building Shell shall be designed, constructed, and maintained in accordance with the standards set forth herein and completed prior to acceptance of Space. For pricing, fulfillment of all requirements not specifically designated as TIs, Building Specific Amortized Capital, Operating Costs, or other rent components as indicated shall be deemed included in the Shell Rent.

B. Base structure and Building enclosure components shall be complete. All common areas accessible by the Government, such as lobbies, fire egress corridors and stairwells, elevators, garages, and service areas, shall be complete. Restrooms shall be complete and operational. All newly installed Building shell components, including but not limited to, heating, ventilation, and air conditioning (HVAC), electrical, ceilings, sprinklers, etc., shall be furnished, installed, and coordinated with TIs. Circulation corridors are provided as part of the base Building only on multi-tenanted floors where the corridor is common to more than one tenant. On single tenant floors, only the fire egress corridor(s) necessary to meet code is provided as part of the shell.

3.07 RESPONSIBILITY OF THE LESSOR AND LESSOR'S ARCHITECT/ENGINEER (SUCCEEDING) (APR 2011)

The Lessor shall be responsible for the professional quality, technical accuracy, and the coordination of all designs, drawings, specifications, and other services furnished by the Lessor under this contract. The Lessor shall, without additional compensation, correct or revise any errors or deficiencies in its designs, drawings, specifications, or other services.

3.08 QUALITY AND APPEARANCE OF BUILDING (SUCCEEDING) (SEPT 2011)

During the life of the Lease the Building shall project a professional and aesthetically pleasing appearance including an attractive front and entrance way. The facade, downspouts, roof trim, and window casing shall be clean and in good condition.

3.09 VESTIBULES (SUCCEEDING) (APR 2011)

A. Existing vestibules shall remain in place at public entrances and exits wherever weather conditions and heat loss are important factors for consideration. In the event of negative air pressure conditions, provisions shall be made for equalizing air pressure.

B. Existing grilles and grates shall remain in place to control dirt and particulates from entering the Building at all primary exterior entryways.

3.10 MEANS OF EGRESS (SEP 2013)

A. The Premises and any parking garage areas shall meet the applicable egress requirements in the National Fire Protection Association, Life Safety Code (NFPA 101) or the International Code Council, International Building Code (IBC), (both current as of the Lease Award Date).

B. The Space shall have unrestrictive access to a minimum of two remote exits on each floor of Government occupancy.

C. Interlocking or scissor stairs located on the floor(s) where Space is located shall only count as one exit stair.

- D. A fire escape located on the floor(s) where Space is located shall not be counted as an approved exit stair.
- E. Doors shall not be locked in the direction of egress unless equipped with special locking hardware in accordance with requirements of NFPA 101 or the IBC.

3.11 AUTOMATIC FIRE SPRINKLER SYSTEM (SEP 2013)

- A. Any portion of the Space located below-grade, including parking garage areas, and all areas in a Building referred to as "hazardous areas" (defined in National Fire Protection Association (NFPA) 101) that are located within the entire Building (including non-Government areas) shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- B. For Buildings in which any portion of the Space is on or above the sixth floor, then, at a minimum, the Building up to and including the highest floor of Government occupancy shall be protected by an automatic fire sprinkler system or an equivalent level of safety.
- C. For Buildings in which any portion of the Space is on or above the sixth floor, and lease of the Space will result, either individually or in combination with other Government Leases in the Building, in the Government leasing 35,000 or more ANSI/BOMA Office Area SF of Space in the Building, then the entire Building shall be protected throughout by an automatic fire sprinkler system or an equivalent level of safety.
- D. Automatic fire sprinkler system(s) shall be installed in accordance with the requirements of NFPA 13, Standard for the Installation of Sprinkler Systems that was in effect on the actual date of installation.
- E. Automatic fire sprinkler system(s) shall be maintained in accordance with the requirements of NFPA 25, Standard for the Inspection, Testing, and Maintenance of Water-based Fire Protection Systems (current as of the Lease Award Date).
- F. "Equivalent level of safety" means an alternative design or system (which may include automatic fire sprinkler systems), based upon fire protection engineering analysis, which achieves a level of safety equal to or greater than that provided by automatic fire sprinkler systems.

3.12 FIRE ALARM SYSTEM (SEP 2013)

- A. A Building-wide fire alarm system shall be installed in the entire Building in which any portion of the Space is located on the 3rd floor or higher.
- B. The fire alarm system shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code that was in effect on the actual date of installation.
- C. The fire alarm system shall be maintained in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date).
- D. The fire alarm system shall transmit all fire alarm signals to the local fire department via any of the following means: directly to the local fire department, to the (911) public communications center, to a central station, to a remote supervising station, or to a proprietary supervising station.
- E. If the Building's fire alarm control unit is over 25 years old as of the date of award of this Lease, Lessor shall install a new fire alarm system in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code (current as of the Lease Award Date), prior to Government acceptance and occupancy of the Space.

3.13 ENERGY INDEPENDENCE AND SECURITY ACT (DEC 2011)

- A. The Energy Independence and Security Act (EISA) establishes the following requirements for Government Leases in Buildings that have not earned the ENERGY STAR® Label conferred by the Environmental Protection Agency (EPA) within one year prior to the due date for final proposal revisions ("most recent year").
- B. If this Lease was awarded under any of EISA's Section 435 statutory exceptions, the Lessor shall either:
1. Earn the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease); or
 2. Complete energy efficiency and conservation improvements if any, agreed to by Lessor in lieu of earning the ENERGY STAR® Label prior to acceptance of the Space (or not later than one year after the Lease Award Date of a succeeding or superseding Lease).
- C. If this Lease was awarded to a Building to be built or to a Building predominantly vacant as of the due date for final proposal revisions and was unable to earn the ENERGY STAR® label for the most recent year (as defined above) due to insufficient occupancy, but was able to demonstrate sufficient evidence of capability to earn the ENERGY STAR® label, then Lessor must earn the ENERGY STAR® label within 18 months after occupancy by the Government.

3.14 ELEVATORS (SEP 2013)

- A. The Lessor shall provide suitable passenger and, when required by the Government, freight elevator service to any of the Premises not having ground level access. Service shall be available during the normal hours of operation specified in the in this Lease. However, one passenger and, when required by the Government, one freight elevator shall be available at all times for Government use. When a freight elevator is required by the Government, it shall be accessible to the loading areas. When possible, the Government shall be given 24-hour advance notice if the service is to be

interrupted for more than 1-1/2 hours. Normal service interruption shall be scheduled outside of the Government's normal working hours. The Lessor shall also use best efforts to minimize the frequency and duration of unscheduled interruptions.

B. Code: Elevators shall conform to the current requirements of the American Society of Mechanical Engineers ASME A17.1/CSA B44, Safety Code for Elevators and Escalators (current as of the Lease Award Date). Elevators shall be provided with Phase I emergency recall operation and Phase II emergency in-car operation in accordance with ASME A17.1/CSA B44. Fire alarm initiating devices (e.g., smoke detectors) used to initiate Phase I emergency recall operation shall be installed in accordance with the requirements of NFPA 72, National Fire Alarm and Signaling Code. The elevators shall be inspected and maintained in accordance with the current edition of the ASME A17.2, Inspector's Manual for Elevators. Except for the reference to ASME A17.1 in ABAAS, Section F105.2.2, all elevators must meet ABAAS requirements for accessibility in Sections 407, 408, and 409 of ABAAS.

C. Safety Systems: Elevators shall be equipped with telephones or other two-way emergency communication systems. The system used shall be marked and shall reach an emergency communication location staffed 24 hours per day, 7 days per week.

D. Speed: The passenger elevators shall have a capacity to transport in 5 minutes 15 percent of the normal population of all upper floors (based on 150 SF per person). Further, the dispatch interval between elevators during the up-peak demand period shall not exceed 35 seconds.

E. Interior Finishes: Elevator cab walls shall be hardwood, marble, granite, or an equivalent pre-approved by the LCO. Elevator cab floors shall be marble, granite, terrazzo, or an equivalent pre-approved by the LCO.

3.15 FLAGPOLE (SEP 2013)

If the Government is the sole occupant of the Building, a flagpole shall be provided at a location to be approved by the LCO. The flag of the United States of America will be provided by the Lessor, as part of shell rent and replaced at all times during the Lease term when showing signs of wear.

3.16 DEMOLITION (JUN 2012)

The Lessor shall remove existing abandoned electric, telephone, and data cabling and devices, as well as any other improvements or fixtures in place to accommodate the Government's requirements. Any demolition of existing improvements that is necessary to satisfy the Government's layout shall be done at the Lessor's expense.

3.17 ACCESSIBILITY (FEB 2007)

The Building, leased Space, and areas serving the leased Space shall be accessible to persons with disabilities in accordance with the Architectural Barriers Act Accessibility Standard (ABAAS), Appendices C and D to 36 CFR Part 1191 (ABA Chapters 1 and 2, and Chapters 3 through 10). To the extent the standard referenced in the preceding sentence conflicts with local accessibility requirements, the more stringent shall apply.

3.18 CEILINGS (SEP 2013)

A complete acoustical ceiling system (which includes grid and lay-in tiles or other Building standard ceiling system as approved by the LCO) throughout the Space and Premises shall be required. The acoustical ceiling system shall be furnished, installed, and coordinated with TIs.

A. Ceilings shall be at a minimum 8 feet and 0 inches and no more than 12 feet and 0 inches measured from floor to the lowest obstruction. Areas with raised flooring shall maintain these ceiling-height limitations above the finished raised flooring. Bulkheads and hanging or surface mounted light fixtures which impede traffic ways shall be avoided. Ceilings shall be uniform in color and appearance throughout the Space, with no obvious damage to tiles or grid.

B. Prior to closing the ceiling, the Lessor shall coordinate with the Government for the installation of any items above the ceiling.

C. Should the ceiling be installed in the Space prior to construction of the TIs, then the Lessor shall be responsible for all costs in regard to the disassembly, storage during construction, and subsequent re-assembly of any of the ceiling components which may be required to complete the TIs. The Lessor shall also bear the risk for any damage to the ceiling or any components thereof during the construction of the TIs.

D. Ceilings shall be a flat plane in each room and shall be suspended and finished as follows unless an alternate equivalent is pre-approved by the LCO:

1. Restrooms. Plastered or spackled and taped gypsum board.
2. Offices and conference rooms. Mineral and acoustical tile or lay in panels with textured or patterned surface and tegular edges or an equivalent pre-approved by the LCO. Tiles or panels shall contain a minimum of 30% recycled content.
3. Corridors and eating/galley areas. Plastered or spackled and taped gypsum board or mineral acoustical tile.

3.19 EXTERIOR AND COMMON AREA DOORS AND HARDWARE (SEP 2013)

A. Exterior Building doors and doors necessary to the lobbies, common areas, and core areas shall be required. This does not include suite entry or interior doors specific to TIs.

B. Exterior doors shall be weather tight and shall open outward. Hinges, pivots, and pins shall be installed in a manner which prevents removal when the door is closed and locked. These doors shall have a minimum clear opening of 32" clear wide x 80" high (per leaf). Doors shall be heavy

duty, flush, (1) hollow steel construction, (2) solid core wood, or (3) insulated tempered glass. As a minimum requirement, hollow steel doors shall be fully insulated, flush, #16-gauge hollow steel. Solid-core wood doors and hollow steel doors shall be at least 1-3/4 inches thick. Door assemblies shall be of durable finish and shall have an aesthetically pleasing appearance acceptable to the LCO. The opening dimensions and operations shall conform to the governing building, fire safety, accessibility, and energy codes and/or requirements. Fire door assemblies shall be listed and labeled. Labels on fire door assemblies shall be maintained in a legible condition. Fire door assemblies and their accompanying hardware, including frames and closing devices shall be installed in accordance with the requirements of NFPA 80, Standard for Fire Doors and Other Opening Protectives.

C. Exterior doors and all common area doors shall have door handles or door pulls with heavyweight hinges. All doors shall have corresponding doorstops (wall or floor mounted) and silencers. All public use doors and restroom doors shall be equipped with kick plates. All doors shall have automatic door closers. All Building exterior doors shall have locking devices installed to reasonably deter unauthorized entry.

3.20 DOORS: IDENTIFICATION (APR 2011)

All signage required in common areas unrelated to tenant identification shall be provided and installed by the Lessor.

3.21 WINDOWS (SUCCEEDING) (SEPT 2011)

All windows shall be weather tight. Operable windows that open shall be equipped with locks. Off-street, ground-level windows and those accessible from fire escapes, adjacent roofs, and other structures that can be opened must be fitted with a sturdy locking device. Windows accessible from fire escapes must be readily operable from the inside of the Building.

3.22 PARTITIONS: GENERAL (APR 2011)

Partitions in public areas shall be marble, granite, hardwood, or drywall covered with durable wall covering or high performance coating, or equivalent pre-approved by the LCO.

3.23 PARTITIONS: PERMANENT (SEP 2013)

Permanent partitions shall extend from the structural floor slab to the structural ceiling slab. They shall be provided by the Lessor as part of shell rent as necessary to surround the Space, stairs, corridors, elevator shafts, restrooms, all columns, and janitor closets. They shall have a flame spread rating of 25 or less and a smoke development rating of 450 or less (ASTM E-84). Stairs, elevators, and other floor openings shall be enclosed by partitions and shall have the fire resistance required by the applicable building code, fire code and ordinances adopted by the jurisdiction in which the Building is located (such as the International Building Code, etc.) current as of the Lease Award Date.

3.24 INSULATION: THERMAL, ACOUSTIC, AND HVAC (SEP 2013)

- A. All insulation products shall contain recovered materials as required by EPA's CPG and related recycled content recommendations.
- B. No insulation installed with this project shall be material manufactured using chlorofluorocarbons (CFCs), nor shall CFCs be used in the installation of the product.
- C. All insulation containing fibrous materials exposed to air flow shall be rated for that exposure or shall be encapsulated.
- D. Insulating properties for all materials shall meet or exceed applicable industry standards. Polystyrene products shall meet American Society for Testing and Materials (ASTM) C578 91.
- E. All insulation shall be low emitting with not greater than .05 ppm formaldehyde emissions.
- F. The maximum flame spread and smoke developed index for insulation shall meet the requirements of the applicable local codes and ordinances (current as of the Lease Award Date) adopted by the jurisdiction in which the Building is located.

3.25 WALL FINISHES – SHELL (SUCCEEDING) (JUN 2012)

- A. All restrooms within the Building common areas of Government-occupied floors shall have 1) ceramic tile, recycled glass tile, or comparable wainscot from the finished floor to a minimum height of 4'-6" and 2) semi gloss paint on remaining wall areas, or other finish approved by the Government.
- B. All elevator areas that access the Space and hallways accessing the Space shall be covered with wall coverings not less than 20 ounces per square yard, high performance paint, or an equivalent.

3.26 PAINTING - SHELL (JUN 2012)

- A. The Lessor shall bear the expense for all painting associated with the Building shell. These areas shall include all common areas. Exterior perimeter walls and interior core walls within the Space shall be spackled and prime painted with low volatile organic compounds (VOC) primer. If any Building shell areas are already painted prior to TIs, then the Lessor shall repaint, at the Lessor's expense, as necessary during TIs.
- B. The costs for cyclical painting requirements as outlined in Section 6 shall be included in the shell rent.

3.27 FLOORS AND FLOOR LOAD (AUG 2011)

A. All adjoining floor areas shall be of a common level not varying more than 1/4 inch over a 10-foot horizontal run in accordance with the American Concrete Institute standards, non-slip, and acceptable to the LCO.

B. Under-floor surfaces shall be smooth and level. Office areas shall have a minimum live load capacity of 50 pounds per ABOA SF plus 20 pounds per ABOA SF for moveable partitions. Storage areas shall have a minimum live load capacity of 100 pounds per ABOA SF, including moveable partitions. Lessor may be required to provide a report by a registered structural engineer showing the floor load capacity, at the Lessor's expense. Calculations and structural drawings may also be required.

3.28 FLOOR COVERING AND PERIMETERS – SHELL (SUCCEEDING) (JUN 2012)

A. All Building common areas shall have finished floors, as currently provided.

B. The costs for cyclical carpet replacement requirements as outlined in Section 6 shall be included in the shell rent.

3.29 MECHANICAL, ELECTRICAL, PLUMBING: GENERAL (APR 2011)

The Lessor shall provide and operate all Building equipment and systems in accordance with applicable technical publications, manuals, and standard procedures. Mains, lines, and meters for utilities shall be provided by the Lessor. Exposed ducts, piping, and conduits are not permitted in office Space.

3.30 BUILDING SYSTEMS (APR 2011)

Whenever requested, the Lessor shall furnish to GSA as part of shell rent, a report by a registered professional engineer(s) showing that the Building and its systems as designed and constructed will satisfy the requirements of this Lease.

3.31 ELECTRICAL (JUN 2012)

A. The Lessor shall be responsible for meeting the applicable requirements of local codes and ordinances. When codes conflict, the more stringent standard shall apply. Main service facilities shall be enclosed. The enclosure may not be used for storage or other purposes and shall have door(s) fitted with an automatic deadlocking latch bolt with a minimum throw of 1/2 inch. Main distribution for standard office occupancy shall be provided at the Lessor's expense. All floors shall have 120/208 V, 3-phase, 4-wire with bond, 60 hertz electric service available. In no event shall such power distribution (not including lighting and HVAC) for the Space fall below 4 watts per ABOA SF.

B. Main power distribution switchboards and distribution and lighting panel boards shall be circuit breaker type with copper buses that are properly rated to provide the calculated fault circuits. All power distribution panel boards shall be supplied with separate equipment ground buses. All power distribution equipment shall be required to handle the actual specified and projected loads and 10 percent spare load capacity. Distribution panels are required to accommodate circuit breakers for the actual calculated needs and 10 percent spare circuits that will be equivalent to the majority of other circuit breakers in the panel system. Fuses and circuit breakers shall be plainly marked or labeled to identify circuits or equipment supplied through them.

C. Convenience outlets shall be installed in accordance with NFPA Standard 70, National Electrical Code, or local code, whichever is more stringent. The Lessor shall provide duplex utility outlets in restrooms, corridors, and dispensing areas.

3.32 INTENTIONALLY DELETED

3.33 DRINKING FOUNTAINS (APR 2011)

On each floor of Government-occupied Space, the Lessor shall provide a minimum of two drinking fountains with chilled potable water within 200 feet of travel from any Government-occupied area on the floor. The fountains shall comply with Section F211 of the Architectural Barriers Act Accessibility Standard.

3.34 RESTROOMS (SEP 2013)

A. If this Lease is satisfied by new construction or major alterations, Lessor shall provide water closets, sinks and urinals on each floor that is partially or fully occupied by the government per the following schedule. The schedule is per floor and based on a density of one person for each 135 ABOA SF of office Space, allocated as 50% women and 50% men. If major alterations to the restrooms occur during the term of this Lease, the number of fixtures must meet the schedule as part of the major alterations.

ESTIMATED TOTAL NUMBER OF PEOPLE PER FLOOR			(WOMEN'S) WATER CLOSETS	(WOMEN'S) SINKS	(MEN'S) WATER CLOSETS	(MEN'S) URINALS	(MEN'S) SINKS
1	to	8	2	1	1	1	1
9	to	24	3	2	2	1	1
25	to	36	3	2	2	1	2
37	to	56	5	3	3	2	2
57	to	75	6	4	4	2	2
76	to	96	6	5	4	2	3

97	to	119	7	5	5	2	3
120	to	134	9	5	6	3	4
Above 135			3/40	1/24	1/20	1/40	1/30

B. If no new construction or major renovation of a restroom is occurring, compliance with local code is sufficient. Separate restroom facilities for men and women shall be provided in accordance with local code or ordinances, on each floor occupied by the Government in the Building. The facilities shall be located so that employees will not be required to travel more than 200 feet, on one floor to reach the restrooms. Each restroom shall have sufficient water closets enclosed with modern stall partitions and doors, urinals (in men's room), and hot (set in accordance with applicable building codes) and cold water. Water closets and urinals shall not be visible when the exterior door is open.

C. Each main restroom shall contain the following:

1. A mirror and shelf above the lavatory.
2. A toilet paper dispenser in each water closet stall that will hold at least two rolls and allow easy, unrestricted dispensing.
3. A coat hook on the inside face of the door to each water closet stall and on several wall locations by the lavatories.
4. At least one modern paper towel dispenser, soap dispenser, and waste receptacle for every two lavatories.
5. A coin-operated sanitary napkin dispenser in women's restrooms with a waste receptacle in each water closet stall.
6. A disposable toilet seat cover dispenser.
7. A counter area of at least 2 feet, 0 inches in length, exclusive of the lavatories (however, it may be attached to the lavatories) with a mirror above and a ground-fault interrupter-type convenience outlet located adjacent to the counter area. The counter should be installed to minimize pooling or spilling of water at the front edge.
8. A floor drain.
9. For new installations and major renovations, restroom partitions shall be made from recovered materials as listed in EPA's CPG.

3.35 PLUMBING FIXTURES: WATER CONSERVATION (DEC 2011)

For new installations and whenever plumbing fixtures are being replaced (replacement per floor is required prior to Lease commencement in all instances of nonconformance where the Government occupies the full floor):

- A. Water closets must conform to EPA WaterSense or fixtures with equivalent flush volumes must be utilized.
- B. Urinals must conform to EPA WaterSense or fixtures with equivalent flush volumes must be utilized. Waterless urinals are acceptable.
- C. Faucets must conform to EPA WaterSense or fixtures with equivalent flow rates must be utilized.

Information on EPA WaterSense fixtures can be found at <http://www.epa.gov/watersense/>.

3.36 INTENTIONALLY DELETED

3.37 HEATING VENTILATION AND AIR CONDITIONING – SHELL (SEP 2013)

A. Central HVAC systems shall be installed and operational, including, as appropriate, main and branch lines, VAV boxes, dampers, flex ducts, and diffusers, for an open office layout, including all Building common areas. The Lessor shall provide conditioned air through medium pressure duct work at a rate of .75 cubic feet per minute per ABOA SF and systems shall be designed with sufficient systems capacity to meet all requirements in this Lease.

B. Areas having excessive heat gain or heat loss, or affected by solar radiation at different times of the day, shall be independently controlled.

C. Equipment Performance. Temperature control for office Spaces shall be provided by concealed central heating and air conditioning equipment. The equipment shall maintain Space temperature control over a range of internal load fluctuations of plus 0.5 W/SF to minus 1.5 W/SF from initial design requirements of the tenant.

D. Ductwork Re-use and Cleaning. Any ductwork to be reused and/or to remain in place shall be cleaned, tested, and demonstrated to be clean in accordance with the standards set forth by NADCA. The cleaning, testing, and demonstration shall occur immediately prior to Government occupancy to avoid contamination from construction dust and other airborne particulates.

E. During working hours in periods of heating and cooling, ventilation shall be provided in accordance with the latest edition of American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) Standard 62.1, Ventilation for Acceptable Indoor Air Quality.

F. Air filtration shall be provided and maintained with filters having a minimum efficiency rating as determined by the latest edition of ASHRAE Standard 52.2, Method of Testing General Ventilation Air Cleaning Devices for Removal Efficiency by Particle Size. Pre-filters shall have a Minimum Efficiency Reporting Value (MERV) efficiency of 8. Final filters shall have a MERV efficiency of 13.

G. Restrooms shall be properly exhausted, with a minimum of 10 air changes per hour.

3.38 TELECOMMUNICATIONS: DISTRIBUTION AND EQUIPMENT (SUCCEEDING) (SEPT 2011)

Telecommunications switch rooms, wire closets, and related spaces shall meet applicable NFPA standards. Bonding and grounding shall be in accordance with NFPA Standard 70, National Electrical Code, and other applicable NFPA standards and/or local code requirements.

3.39 TELECOMMUNICATIONS: LOCAL EXCHANGE ACCESS (JUN 2012)

A. The Government may elect to contract its own telecommunications (voice, data, video, Internet or other emerging technologies) service in the Space. The Government may contract with one or more parties to have INS wiring (or other transmission medium) and telecommunications equipment installed.

B. The Lessor shall allow the Government's designated telecommunications providers access to utilize existing Building wiring to connect its services to the Government's Space. If the existing Building wiring is insufficient to handle the transmission requirements of the Government's designated telecommunications providers, the Lessor shall provide access from the point of entry into the Building to the Government's floor Space, subject to any inherent limitations in the pathway involved.

C. The Lessor shall allow the Government's designated telecommunications providers to affix telecommunications antennas (high frequency, mobile, microwave, satellite, or other emerging technologies), subject to weight and wind load conditions, to roof, parapet, or Building envelope as required. Access from the antennas to the Premises shall be provided.

D. The Lessor shall allow the Government's designated telecommunications providers to affix antennas and transmission devices throughout the Space and in appropriate common areas frequented by the Government's employees to allow the use of cellular telephones and communications devices necessary to conduct business.

3.40 LIGHTING: INTERIOR AND PARKING - SHELL (SUCCEEDING) (SEP 2013)

NOTE: FOR PRICING ESTIMATING PURPOSES, FIXTURES WILL BE INSTALLED AT THE AVERAGE RATIO OF 1 FIXTURE PER 80 ABOA SF.

A. INTERIOR FIXTURES: High efficiency T-8, T-5, or LED light fixtures (and associated ballasts or drivers) shall be installed as either ceiling grid or pendant mounted for an open-office plan. Ceiling grid fixtures shall be either 2' wide by 4' long or 2' wide by 2' long. Lessor shall provide, as part of Shell Rent, a minimum overall lighting fixture efficiency of 85 percent. Lamps shall maintain a uniform color level throughout the lease term.

B. LIGHTING LEVELS: Fixtures shall have a minimum of two tubes and shall provide 50 foot-candles at desktop level (30" above finished floor) with a maximum uniformity ratio of 1.5:1. Lessor shall provide, as part of Shell Rent, 10 average foot-candles in all other Building areas within the Premises with a uniformity ratio of 4:1. Emergency egress lighting levels shall be provided in accordance with the local applicable building codes (but not less than 1 foot-candle) by either an onsite emergency generator or fixture mounted battery packs.

F. BUILDING PERIMETER:

1. Exterior parking areas, vehicle driveways, pedestrian walks, and the Building perimeter lighting levels shall be designed per Illuminating Engineering Society (IES) standards. Provide 5 foot-candles for doorway areas, 3 foot-candles for transition areas and at least 5 foot-candles throughout the parking lot. Parking lot fixtures shall provide a maximum to minimum uniformity ratio of 10:1.

2. If the leased space is 100 percent occupied by Government tenants, all exterior parking lot fixtures shall be "Dark Sky" compliant with no property line trespass.

G. PARKING STRUCTURES: The minimum illuminance level for parking structures is 5 foot-candles as measured on the floor with a uniformity ratio of 10:1.

H. PARKING SENSORS: If the leased space is 100 percent occupied by Government tenants, exterior parking area and parking structure lighting shall be sensor or BAS controlled in order that it may be programmed to produce reduced lighting levels during non use. This non-use time period will normally be from 11:00 pm to 6:00 am.

I. EXTERIOR POWER BACKUP: Exterior egress, walkway, parking lot, and parking structure lighting must have emergency power backup to provide for safe evacuation of the Building.

3.41 ACOUSTICAL REQUIREMENTS (JUN 2012)

A. Reverberation Control. Private office and conference rooms using suspended acoustical ceilings shall have a noise reduction coefficient (NRC) of not less than 0.65 in accordance with ASTM C-423. Open office using suspended acoustical ceilings shall have an NRC of not less than 0.75. Private offices, conference rooms, and open offices using acoustical cloud or acoustical wall panels with a minimum of 70% coverage shall have an NRC of not less than 0.85.

B. Ambient Noise Control. Ambient noise from mechanical equipment shall not exceed noise criteria curve (NC) 35 in accordance with the ASHRAE Handbook of Fundamentals in offices and conference rooms; NC 40 in corridors, cafeterias, lobbies, and restrooms; NC 50 in other spaces.

C. Noise Isolation. Rooms separated from adjacent spaces by ceiling high partitions (not including doors) shall not be less than the following noise isolation class (NIC) standards when tested in accordance with ASTM E-336:

Conference rooms: NIC 40
Offices: NIC 35

D. Testing. The LCO may require, at Lessor's expense, test reports by a qualified acoustical consultant showing that acoustical requirements have been met.

3.42 INDOOR AIR QUALITY DURING CONSTRUCTION (SEP 2013)

- A. The Lessor shall provide to the Government material safety data sheets (MSDS) or other appropriate documents upon request, but prior to installation or use for the following products, including but not limited to, adhesives, caulking, sealants, insulating materials, fireproofing or fire stopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finishes for wood surfaces, janitorial cleaning products, and pest control products.
- B. The LCO may eliminate from consideration products with significant quantities of toxic, flammable, corrosive, or carcinogenic material and products with potential for harmful chemical emissions. Materials used often or in large quantities will receive the greatest amount of review.
- C. All MSDS shall comply with Occupational Safety and Health Administration (OSHA) requirements. The Lessor and its agents shall comply with all recommended measures in the MSDS to protect the health and safety of personnel.
- D. To the greatest extent possible, the Lessor shall sequence the installation of finish materials so that materials that are high emitters of volatile organic compounds (VOCs) are installed and allowed to cure before installing interior finish materials, especially soft materials that are woven, fibrous, or porous in nature, that may adsorb contaminants and release them over time.
- E. Where demolition or construction work occurs adjacent to occupied Space, the Lessor shall erect appropriate barriers (noise, dust, odor, etc.) and take necessary steps to minimize interference with the occupants. This includes maintaining acceptable temperature, humidity, and ventilation in the occupied areas during window removal, window replacement, or similar types of work.
- F. HVAC during Construction: If air handlers are used during construction, the Lessor shall provide filtration media with a MERV of 8 at each return air grill, as determined by the latest edition of ASHRAE Standard 52.2, Method of Testing General Ventilation Air Cleaning Devices for Removal Efficiency by Particle Size. The permanent HVAC system may be used to move both supply and return air during the construction process only if the following conditions are met:
1. A complete air filtration system with 60 percent efficiency filters is installed and properly maintained;
 2. No permanent diffusers are used;
 3. No plenum type return air system is employed;
 4. The HVAC duct system is adequately sealed to prevent the spread of airborne particulate and other contaminants; and
 5. Following the Building "flush out," all duct systems are vacuumed with portable high-efficiency particulate arrestance (HEPA) vacuums and documented clean in accordance with National Air Duct Cleaners Association (NADCA) specifications.
- G. Flush-Out Procedure:
1. A final flush-out period of 72 hours minimum is required after installation of all interior finishes and before occupancy of the Space. The Lessor shall ventilate 24 hours a day, with new filtration media at 100% outdoor air (or maximum outdoor air while achieving a relative humidity not greater than 60%).
 2. After the 3-day period the Space may be occupied; however, the flush-out must continue for 30 days using the maximum percentage of outdoor air consistent with achieving thermal comfort and humidity control.
 3. Any deviation from this ventilation plan must be approved by the LCO.
 4. The Lessor is required to provide regularly occupied areas of the Space with new air filtration media before occupancy that provides a MERV of 13 or better.
 5. During construction, meet or exceed the recommended design approaches of the Sheet Metal and Air Conditioning National Contractors Association (SMACNA) IAQ Guideline for Occupied Buildings Under Construction, 1995, Chapter 3.
 6. Protect stored onsite and installed absorptive materials from moisture damage.

3.43 SYSTEMS COMMISSIONING (APR 2011)

The Lessor shall incorporate commissioning requirements to verify that the installation and performance of energy consuming systems meet the Government's project requirements. The commissioning shall cover only work associated with TIs or alterations or at a minimum: heating, ventilating, air conditioning and refrigeration (HVAC&R) systems and associated controls, lighting controls, and domestic hot water systems.

3.44 DUE DILIGENCE AND NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENTS – LEASE (SEP 2014)

A. Environmental Due Diligence

Lessor is responsible for performing all necessary "response" actions (as that term is defined at 42 U.S.C. § 9601(25) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA)) with regard to all "recognized environmental conditions," as that term is defined in ASTM Standard E1527-13, as such standard may be revised from time to time. This obligation extends to any contamination of the Property where such contamination is not attributable to the Government. Lessor must provide the Government with a summary report demonstrating completion of all required response actions prior to Substantial Completion. Any remediation performed by or on behalf of Lessor must be undertaken in strict compliance with all applicable federal, state and local laws and regulations.

B. National Environmental Policy Act

The National Environmental Policy Act regulations provide for analyzing proposed major federal actions to determine if there are ways to mitigate the impact of the proposed actions to avoid, minimize, rectify, reduce, or compensate for environmental impacts associated with such actions. Where the Government has determined that any or all of these mitigation measures should be or must be adopted to lessen the impact of these proposed actions, Lessor must incorporate all mitigation measures identified and adopted by the Government in the design and construction drawings and specifications. All costs and expenses for development of design alternatives, mitigation measures and review submittals for work to be performed under the Lease are the sole responsibility of Lessor.

3.45 NATIONAL HISTORIC PRESERVATION ACT REQUIREMENTS - LEASE (SEP 2014)

A. Where a Memorandum of Agreement or other pre-award agreement concluding the Section 106 consultation includes mitigation, design review or other continuing responsibilities of the Government, Lessor must allow the Government access to the Property to carry out compliance activities. Compliance may require excavation for artifact recovery, recordation and interpretation. For Tenant Improvements and other tenant-driven alterations within an existing historic building, new construction or exterior alterations that could affect historic properties, compliance also may require on-going design review. In these instances, Lessor will be required to retain, at its sole cost and expense, the services of a preservation architect who meets or exceeds the *Secretary of the Interior's Professional Qualifications Standards for Historic Architecture*, as amended and annotated and previously published in the Code of Federal Regulations, 36 C.F.R. part 61, and the *GSA Qualifications Standards for Preservation Architects*. These standards are available at: [HTTP://WWW.GSA.GOV/HISTORICPRESERVATION](http://www.gsa.gov/historicpreservation)>Project Management Tools> Qualification Requirements for Preservation Architects. The preservation architect will be responsible for developing preservation design solutions and project documentation required for review by the Government, the State Historic Preservation Officer (SHPO), the Tribal Historic Preservation Officer (THPO), if applicable, and other consulting parties in accordance with Section 106. For Tenant Improvements and other tenant-driven alterations within an existing historic building, the preservation architect must develop context-sensitive design options consistent with the *Secretary of the Interior's Standards for the Treatment of Historic Properties*. Where new construction or exterior alterations, or both, are located within a historic district, may be visible from historic properties or may affect archeological resources, compliance may require tailoring the design of the improvements to be compatible with the surrounding area. Design review may require multiple revised submissions, depending on the complexity of the project and potential for adverse effects to historic properties. GSA is responsible for corresponding with the SHPO, the THPO, if applicable, and any other consulting party.

B. Compliance requirements under Section 106 apply to all historic property alterations and new construction, regardless of the magnitude, complexity or cost of the proposed scope of work.

C. The costs for development of design alternatives and review submittals for work required under the Lease are the sole responsibility of Lessor. In addition, building shell costs relating to such design alternatives are the sole responsibility of Lessor and must be included in the shell rent. Such costs may be offset by federal, state or local preservation tax benefits. Lessor is encouraged to seek independent financial and legal advice concerning the availability of these tax benefits.

SECTION 4 DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES

4.01 SCHEDULE FOR COMPLETION OF SPACE (SUCCEEDING) (JUN 2012)

No design and construction activities are required for this Succeeding Lease.

4.02 INTENTIONALLY DELETED

4.03 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SUCCEEDING) (SEP 2013)

A. The Government shall accept the Space only if the construction of Building shell and TIs conforming to this Lease is substantially complete, a Certificate of Occupancy (C of O) has been issued as set forth below and the Building improvements necessary for acceptance as described in the paragraph "Building Improvements" are completed.

B. The Space shall be considered substantially complete only if the Space may be used for its intended purpose and completion of remaining work will not interfere unreasonably with the Government's enjoyment of the Space. Acceptance shall be final and binding upon the Government with respect to the completion of the TIs, with the exception of items identified on a punch list generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other Lease requirements.

C. The Lessor shall provide a valid C of O, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report from a licensed fire protection engineer indicating the Space and Building are compliant with all fire protection and life safety-related requirements of this Lease.

D. At acceptance, the Lease term shall commence and the Lease Term Commencement Date shall be memorialized by Lease Amendment.

E. The Government will not be required to accept space prior to the schedule outlined in this Lease.

4.04 AS-BUILT DRAWINGS (JUN 2012)

No as-built drawings required for this Succeeding Lease.

4.05 INTENTIONALLY DELETED

SECTION 5 TENANT IMPROVEMENT COMPONENTS

5.01 TENANT IMPROVEMENT REQUIREMENTS (SEP 2013)

The TIs shall be designed, constructed, and maintained in accordance with the standards set forth in this Lease. For pricing, only those requirements designated as TIs within this section, or designated as TIs within the attached agency requirements and Security Requirements, shall be deemed to be TI costs.

5.02 FINISH SELECTIONS (SUCCEEDING) (SEPT 2011)

The Lessor must consult with the Government prior to developing a minimum of three (3) finish options to include coordinated samples of finishes for all interior elements such as paint, wall coverings, base coving, carpet, window treatments, laminates, and flooring. All samples provided must comply with specifications set forth elsewhere in this Lease. All required finish option samples must be provided at no additional cost to the Government within 10 Working Days after Lease award. GSA must deliver necessary finish selections to the Lessor within 10 Working Days after receipt of samples. The finish options must be approved by GSA prior to installation. The Lessor may not make any substitutions after the finish option is selected.

5.03 DOORS: INTERIOR (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Doors within the Space shall be provided as part of the TIs and shall have a minimum clear opening of 32" wide x 80" high. Doors shall be flush, solid core, wood with a natural wood veneer face or an equivalent door pre-approved by the LCO. Hollow core wood doors are not acceptable. They shall be operable with a single effort, and shall meet the requirements of NFPA 101, Life Safety Code or the International Building Code (current as of the Lease Award Date). Doors shall be installed in a metal frame assembly which is primed and finished with a low VOC semi-gloss oil-based paint with no formaldehyde.

5.04 DOORS: HARDWARE (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Doors shall have door handles or door pulls with heavyweight hinges. The Lessor is encouraged to avoid the use of chrome-plated hardware. All doors shall have corresponding doorstops (wall- or floor-mounted) and silencers. All door entrances leading into the Space from public corridors and exterior doors shall have automatic door closers. Doors designated by the Government shall be equipped with 5-pin, tumbler cylinder locks and strike plates. All locks shall be master keyed. Furnish at least two master keys for each lock to the Government. Any exterior entrance shall have a high security lock, with appropriate key control procedures, as determined by Government specifications. Hinge pins and hasps shall be secured against unauthorized removal by using spot welds or pinned mounting bolts. The exterior side of the door shall have a lock guard or astragal to prevent tampering of the latch hardware. Doors used for egress only shall not have any operable exterior hardware. All security-locking arrangements on doors used for egress shall comply with requirements of NFPA 101 or the International Building Code current as of the Lease Award Date.

5.05 PARTITIONS: SUBDIVIDING (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

- A. Office subdividing partitions shall comply with applicable building codes and local requirements and ordinances shall be provided as part of the TIs. Partitioning shall extend from the finished floor to the finished ceiling and shall be designed to provide a minimum sound transmission class (STC) of 37. They shall have a flame spread rating of 25 or less and a smoke development rating of 450 or less (ASTM E-84).
- B. HVAC shall be rebalanced and lighting repositioned, as appropriate, after installation of partitions.
- C. If installed in accordance with the "Automatic Fire Sprinkler System" and "Fire Alarm System" paragraphs, sprinklers and fire alarm notification appliances shall be repositioned as appropriate after installation of partitions to maintain the level of fire protection and life safety.

5.06 WALL FINISHES (JUN 2012)

If the Government chooses to install a wall covering, the minimum standard is vinyl-free, chlorine-free, plasticizer-free wall covering with recycled content or bio-based commercial wall covering weighing not less than 13 ounces per square yard or equivalent. If the Government chooses to install a high-performance paint coating, it shall comply with the VOC limits of the Green Seal Standard GS-11.

5.07 PAINTING –TI (SEP 2013)

- A. If the Government requests interior painting, at the Government's expense, the colors must be acceptable to the Government.
- B. The Lessor shall provide interior paints and coatings that meet or are equivalent to the following standards for VOC off gassing:
 - 1. Topcoat paints: Green Seal Standard GS-11, Paints, First Edition, May 20, 1993.
 - 2. All other architectural coatings, primers, and undercoats: South Coast Air Quality Management District (SCAQMD) Rule 1113, Architectural Coatings, effective January 1, 2004.
 - 3. Architectural paints, coatings, and primers applied to interior walls and ceilings:

- a. Flats: 50 grams per liter (g/L).
 - b. Non-flats: 150 g/L.
4. Anti-corrosive and anti-rust paints applied to interior ferrous metal substrates: 250 g/L.
5. Clear wood finishes:
 - a. Varnish: 350 g/L.
 - b. Lacquer: 550 g/L.
6. Floor coatings: 100 g/L.
7. Sealers:
 - a. Waterproofing sealers: 250 g/L.
 - b. Sanding sealers: 275 g/L.
 - c. All other sealers: 200 g/L.
8. Shellacs:
 - a. Clear: 730 g/L.
 - b. Pigmented: 550 g/L.
9. Stains: 250 g/L.

C. Use reprocessed latex paint in accordance with EPA's CPG (Comprehensive Procurement Guidelines) on all painted surfaces where feasible. The type of paint shall be acceptable to the Government.

5.08 FLOOR COVERINGS AND PERIMETERS (SEP 2013)

A. Broadloom carpet or carpet tiles shall meet the requirements set forth in the specifications below. Floor perimeters at partitions shall have wood, rubber, vinyl, or carpet base. Floor covering shall be installed in accordance with manufacturing instructions to lay smoothly and evenly.

B. The use of existing carpet may be approved by the Government; however, existing carpet shall be repaired, stretched, and cleaned before occupancy and shall meet the static buildup requirement as stated in the specifications below.

C. Any alternate flooring shall be pre-approved by the Government.

D. SPECIFICATIONS FOR CARPET TO BE NEWLY INSTALLED OR REPLACED

1. Product sustainability and environmental requirements. In order to achieve superior performance in multiple environmental attribute areas, carpet must have third party certification in accordance with ANSI/NSF 140 2007e Sustainable Carpet Assessment Standard at a "Gold" level minimum. Carpet manufacturer must supply certificate as part of the procurement documentation.

2. Recycled content: Recycled content is measured by total product weight of pre-consumer and/or post-consumer materials.

3. Low emitting materials. The carpet and floor adhesive (for glue-down installations) must meet the Green Label Plus (GLP) and floor adhesive (for direct glue down) requirements of the Carpet and Rug Institute (CRI). GLP number must be provided. Carpet and all installation components including adhesives, sealers, seam welds, and seam sealers must meet the Low Emitting Materials standards as outlined in U.S. Green Building Council LEED criteria. Adhesives must meet VOC content standards per South Coast Air Quality Management District Rule #1168.

4. Face fiber content. Face yarn must be 100 percent nylon fiber. Loop Pile shall be 100 percent Bulk Continuous Filament (BCF); cut and loop shall be 100 percent BCF for the loop portion and may be BCF or staple for the cut portion; cut pile carpet shall be staple or BCF.

5. Performance requirements for broadloom and modular tile.

- a. Static: Less than or equal to 3.5 kV when tested by AATCC Test Method 134 (Step Test Option).
- b. Flammability: Meets CPSC-FF-1-70, DOC-FF-1-70 Methenamine Tablet Test criteria.
- c. Flooring Radiant Panel Test: Meets NFPA 253 Class I or II depending upon occupancy and fire code when tested under ASTM E-648 for glue down installation.
- d. Smoke Density: NBS Smoke Chamber - Less than 450 Flaming Mode when tested under ASTM E-662.

NOTE: Testing must be performed in a NVLAP accredited laboratory.

6. Texture Appearance Retention Rating (TARR). Carpet must meet TARR ratings specified below:

Space Definition	Traffic Classification	TARR Classification
Private Offices	Moderate	≥ 3.0 TARR
Training, conference, courtrooms, etc	Heavy	≥ 3.0 TARR
Open Office, cafeteria, corridors, lobbies	Severe	≥ 3.5 TARR

The carpet must be evaluated using ASTM D-5252 Hexapod Drum Test as per the commercial carpet test procedure and the TARR classification determined using ASTM D-7330.

- 7. Carpet reclamation. Reclamation of existing carpet to be determined with potential vendor. When carpet is replaced, submit certification documentation from the reclamation facility to the LCO.

8. Warranty. Submit a copy of the manufacturer's standard warranty to the LCO within the first 60 days of Government occupancy. The Government is to be a beneficiary of the terms of this warranty.

5.09 HEATING AND AIR CONDITIONING (SUCCEEDING) (JUN 2012)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

Zone Control. Provide individual thermostat control for office Space with control areas not to exceed 1,500 ABOA SF. Interior spaces must be separately zoned. Specialty occupancies (conference rooms, kitchens, etc.) must have active controls capable of sensing Space use and modulating HVAC system in response to Space demand. Areas that routinely have extended hours of operation shall be environmentally controlled through dedicated heating and air conditioning equipment. Special purpose areas (such as photocopy centers, large conference rooms, computer rooms, etc.) with an internal cooling load in excess of 5 tons shall be independently controlled. Provide concealed package air conditioning equipment to meet localized spot cooling of tenant special equipment. Portable space heaters are prohibited.

5.10 ELECTRICAL: DISTRIBUTION (SUCCEEDING) (JUN 2012)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

- A. All electrical outlets shall be installed in accordance with NFPA Standard 70.
- B. All outlets within the Space shall be marked and coded for ease of wire tracing; outlets shall be circuited separately from lighting. All floor outlets shall be flush with the plane of the finished floor. Outlet cover colors shall be coordinated with partition finish selections.
- C. The Lessor shall in all cases safely conceal outlets and associated wiring (for electricity, voice, and data) to the workstation(s) in partitions, ceiling plenums, in recessed floor ducts, under raised flooring, or by use of a method acceptable to the Government.

5.11 LIGHTING: INTERIOR AND PARKING – TI (SUCCEEDING) (SEP 2013)

The following requirements pertain to repair or replacement due to maintenance or alterations performed throughout the term of the Lease:

- A. **FIXTURES:** The Lessor shall provide interior lighting to comply with requirements under the paragraph, "Lighting: Interior and Parking – Shell (Succeeding)."
- B. **BUILDING PERIMETER:** There may be additional requirements for lighting in exterior parking areas, vehicle driveways, pedestrian walkways, and Building perimeter in the Security Requirements attached to this Lease.

SECTION 6 UTILITIES, SERVICES, AND OBLIGATIONS DURING THE LEASE TERM

6.01 PROVISION OF SERVICES, ACCESS, AND NORMAL HOURS (JUN 2012)

A. The Government's normal hours of operations are established as **7:00 AM to 5:00 PM**, Monday through Friday, with the exception of Federal holidays. Services, maintenance, and utilities shall be provided during these hours. The Government shall have access to the Premises and its Appurtenant Areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, restrooms, lights, and electric power. Cleaning shall be performed during normal hours.

B. The Lessor and the Lessor's representatives, employees and contractors shall demonstrate a cooperative, positive, welcoming, respectful, professional and business-like demeanor and shall present a neat, clean, job-appropriate (professional) appearance.

6.02 UTILITIES (APR 2011)

The Lessor is responsible for providing all utilities necessary for base Building and tenant operations as part of the rental consideration.

6.03 INTENTIONALLY DELETED

6.04 UTILITY CONSUMPTION REPORTING (JUN 2012)

Upon request from the Lease Contracting Officer or Contracting Officer's Representative, the Lessor shall provide regular quarterly reports of the amount of all utilities consumed at the Building in monthly detail for the duration of the Lease. These reports must be provided within 45 days of the end of each quarterly period and shall be in either written or electronic form, as requested by the Government. The reports shall contain the number of actual units consumed. If reports are available detailing only the Government's consumption, then the reports shall be limited solely to the Government's consumption. Additionally, said reports shall indicate, for each utility being reported, the use of the specific utility. For example, electricity consumption shall indicate if it includes heating or air conditioning, and if so, whether just diffusers or diffusers and heating are included in electricity consumption.

6.05 HEATING AND AIR CONDITIONING (SEP 2014)

A. In all office areas, temperatures shall conform to local commercial equivalent temperature levels and operating practices in order to maximize tenant satisfaction. These temperatures shall be maintained throughout the leased Premises and service areas, regardless of outside temperatures, during the hours of operation specified in the Lease. The Lessor shall perform any necessary systems start-up required to meet the commercially equivalent temperature levels prior to the first hour of each day's operation. At all times, humidity shall be maintained below 60% relative humidity.

B. During non working hours, heating temperatures shall be set no higher than 55° Fahrenheit, and air conditioning shall not be provided except as necessary to return Space temperatures to a suitable level for the beginning of working hours. Thermostats shall be secured from manual operation by key or locked cage. A key shall be provided to the Government's designated representative.

C. Thermal comfort. During all working hours, comply with the latest edition of ASHRAE Standard 55, Thermal Comfort Conditions for Human Occupancy.

D. Warehouse or garage areas require heating and ventilation only. Cooling of this Space is not required. Temperature of warehouse or garage areas shall be maintained at a minimum of 50° Fahrenheit.

E. The Lessor shall conduct HVAC system balancing after any HVAC system alterations during the term of the Lease and shall make a reasonable attempt to schedule major construction outside of office hours.

F. Normal HVAC systems' maintenance shall not disrupt tenant operations.

G. The Server room located on the Premises shall receive cooling at all times (24 hrs a day, 365 days a year) for purposes of cooling the designated server room. The temperature of this room shall be maintained at 65 degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

6.06 OVERTIME HVAC USAGE (JUN 2012)

A. If there is to be a charge for heating or cooling outside of the Building's normal hours, such services shall be provided at the hourly rates set forth elsewhere in the Lease. Overtime usage services may be ordered by the Government's authorized representative only.

B. When the cost of service is \$3,000 or less, the service may be ordered orally. An invoice shall be submitted to the official placing the order for certification and payment. Orders for services costing more than \$3,000 shall be placed using GSA Form 300, Order for Supplies or Services, or other approved service requisition procurement document. An invoice conforming to the requirements of this Lease shall be submitted to the official placing the order for certification and payment.

C. Failure to submit a proper invoice within 120 days of providing overtime utilities shall constitute a waiver of the Lessor's right to receive any payment for such overtime utilities pursuant to this Lease.

6.07 JANITORIAL SERVICES (JUN 2012)

The Lessor shall maintain the Premises and all areas of the Property to which the Government has routine access in a clean condition and shall provide supplies and equipment for the term of the Lease. The following schedule describes the level of services intended. Performance will be based on the LCO's evaluation of results, not the frequency or method of performance.

- A. Daily. Empty trash receptacles. Sweep entrances, lobbies, and corridors. Spot sweep floors, and spot vacuum carpets. Clean drinking fountains. Sweep and damp mop or scrub restrooms. Clean all restroom fixtures, and replenish restroom supplies. Dispose of all trash and garbage generated in or about the Building. Wash inside and out or steam clean cans used for collection of food remnants from snack bars and vending machines. Dust horizontal surfaces that are readily available and visibly require dusting. Spray buff resilient floors in main corridors, entrances, and lobbies. Clean elevators and escalators. Remove carpet stains. Police sidewalks, parking areas, and driveways. Sweep loading dock areas and platforms. Clean glass entry doors to the Space.
- B. Three times a week. Sweep or vacuum stairs.
- C. Weekly. Damp mop and spray buff all resilient floors in restrooms and health units. Sweep sidewalks, parking areas, and driveways (weather permitting).
- D. Every two weeks. Spray buff resilient floors in secondary corridors, entrance, and lobbies. Damp mop and spray buff hard and resilient floors in office Space.
- E. Monthly. Thoroughly dust furniture. Completely sweep and/or vacuum carpets. Sweep storage Space. Spot clean all wall surfaces within 70 inches of the floor.
- F. Every two months. Damp wipe restroom wastepaper receptacles, stall partitions, doors, window sills, and frames. Shampoo entrance and elevator carpets.
- G. Three times a year. Dust wall surfaces within 70 inches of the floor, vertical surfaces and under surfaces. Clean metal and marble surfaces in lobbies. Wet mop or scrub garages.
- H. Twice a year. Wash all interior and exterior windows and other glass surfaces. Strip and apply four coats of finish to resilient floors in restrooms. Strip and refinish main corridors and other heavy traffic areas.
- I. Annually. Wash all venetian blinds, and dust 6 months from washing. Vacuum or dust all surfaces in the Building more than 70 inches from the floor, including light fixtures. Vacuum all draperies in place. Strip and refinish floors in offices and secondary lobbies and corridors. Shampoo carpets in corridors and lobbies. Clean balconies, ledges, courts, areaways, and flat roofs.
- J. Every two years. Shampoo carpets in all offices and other non-public areas.
- K. Every five years. Dry clean or wash (as appropriate) all draperies.
- L. As required. Properly maintain plants and lawns. Provide initial supply, installation, and replacement of light bulbs, tubes, ballasts, and starters. Provide and empty exterior ash cans and clean area of any discarded cigarette butts.
- M. Pest control. Control pests as appropriate, using Integrated Pest Management techniques, as specified in the GSA Environmental Management Integrated Pest Management Technique Guide (E402-1001).

6.08 SELECTION OF CLEANING PRODUCTS (APR 2011)

The Lessor shall make careful selection of janitorial cleaning products and equipment to:

- A. Use products that are packaged ecologically;
- B. Use products and equipment considered environmentally beneficial and/or recycled products that are phosphate free, non-corrosive, non-flammable, and fully biodegradable; and
- C. Minimize the use of harsh chemicals and the release of irritating fumes.

NOTE: Examples of acceptable products may be found at www.gsa.gov/p2products.

6.09 SELECTION OF PAPER PRODUCTS (JUN 2012)

The Lessor shall select paper and paper products (e.g., restroom tissue and paper towels) with recycled content conforming to EPA's CPG.

6.10 SNOW REMOVAL (APR 2011)

Lessor shall provide snow removal services for the Government on all days for which this Lease has designated normal hours. Lessor shall clear parking lots if the accumulation of snow exceeds two inches. Lessor shall clear sidewalks, walkways and other entrances before accumulation exceeds 1.5 inches. The snow removal shall take place no later than 5:00 AM, without exception. Should accumulation continue throughout the day, the Lessor shall provide such additional snow removal services to prevent accumulation greater than the maximums specified in this paragraph. In addition to snow removal, the Lessor shall keep walkways, sidewalks and parking lots free of ice during the normal hours. The Lessor shall remove

excess buildup of sand and/or ice melt to minimize slipping hazards. If the Building entrance(s) has a northern exposure, then Lessor shall take additional measures to protect the safety of pedestrians.

6.11 MAINTENANCE AND TESTING OF SYSTEMS (SEP 2013)

A. The Lessor is responsible for the total maintenance and repair of the leased Premises. Such maintenance and repairs include the site and private access roads. All equipment and systems shall be maintained to provide reliable, energy efficient service without unusual interruption, disturbing noises, exposure to fire or safety hazards, uncomfortable drafts, excessive air velocities, or unusual emissions of dirt. The Lessor's maintenance responsibility includes initial supply and replacement of all supplies, materials, and equipment necessary for such maintenance. Maintenance, testing, and inspection of appropriate equipment and systems shall be done in accordance with current applicable codes, and inspection certificates shall be displayed as appropriate. Copies of all records in this regard shall be forwarded to the Government's designated representative.

B. At the Lessor's expense, the Government reserves the right to require documentation of proper operations, inspection, testing, and maintenance of fire protection systems, such as, but not limited to, fire alarm, fire sprinkler, standpipes, fire pump, emergency lighting, illuminated exit signs, emergency generator. prior to occupancy to ensure proper operation. These tests shall be witnessed by the Government's designated representative.

6.12 MAINTENANCE OF PROVIDED FINISHES (SEP 2013)

A. Paint, wall coverings. Lessor shall maintain all wall coverings and high performance paint coatings in "like new" condition for the life of the Lease. All painted surfaces, shall be repainted at the Lessor's expense, including the moving and returning of furnishings, any time during the occupancy by the Government if the paint is peeling or permanently stained, except where damaged due to the negligence of the Government. All work shall be done after normal working hours as defined elsewhere in this Lease.

B. Carpet and flooring.

1. Except when damaged by the Government, the Lessor shall repair or replace flooring at any time during the Lease term when:

- a. Backing or underlayment is exposed;
- b. There are noticeable variations in surface color or texture;
- c. It has curls, upturned edges, or other noticeable variations in texture;
- d. Tiles are loose; or,
- e. Tears or tripping hazards are present.

2. Repair or replacement shall include the moving and returning of furnishings, including disassembly and reassembly of systems furniture per manufacturer's warranty, if necessary. Work shall be performed after the normal hours established elsewhere in this Lease.

6.13 ASBESTOS ABATEMENT (APR 2011)

If asbestos abatement work is to be performed in the Space after occupancy, the Lessor shall submit to the Government the occupant safety plan and a description of the methods of abatement and re-occupancy clearance, in accordance with OSHA, EPA, DOT, state, and local regulations and guidance, at least 4 weeks prior to the abatement work.

6.14 ONSITE LESSOR MANAGEMENT (APR 2011)

The Lessor shall provide an onsite Building superintendent or a locally designated representative available to promptly respond to deficiencies, and immediately address all emergency situations.

6.15 IDENTITY VERIFICATION OF PERSONNEL (SEP 2013)

A. The Government reserves the right to verify identities of personnel with routine pre-occupancy and/or unaccompanied access to Government space. The Lessor shall comply with the agency personal identity verification procedures below that implement Homeland Security Presidential Directive-12 (HSPD-12), Office of Management and Budget (OMB) guidance M-05-24 and M11-11, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, as amended.

B. The Government reserves the right to conduct additional background checks on Lessor personnel and contractors with routine access to Government leased space throughout the term of the Lease.

C. Upon request, the Lessor will notify the Government whether they will use either the manual process and submit completed fingerprint charts and background investigation forms, or use the electronic process of ID verification, completed through the e-QIP system. This would be done for each employee of the Lessor, as well as employees of the Lessor's contractors or subcontractors who will provide building operating services requiring routine access to the Government's leased space for a period greater than 6 months. The Government may also require this information for the Lessor's employees, contractors, or subcontractors who will be engaged to perform alterations or emergency repairs in the Government's space.

1. **MANUAL PROCESS:** The Lessor shall provide Form FD 258, Fingerprint Chart (available from the Government Printing Office at <http://bookstore.gpo.gov>), and Standard Form 85P, Questionnaire for Public Trust Positions, completed by each person and returned to the Lease Contracting Officer (or the contracting officer's designated representative) within 30 days from receipt of the forms.

2. **ELECTRONIC PROCESS:** The electronic process will be done through the e-QIP system. The Lessor's contractor/personnel will receive an email along with instructions for completing the Office of Personnel Electronic Questionnaire (e-QIP). The contractor/personnel will have up to (7)

seven business days to login and complete the e-QIP for the background investigation. The contractor/personnel will be instructed to access the website, and receive on screen instructions which include but it is not limited to:

- a) How to Log In
- b) How to Answer and Create New Golden Questions
- c) What Additional Documents to Send
- d) To Print and Sign two Signature Forms (Certification That My Answers Are True)
- e) To complete the submission process, press the "Release /Request Transmit to the Agency" and exit the process
- f) Where to Send.

The Lessor must ensure prompt input, and timely receipt of the following, from their contractor/personnel:

- a) Two FBI Fingerprint Cards (Form FD-258) or one card produced by a livescan device,
- b) Certification That My Answers Are True
- c) Authorization for Release of Information.

D. The Lessor must ensure the contracting officer (or the contracting officer's designated representative) has all of the requested documentation to ensure the completion of the investigation.

E. Based on the information furnished, the Government will conduct background investigations of the employees. The contracting officer will advise the Lessor in writing if an employee fails the investigation, and, effective immediately, the employee will no longer be allowed to work or be assigned to work in the Government's space.

F. Throughout the life of the lease, the Lessor shall provide the same data for any new employees, contractors, or subcontractors who will be assigned to the Government's space. In the event the Lessor's contractor or subcontractor is subsequently replaced, the new contractor or subcontractor is not required to submit another set of these forms for employees who were cleared through this process while employed by the former contractor or subcontractor. The Lessor shall resubmit Form FD 258 and Standard Form 85P for every employee covered by this paragraph on a 5 year basis.

G. The Lessor shall insert this paragraph in all subcontracts when the subcontractor is required to have physical access to a federally controlled facility or access to a federal information system.

6.16 SCHEDULE OF PERIODIC SERVICES (JUN 2012)

Within 60 days after occupancy by the Government, the Lessor shall provide the LCO with a detailed written schedule of all periodic services and maintenance to be performed other than daily, weekly, or monthly.

6.17 LANDSCAPING (SUCCEEDING) (JUN 2012)

A. Landscape management practices shall prevent pollution by:

1. Employing practices which avoid or minimize the need for fertilizers and pesticides;
2. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and
3. Composting/recycling all yard waste.

B. The Lessor shall use landscaping products with recycled content as required by EPA's CPG Guidelines for landscaping products. Refer to EPA's CPG web site, www.epa.gov/cpg.

6.18 LANDSCAPE MAINTENANCE (APR 2011)

Landscape maintenance shall be performed during the growing season at not less than a weekly cycle and shall consist of watering, weeding, mowing, and policing the area to keep it free of debris. Pruning and fertilization shall be done on an as-needed basis. In addition, dead, dying, or damaged plants shall be replaced.

6.19 RECYCLING (JUN 2012)

A. For Leases greater than 10,000 rentable SF, with a Lease term greater than six months, the Lessor shall establish a recycling program for (at a minimum) paper, corrugated cardboard, glass, plastics, and metals where local markets for recovered materials exist.

B. Where state or local law, code, or ordinance requires recycling programs for the Premises, Lessor shall comply with such state and/or local law, code, or ordinance.

C. When implementing any recycling program, the Lessor shall provide an easily accessible, appropriately sized area (2 SF per 1,000 SF of Building gross floor area) that serves the Space for the collection and storage of materials for recycling. Telecom rooms are not acceptable as recycling space. During the Lease term, the Lessor agrees, upon request, to provide the Government with additional information concerning recycling programs maintained in the Building and in the Space.

6.20 RANDOLPH-SHEPPARD COMPLIANCE (SEP 2013)

During the term of the Lease, the Lessor may not establish vending facilities within the leased Space that will compete with any Randolph-Sheppard vending facilities.

6.21 INTENTIONALLY DELETED

6.22 INDOOR AIR QUALITY (SEP 2013)

A. The Lessor shall control contaminants at the source and/or operate the Space in such a manner that the GSA indicator levels for carbon monoxide (CO), carbon dioxide (CO₂), and formaldehyde (HCHO) are not exceeded. The indicator levels for office areas shall be: CO 9 ppm time weighted average (TWA 8 hour sample); CO₂ 1,000 ppm (TWA); HCHO 0.1 ppm (TWA).

B. The Lessor shall make a reasonable attempt to apply insecticides, paints, glues, adhesives, and HVAC system cleaning compounds with highly volatile or irritating organic compounds, outside of working hours. Except in an emergency, the Lessor shall provide at least 72 hours advance notice to the Government before applying noxious chemicals in occupied Spaces and shall adequately ventilate those Spaces during and after application.

C. The Lessor shall promptly investigate indoor air quality (IAQ) complaints and shall implement the necessary controls to address the complaint.

D. The Government reserves the right to conduct independent IAQ assessments and detailed studies in Space that it occupies, as well as in space serving the Space (e.g., common use areas, mechanical rooms, HVAC systems, etc.). The Lessor shall assist the Government in its assessments and detailed studies by:

1. Making available information on Building operations and Lessor activities;
2. Providing access to Space for assessment and testing, if required; and
3. Implementing corrective measures required by the LCO.

E. The Lessor shall provide to the Government material safety data sheets (MSDS) upon request for the following products prior to their use during the term of the Lease: adhesives, caulking, sealants, insulating materials, fireproofing or firestopping materials, paints, carpets, floor and wall patching or leveling materials, lubricants, clear finish for wood surfaces, janitorial cleaning products, pesticides, rodenticides, and herbicides. The Government reserves the right to review such products used by the Lessor within:

1. The Space;
2. Common Building areas;
3. Ventilation systems and zones serving the Space; and
4. The area above suspended ceilings and engineering space in the same ventilation zone as the Space.

F. Where hazardous gasses or chemicals (any products with data in the Health and Safety section of the MSDS sheets) may be present or used, including large-scale copying and printing rooms, segregate areas with deck-to-deck partitions with separate outside exhausting at a rate of at least 0.5 cubic feet per minute per SF, no air recirculation. The mechanical system must operate at a negative pressure compared with the surrounding spaces of at least an average of 5 Pa (pascal) (0.02 inches of water gauge) and with a minimum of 1 Pa (0.004 inches of water gauge) when the doors to the rooms are closed.

6.23 RADON IN AIR (SUCCEEDING) (SEP 2013)

A. The radon concentration in the air of the Space shall be less than 4 picoCuries per liter (pCi/L) for childcare and 25 pCi/L for all other space, herein called "GSA action levels."

B. INITIAL TESTING:

1. The Lessor shall:
 - a. Test for radon that portion of Space which is in ground contact or closest to the ground up to and including the second floor above grade (Space on the third or higher floor above grade need not be measured);.
 - b. Report the results to the LCO upon award; and
 - c. Promptly carry out a corrective action program for any radon concentration which equals or exceeds the GSA action levels.
2. Testing sequence. The Lessor shall measure radon by the standard test in sub-paragraph D.1, completing the test not later than 150 days after award, unless the LCO decides that there is not enough time to complete the test prior to Lease Term Commencement Date, in which case the Lessor shall perform the short test in subparagraph D.2.

C. CORRECTIVE ACTION PROGRAM:

1. Program Initiation and Procedures.
 - a. If either the Government or the Lessor detects a radon concentration at or above the GSA action levels at any time after award or during the term of the Lease, the Lessor shall promptly carry out a corrective action program which reduces the concentration to below the GSA action levels.
 - b. If either the Government or the Lessor detects a radon concentration at or above the GSA action levels at any time after Government occupancy, the Lessor shall promptly restrict the use of the affected area and shall provide comparable temporary space for the tenants, as agreed to by the Government, until the Lessor carries out a prompt corrective action program which reduces the concentration to below the GSA action levels and certifies the Space for re-occupancy.
 - c. The Lessor shall provide the Government with prior written notice of any proposed corrective action or tenant relocation. The Lessor shall promptly revise the corrective action program upon any change in Building condition or operation which would affect the program or increase the radon concentration to or above the GSA action levels.

- d. The Lessor shall perform the standard test in sub-paragraph D.1 to assess the effectiveness of a corrective action program. The Lessor may also perform the short test in sub-paragraph D.2 to determine whether the Space may be occupied but shall begin the standard test concurrently with the short test.
- e. All measures to accommodate delay of occupancy, corrective action, tenant relocation, tenant re-occupancy, or follow-up measurement, shall be provided by the Lessor at no additional cost to the Government.
- f. If the Lessor fails to exercise due diligence, or is otherwise unable to reduce the radon concentration promptly to below the GSA action levels, the Government may implement a corrective action program and deduct its costs from the rent.

D. TESTING PROCEDURES:

1. **Standard Test.** Place alpha track detectors throughout the required area for 91 or more days so that each covers no more than 2,000 ABOA SF. Use only devices listed in the EPA Radon Measurement Proficiency Program (RMP) application device checklists. Use a laboratory rated proficient in the EPA RMP to analyze the devices. Submit the results and supporting data (sample location, device type, duration, radon measurements, laboratory proficiency certification number, and the signature of a responsible laboratory official) within 30 days after the measurement.

2. **Short Test.** Place alpha track detectors for at least 14 days, or charcoal canisters for 2 days to 3 days, throughout the required area so that each covers no more than 2,000 ABOA SF, starting not later than 7 days after award. Use only devices listed in the EPA RMP application device checklists. Use a laboratory rated proficient in the EPA RMP to analyze the devices. Submit the results and supporting data within 30 days after the measurement. In addition, complete the standard test not later than 150 days after Government occupancy.

6.24 INTENTIONALLY DELETED

6.25 HAZARDOUS MATERIALS (SEP 2013)

A. The leased Space shall be free of hazardous materials, hazardous substances, and hazardous wastes, as defined by and according to applicable Federal, state, and local environmental regulations. Should there be reason to suspect otherwise, the Government reserves the right, at Lessor's expense, to require documentation or testing to confirm that the Space is free of all hazardous materials.

B. Lessor shall, to the extent of its knowledge, notify Government of the introduction of any hazardous materials onto the Property by Lessor or others, including but not limited to, co-tenants occupying Space in the Building.

6.26 MOLD (SEP 2013)

A. Actionable mold is mold of types and concentrations in excess of that found in the local outdoor air.

B. The Lessor shall provide Space to the Government that is free from actionable mold and free from any conditions that reasonably can be anticipated to permit the growth of actionable mold or are indicative of the possibility that actionable mold will be present (indicators).

C. At such times as the Government may direct, including but not limited to: after a flood, water damage not caused by the Government, or repairs caused by the Lessor, the Lessor, at its sole cost, expense and risk shall: (i) cause an industrial hygienist certified by the American Board of Industrial Hygienists or a qualified consultant (the Inspector) who, in either instance, is reasonably acceptable to the Government, to inspect and evaluate the Space for the presence of actionable mold or mold indicators; and (ii) cause the Inspector to deliver the results of its inspection and evaluation (the Report) to the Government within 30 days after it conducts same and, in all events, at the same time that it delivers the Report to Lessor. With the delivery of the Report to the Government, the Inspector shall notify the Government, in writing via cover letter to the report, if the Inspector discovers or suspects the existence of actionable mold or indicators in the leased Space.

D. The presence of actionable mold in the Premises may be treated as a Casualty, as determined by the Government, in accordance with the Fire and Other Casualty clause contained in the General Clauses of this Lease. In addition to the provisions of the Fire and Other Casualty clause of this Lease, should a portion of the Premises be determined by the Government to be un-tenantable due to an act of negligence by the Lessor or his agents, the Lessor shall provide reasonably acceptable alternative Space at the Lessor's expense, including the cost of moving, and any required alterations.

E. If the Report indicates that actionable mold or indicators are present in the leased Space, the Lessor, at its sole cost, expense, and risk, shall within 30 days after its receipt of the Report: 1) retain an experienced mold remediation contractor reasonably acceptable to the Government to prepare and submit to the Government and Lessor a remediation plan (the Plan) and within 90 days after the Government's approval of the Plan, remediate the actionable mold or the indicators in the leased Space, but prior to commencing such remediation, Lessor shall send the Government a notice stating: (i) the date on which the actionable mold remediation shall start and how long it is projected to continue; (ii) which portion of the leased Space shall be subject to the remediation; and (iii) the remediation procedures and standards to be used to implement the Plan and the clearance criteria to be employed at the conclusion of the remediation; and 2) notify, in accordance with any applicable Federal, state, and local health and safety requirements, the Government employees as well as all other occupants of and visitors to the leased Space of the nature, location and schedule for the planned remediation and reasons therefore.

F. The Lessor shall be responsible for conducting the remediation in accordance with the relevant provisions of the document entitled "Mold Remediation in Schools and Commercial Buildings" (EPA 402-K-01-001, March 2001), published by the U.S. Environmental Protection Agency, as same may be amended or revised from time to time, and any other applicable Federal, state, or local laws, regulatory standards and guidelines.

G. The Lessor acknowledges and agrees that the Government shall have a reasonable opportunity to inspect the leased Space after conclusion of the remediation. If the results of the Government's inspection indicate that the remediation does not comply with the Plan or any other applicable Federal, state, or local laws, regulatory standards or guidelines, the Lessor, at its sole cost, expense, and risk, shall immediately take all further actions necessary to bring the remediation into compliance.

H. If the Lessor fails to exercise due diligence, or is otherwise unable to remediate the actionable mold, the Government may implement a corrective action program and deduct its costs from the rent.

6.27 OCCUPANT EMERGENCY PLANS (SEP 2013)

The Lessor is required to cooperate, participate and comply with the development and implementation of the Government's Occupant Emergency Plan (OEP) and if necessary, a supplemental Shelter-in Place (SIP) Plan. Periodically, the Government may request that the Lessor assist in reviewing and revising its OEP and SIP. The Plan, among other things, must include an annual emergency evacuation drill, emergency notification procedures for the Lessor's Building engineer or manager, Building security, local emergency personnel, and Government agency personnel.

6.28 FLAG DISPLAY (SEP 2013)

If the Lessor has supplied a flagpole on the Property as a requirement of this Lease, the Lessor shall be responsible for flag display on all workdays and Federal holidays. The Lessor may illuminate the flag in lieu of raising and lowering the flag daily. The Government will provide instructions when flags shall be flown at half-staff.

SECTION 7 ADDITIONAL TERMS AND CONDITIONS

7.01 SECURITY STANDARDS (JUN 2012)

The Lessor agrees to the requirements of Security Level II attached to this Lease.

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 07 Document contains 1 page TO LEASE NO. GS-09B-94446
ADDRESS OF PREMISES BUILDING 3 2255 NORTH GEMINI DRIVE FLAGSTAFF, AZ 86001	PDN Number:

THIS AMENDMENT is made and entered into between: **City of Flagstaff.**

whose address is: 211 West Aspen Ave.
Flagstaff, AZ 86001

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to extend the term of the lease.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government as follows:

Paragraph 2 is deleted in its entirety and replaced with the following:

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning December 1, 1996 through December 31, 2016.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Signature: _____
Name: _____
Title: _____
Entity Name: _____
Date: _____

Signature: _____
Name: _____
Title: Lease Contracting Officer
GSA, Public Buildings Service,
Date: _____

WITNESSED FOR THE LESSOR BY:

Signature: _____
Name: _____
Title: _____
Date: _____

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Date: 12/01/2014
Meeting Date: 12/16/2014



TITLE:

Public Hearing, Consideration and Adoption of Ordinance No. 2014-34: An Ordinance of the City Council of the City of Flagstaff amending the Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege Taxes*, levying a local transaction privilege tax increase of 33 cents per \$100 of taxable gross income (sales) as approved by the majority of the qualified electors of the city voting in the November 4, 2014 General Election, Proposition 406, "Road Repair and Street Safety Initiative"; providing for use of tax revenues, providing for penalties, repeal of conflicting ordinances, severability, authority for clerical corrections, and establishing an effective date (***Transaction Privilege Tax - Road Repair and Street Safety Initiative***)

RECOMMENDED ACTION:

At the Council Meeting of December 16, 2014

- 1) Hold public hearing
- 2) Read Ordinance No. 2014-34 by title only
- 3) City Clerk reads Ordinance No. 2014-34 by title only (if approved above)

At the Council Meeting of January 6, 2015

- 4) Read Ordinance No. 2014-34 for the final time by title only
- 5) City Clerk reads Ordinance No. 2014-34 by title only (if approved above)
- 6) Adopt Ordinance No. 2014-34

Policy Decision or Reason for Action:

Subsidiary Decisions Points:

The City Charter provides that a majority of the qualified electors in the City voting in a regularly scheduled General Election shall approve any transaction privilege tax (sales tax) increase. This action will amend the City Tax Code to conform with the voter approved sales tax increase. The City has duly posted notice of the tax increase on the City website, published notice in the local paper, and is holding a public hearing in accord with Arizona statutes relating to municipal tax code changes generally. Arizona Department of Revenue (ADOR) has been advised of the tax increase and updated the official copy of the Model City Tax Code on its website.

In order to improve transparency concerning how local tax revenues are used, the ordinance will also update the City Tax Code to recite voter restrictions on use of tax revenues; this is a cleanup item.

Financial Impact:

The voter approved ballot question increases the City sales tax 1/3 of one cent for a term of 20 years. This sales tax increase is estimated to generate \$5.3 million per year to fund road repairs and street safety improvements.

Connection to Council Goal and/or Regional Plan:**COUNCIL GOALS:**

1. Repair Replace maintain infrastructure (streets & utilities)
5. Retain, expand, and diversify economic base

REGIONAL PLAN:

Goal T.1. Improve mobility and access throughout the region.

Policy T.1.7. Coordinate transportation and other public infrastructure investments efficiently to achieve land use and economic goals.

Goal T.2 Improve transportation safety and efficiency for all modes.

Policy T.2.1. Design infrastructure to provide safe and efficient movement of vehicles, bicycles and pedestrians.

Has There Been Previous Council Decision on This:

City Council unanimously adopted the ballot language (Resolution 2014-28) for Question 406 - Road Repair and Street Safety on July 1, 2014.

Options and Alternatives:

This action is procedural only, and will amend the City Tax Code to conform with the voter approved sales tax increase effective January 1, 2015. If the ordinance is not approved the tax will be levied per voter mandate; however ADOR collection may be delayed or jeopardized. ADOR is responsible for all local tax collection as of January 1, 2016.

Community Involvement:

Inform
Consult
Empower

Attachments: Ord. 2014-34

ORDINANCE NO. 2014-34

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF AMENDING THE FLAGSTAFF CITY CODE, TITLE 3, *BUSINESS REGULATIONS*, CHAPTER 3-05, *PRIVILEGE TAXES*, LEVYING A LOCAL TRANSACTION PRIVILEGE TAX INCREASE OF 33 CENTS PER \$100 OF TAXABLE GROSS INCOME (SALES) AS APPROVED BY THE MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING IN THE NOVEMBER 14, 2014 GENERAL ELECTION, PROPOSITION 406, "ROAD REPAIR AND STREET SAFETY INITIATIVE"; PROVIDING FOR USE OF TAX REVENUES AS APPROVED BY THE ELECTORS, PROVIDING FOR PENALTIES, REPEAL OF CONFLICTING ORDINANCES, SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City Charter, Article VI, Section 2(b) provides that the City Council shall have the power to levy a transaction privilege tax subject to approval by a majority of the qualified electors voting in the regularly scheduled General Election;

WHEREAS, on July 1, 2014, the City Council adopted Resolution No. 2014-28 ordering a question be submitted to the qualified electors of the City (Proposition 406, "Road Repair and Street Safety Initiative");

WHEREAS, on November 4, 2014, a majority of the qualified electors of the City voting in the regularly scheduled General Election approved Ballot Question/Proposition 406, "Road Repair and Street Safety Initiative," establishing an increase in the transaction privilege tax of 33 cents per \$100 of taxable gross income (sales) commencing January 1, 2015 and continuing for a period of twenty (20) years, and providing that the tax shall be used for street repairs and improvements, and authorizing sale and issuance of bonds;

WHEREAS, the City Council hereby desires to amend the City Tax Code in conformance with the voter mandate, notice and public hearing regarding such changes have been duly provided, and the Arizona Department of Revenue has been advised of the tax increase and updated the official copy of the Model City Tax Code;

WHEREAS, to improve transparency related to local tax revenues, the City Council desires to amend that section of the City Code reciting information about sunset dates and voter restrictions on use of taxes.

ENACTMENTS:

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

SECTION 1. In General.

The Flagstaff City Code, Title 3, *Business Regulations*, Chapter 3-05, *Privilege and Excise Taxes*, Division 3-05-004, *Privilege Taxes*, is hereby amended by increasing the tax rate for

taxable activities identified by sections as set forth below (deletions shown as stricken, additions shown as capitalized text, and omitted text which remains unchanged noted as “* * *”):

3-05-004-0405 ADVERTISING:

- (a) The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of "local advertising" by billboards, direct mail, radio, television, or by any other means. However, commission and fees retained by an advertising agency shall not be includable in gross income from "local advertising". All delivery or disseminating of information directly to the public or any portion thereof for a consideration shall be considered "local advertising", except the following: * * * *

3-05-004-0410 AMUSEMENTS, EXHIBITIONS, AND SIMILAR ACTIVITIES:

- (a) The tax rate shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the following type or nature of businesses: * * * *

3-05-004-0415 CONSTRUCTION CONTRACTING; CONSTRUCTION CONTRACTORS

A. The tax rate shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business upon every construction contractor engaging or continuing in the business activity of construction contracting within the City. * * * *

3-05-004-0416 CONSTRUCTION CONTRACTING; SPECULATIVE BUILDERS:

A. The tax shall be equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in business as a speculative builder within the City. * * * *

3-05-004-0417 CONSTRUCTION CONTRACTING; OWNER-BUILDERS WHO ARE NOT SPECULATIVE BUILDERS

A. At the expiration of twenty-four (24) months after improvement to the property is substantially complete, the tax liability for an owner-builder who is not a speculative builder shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of: * * * *

3-05-004-0420 FEED AT WHOLESALE:

(a) The tax rate shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of the sale of feed, salt, vitamins, and other additives to feed, to persons engaged in the raising or feeding of livestock or poultry purchased or raised for slaughter, with no deduction for the income derived from the "resale" of such feed. * * * *

3-05-004-0425 JOB PRINTING:

A. The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the

business of job printing, which includes engraving of printing plates, embossing, copying, micrographics, and photo reproduction. * * * *

3-05-004-0427 MANUFACTURED BUILDINGS:

(a) The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income, including site preparation, moving to the site, and/or set-up, upon every person engaging or continuing in the business activity of selling manufactured buildings within the City. Such business activity is deemed to occur at the business location of the seller where the purchaser first entered into the contract to purchase the manufactured building. * * * *

3-05-004-0430 TIMBERING AND OTHER EXTRACTION:

A. The tax rate shall be an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the following businesses: * * * *

3-05-004-0435 PUBLISHING AND PERIODICALS DISTRIBUTION:

(a) The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business activity of: * * * *

3-05-004-0444 HOTELS:

The tax rate shall be at an amount equal to ~~three and seven hundred twenty-one thousandths percent (3.721%)~~ FOUR AND FIFTY-ONE THOUSANDTHS PERCENT (4.051%) of the gross income from the business activity upon every person engaging or continuing in the business of operating a hotel charging for lodging and/or space furnished to any: * * * *

3-05-004-0445 RENTAL, LEASING, AND LICENSING FOR USE OF REAL PROPERTY:

A. The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing or renting real property located within the City for a consideration, to the tenant in actual possession, or the licensing for use of real property to the final licensee located within the City for a consideration including any improvements, rights, or interest in such property; provided further that: * * * *

3-05-004-0450 RENTAL, LEASING, AND LICENSING FOR USE OF TANGIBLE PERSONAL PROPERTY:

A. The tax rate shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of leasing, licensing for use, or renting tangible personal property for a consideration, including that which is semi-permanently or permanently installed within the City as provided by regulation. * * * *

3-05-004-0455 RESTAURANTS AND BARS:

A. The tax rate shall be at an amount equal to ~~three and seven hundred twenty-one thousandths percent (3.721%)~~ FOUR AND FIFTY-ONE THOUSANDTHS PERCENT (4.051%)

of the gross income from the business activity upon every person engaging or continuing in the business of preparing or serving food or beverage in a bar, cocktail lounge, restaurant, or similar establishment where articles of food or drink are prepared or served for consumption on or off the premises, including also the activity of catering. Cover charges and minimum charges must be included in the gross income of this business activity. * * * *

3-05-004-0460 RETAIL SALES; MEASURE OF TAX, BURDEN OF PROOF, EXCLUSIONS:

A. The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of selling tangible personal property at retail. * * * *

3-05-004-0470 TELECOMMUNICATION SERVICES:

(a) The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of providing telecommunication services to consumers within this City. * * * *

3-05-004-0475 TRANSPORTING FOR HIRE:

The tax rate shall be at an amount equal to ~~one and seven hundred twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of providing the following forms of transportation for hire from this City to another point within the State. * * * *

3-05-004-0480 UTILITY SERVICES:

A. The tax rate shall be at an amount equal to ~~one and seven hundred, twenty-one thousandths percent (1.721%)~~ TWO AND FIFTY-ONE THOUSANDTHS PERCENT (2.051%) of the gross income from the business activity upon every person engaging or continuing in the business of producing, providing, or furnishing utility services, including electricity, electric lights, current, power, gas (natural or artificial), or water to: * * * *

3-05-008-0800 ~~TERMINATION, APPROVAL~~ TAX SUNSET DATES, USE OF REVENUES, AND AUTHORITY TO EXTEND TAXES OR AMEND CHAPTER

A. Sunset Clause. The provisions of this chapter shall terminate and cease to be operative for the tax rates specified below at 11:59 P.M. on the date specified for each rate, unless extended pursuant to subsection B below:

1. For the one percent (1.0%) transaction privilege tax rate imposed by Ordinance No. 1491, AS EXTENDED THROUGH November 4, 2024 BY APPROVAL OF A MAJORITY OF THE QUALIFIED ELECTORS VOTING IN THE GENERAL ELECTION HELD ON MAY 18, 2010. SUCH TAX REVENUES ARE UNRESTRICTED.

2. For the two percent (2.0%) transaction privilege tax rate imposed ON LODGING, RESTAURANT AND LOUNGE BUSINESSES ("BBB TAX"), by Ordinance No. 1532, AS EXTENDED THROUGH March 31, 2028 BY APPROVAL OF A MAJORITY OF THE QUALIFIED ELECTORS VOTING IN THE GENERAL ELECTION HELD ON MAY 18, 2010. SUCH TAX REVENUES SHALL BE USED AS PROVIDED FOR IN CHAPTER 3-06, HOSPITALITY INDUSTRY TAX REVENUES.

3. For the eight-hundredths percent (0.08%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "SAFE-TO-SCHOOL AND OTHER PEDESTRIAN AND BIKE PROJECTS" (PROPOSITION 400) AS DESCRIBED IN THE ORDINANCE.

4. For the sixteen-hundredths percent (0.16%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "FOURTH STREET RAILROAD OVERPASS" TO ROUTE 66 (PROPOSITION 401A) AS DESCRIBED IN THE ORDINANCE.

5. For the ~~eighty-four thousandths percent (0.084%)~~ to one hundred seventy-five thousandths percent (0.175%) transaction privilege tax rate imposed by Ordinance No. 2000-14, AS EXTENDED IN ORDINANCE NO. 2008-05, June 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "TRANSIT IMPROVEMENTS" (PROPOSITION 402) AS DESCRIBED IN ORDINANCE NO. 2000-14 AND "TRANSIT" (PROPOSITION 401) AS DESCRIBED IN ORDINANCE NO. 2008-05.

6. For the one hundred eighty-six thousandths percent (0.186%) transaction privilege tax rate imposed by Ordinance No. 2000-14, June 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "TRAFFIC FLOW AND SAFETY IMPROVEMENTS" (PROPOSITION 403) AS DESCRIBED IN THE ORDINANCE.

7. FOR THE TWO HUNDREDTHS PERCENT (0.02%) TRANSACTION PRIVILEGE TAX RATE IMPOSED BY ORDINANCE NO. 2008-05, JUNE 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "HYBRID VEHICLES AND TRANSIT SYSTEM CAPITAL" (PROPOSITION 402) AS DESCRIBED IN THE ORDINANCE.

8. FOR THE TWO HUNDREDTHS PERCENT (0.02%) TRANSACTION PRIVILEGE TAX RATE IMPOSED BY ORDINANCE NO. 2008-05, JUNE 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR TRANSIT "SERVICE BETWEEN DOWNTOWN AND THE WOODLANDS VILLAGE AREAS" THROUGH AND WITHIN THE NORTHERN ARIZONA UNIVERSITY CAMPUS (PROPOSITION 403) AS DESCRIBED IN THE ORDINANCE.

9. FOR THE FOUR HUNDREDTHS PERCENT (0.04%) TRANSACTION PRIVILEGE TAX RATE IMPOSED BY ORDINANCE NO. 2008-05, JUNE 30, 2020. SUCH TAX REVENUES SHALL BE USED TO "SUPPORT MOUNTAIN LINE BUS SERVICE IN AREAS UNDERSERVED OR NOT SERVED" (PROPOSITION 404) AS DESCRIBED IN THE ORDINANCE.

10. FOR THE FOUR HUNDREDTHS PERCENT (0.04%) TRANSACTION PRIVILEGE TAX RATE IMPOSED BY ORDINANCE NO. 2008-05, JUNE 30, 2020. SUCH TAX REVENUES SHALL BE USED FOR "MORE FREQUENT SERVICE ON SOME EXISTING BUS ROUTES" (PROPOSITION 405) AS DESCRIBED IN THE ORDINANCE.

11. FOR THE THIRTY-THREE HUNDREDTHS PERCENT (0.33%) TRANSACTION PRIVILEGE TAX RATE IMPOSED BY ORDINANCE NO. 2014-34, DECEMBER 31, 2034. SUCH TAX REVENUES SHALL BE USED FOR "ROAD REPAIR AND STREET SAFETY INITIATIVE" (PROPOSITION 406) AS DESCRIBED IN THE ORDINANCE.

B. Automatic Extension upon Electors' Approval. The authority to levy each of the tax rates specified in subsection A of this section shall be subject to approval by a majority of the qualified electors voting in a regularly scheduled general election. Such approval shall constitute an

automatic extension of this chapter for however long the qualified electors approve such extension at the respective tax rate approved without further action by the City Council.

C. Authority to Amend. The Council may amend this chapter as it may deem necessary with the exception of the rates or the effective term of this chapter.

SECTION 2. Use of Tax Revenues.

Tax revenues generated from the 0.33% transaction privilege tax rate increase approved by a majority of the qualified electors of the City voting in the regularly scheduled General Election on November 4, 2014, (who voted "yes" on Ballot Question/Proposition No. 406), shall be used as follows:

Purpose: Repair and Street Safety Initiative

Shall the City Council on behalf of the City of Flagstaff:

Change the City Tax Code to levy an additional 33 cents per \$100 of taxable sales for a period of 20 years starting January 1, 2015, the funds raised by such additional tax to be used exclusively to pay for street improvements and the ongoing preservation of street conditions inside the City limits, and related costs, which include improvements to:

- adjacent curb, gutters, sidewalks, bicycle paths and
- pedestrian safety, transit facilities and
- water, wastewater, and storm water utilities under or around these streets that need improvement or preservation and

pay for these improvements and preservation through borrowing in a principal amount not to exceed \$20,000,000 that would be paid back with interest from this tax in a period not to exceed 20 years from the date the debt is issued?

SECTION 3. Penalties.

Any person convicted of a violation of this ordinance is guilty of a class one misdemeanor and shall be fined a sum not to exceed two thousand five hundred dollars (\$2,500.00) and may be sentenced to confinement in the County jail for a period not to exceed six (6) months for any one offense, all in accordance with Flagstaff City Code Chapter 3-05. Any violation which is continuing in nature shall constitute a separate offense on each successive date the violation continues, unless otherwise provided.

SECTION 4. Repeal of Conflicting Ordinances.

All ordinances and parts of ordinances in conflict with the provisions of this ordinance or any part of the code adopted herein by reference are hereby repealed.

SECTION 5. Severability.

If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 6. Clerical Corrections.

The City Clerk is hereby authorized to correct typographical and grammatical errors, as well as errors of wording and punctuation, as necessary related to this ordinance as amended herein, and to make formatting changes needed for purposes of clarity and form, or consistency, within thirty (30) days following adoption by the City Council.

SECTION 7. Effective Date.

Pursuant to the voter mandate, the tax increase set forth in SECTION 1 of this ordinance shall be effective January 1, 2015.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 2015.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

S:\Legal\Civil Matters\2014\2014-550 Transportation Tax Ordinance\Transport tax ord 12-4-14.doc

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Randy Whitaker, Project Manager
Date: 12/04/2014
Meeting Date: 12/16/2014



TITLE:

Consideration of Construction Contract Change Order #1: Flagstaff Urban Trail System (FUTS) Signage Project (*Approve Change Order #1 to FUTS Signage Project contract*)

RECOMMENDED ACTION:

Approve Change Order No. 1 with Conco Concrete Specialist LLC in the amount of \$80,000 and extend the contract by 60 calendar days.

Policy Decision or Reason for Action:

Approving this change order will add an additional 80 signs to the contract and compensate the Contractor for additional quantities associated with excavating the post holes in rock and removal of existing signs. The change order also extends the contract by 60 calendar days for a new project completion date of May 5, 2015.

Financial Impact:

~~The project is funded by a Federal Highway Administration, Recreational Trails Program (RTP) grant through Arizona State Parks in the amount of \$227,777. The project is also budgeted in the FUTS Signage Program Account #045-05-111-3002-5-4426 FY 2015 in the amount of \$4,000.00. Additional funds will be utilized from other FUTS Accounts, described below, for the total construction cost of \$232,632.~~

The project is funded from a federal Regional Trails Program (RTP) grant (65.2%) and city funds (34.8%). The grant funds have additional capacity and can absorb their share of \$52,160. The City portion (\$27,840) will come from the \$50,000 set aside in FY2015 for Special Projects and Un-programmed Work line item.

Connection to Council Goal and/or Regional Plan:

COUNCIL GOALS:

1. Repair Replace maintain infrastructure (streets & utilities)

Has There Been Previous Council Decision on This:

Yes, a Grant IGA with Arizona State Parks was approved on November 05, 2010; project was awarded September 16, 2014.

Options and Alternatives:

- Approve the Change Order as recommended which would satisfactorily complete the project.
- Reject the change Order, which may result in canceling the project.

Background/History:

The K-signs added with this change order were not included in the original scope due to the estimated construction cost. The bid came in lower than the estimate so it was decided to ask Conco to give us a unit rate for the K-signs. Reviewing the bids the unit rate of \$500 per sign is a competitive rate if K-signs were bid at a later date.

Several weeks into the project it became apparent that the quantity for excavating the post holes in rock and existing sign removal was going to be significantly higher than in the bid.

Given the difficult nature of determining if the post holes were in consolidated rock verses just cobble, the City and Contractor determined that a lump sum rate was appropriate. The Contractor will take full responsibility for any conditions encountered.

Key Considerations:

This is a joint project between the Arizona State Parks and the City. This change order amount has been authorized by the Arizona State Parks as grant eligible. The Grant will pay for 65% of the change total project cost.

Expanded Financial Considerations:

The estimated additional quantities and cost are:

	<u>Quantity</u>	<u>Unit Rate</u>	<u>Amount \$</u>
1.02 Existing Sign Removal	160	200	32,000
3.01 Rock Excavation	45	1000	45,000
n.a. K Signs	80	500	36,000
n.a Misc. Items	1	10000	<u>10,000</u>
Total Additional Cost:			123,000

The total cost of the above was negotiated for \$95,000. The pending change order will use the \$15,000 Contract allowance and \$80,000 additional funds for a new contract total of \$232,632. Budgeted funds will be from other FUTS projects (045-05-111-3305-5, 045-05-111-3018-5 and 040-05-111-3288-5) until the grant reimbursement occurs.

Community Benefits and Considerations:

The K-signs are Adopt-A-FUTS signs. This will involve the community in litter control, light maintenance and informing the City of any safety issues.

Community Involvement:

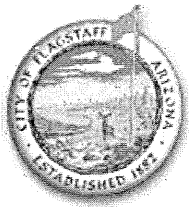
Inform:

A number of presentations were made to the Bicycle and Pedestrian Advisory Committees, Parks and Recreation and Open Space Commissions, and several outside groups at the beginning of the design process.

Expanded Options and Alternatives:

- Approve the Change Order as recommended.
- Reject the change Order, which would result in further negotiations with Contractor.

Attachments: Change Order #1



CITY OF FLAGSTAFF – CHANGE ORDER

☒ CONFIRMING CHANGE ORDER NO. 1
☐ CONSULTING CONTRACT CHANGE ORDER NO. _____
☐ CONSTRUCTION CONTRACT CHANGE ORDER NO. _____

PROJECT NO. ST3002C PROJECT NAME: FUTS Signage Project
 FILE NO. 03-13009 Project Manager: Randy Whitaker
 TO: Conco Concrete Specialist LLC

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract. Description of work to be done:

1) For the total lump sum of \$45,000 Contractor shall be responsible for all additional sign removal and rock excavation. Consisting of:

- The lump sum is in addition to the original extended unit rate for the Bid Items 1.02 Existing Sign Removal and 3.01 Rock Excavation.
- Sign removal shall be limited to signs required for installation of new signs

2) K signs: Scope shall be revised to include 80 K-Signs at a unit rate of \$500.00 for a total of \$40,000. Signs shall conform to the Flagstaff Urban Trail System Sign Manual, Rev 06/26/2014(135 Pages).

3) A lump sum of \$10,000 shall be compensation for cost due to:

- Determination of appropriate rock excavation equipment
- ADOT Bases – signs located within the ADOT right-of-way shall comply with ADOT Standard Drawing Detail S-1, Sheet 2 of 3, 2" Single Post Foundation Detail except main post shall not be perforated. Larger post shall comply with ADOT Standard Drawing Detail S-1, Sheet 3 of 3 which is the triangle break away base.
- ADOT Permit – ADOT permit is still in progress. No additional cost will be considered as long as the permit is obtained within the contract time.
- Work Access – Contractor has had an opportunity to review site conditions. No additional compensation will be granted for site access.
- Blue Stake – No additional compensation will be granted due to coordination with City for marking locations for blue stake.

4) Unless specified otherwise original contract unit prices for all other work shall remain in effect.

Change Order originated by: ☒ CITY OF FLAGSTAFF ☐ CONTRACTOR ☐ CONSULTANT ☐ OTHER _____

Project Manager	<u>October 30, 2014</u>	Approval Recommended	<u>[Signature]</u>
C.O. Committee Meeting Date	<u>November 6, 2014</u>	Approval Recommended	<u>[Signature]</u>
Community Development Dir.	<u>11/6/14</u>	Approval Recommended	<u>[Signature]</u>
City Attorney		Approval Recommended	
City Manager		Approval Recommended	
City Council Meeting Date	<u>December 2, 2014</u>	Approval Recommended	

ORIGINAL CONTRACT PERIOD	<u>150</u> Days	<small>Date</small> (03/06/15)	ORIGINAL CONTRACT VALUE	\$ <u>152,632.00</u>
PRIOR TIME CHANGES	<u>0</u> Days	(03/06/15)	TOTAL PRIOR VALUE CHANGES	\$ <u>0.00</u>
THIS TIME CHANGE	<u>60</u> Days	(05/05/15)	VALUE OF THIS CHANGE	\$ <u>80,000.00</u>
NEW CONTRACT PERIOD	<u>210</u> Days	(05/05/15)	NEW CONTRACT VALUE	\$ <u>232,632.00</u>

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices and time extensions shown above.

FIRM NAME: Conco Concrete Specialist LLC

Accepted Date _____ By _____

CITY OF FLAGSTAFF

<input checked="" type="checkbox"/>	CONFIRMING CHANGE ORDER NO.	<u>1</u>
<input type="checkbox"/>	CONSULTING CONTRACT CHANGE ORDER NO.	<u> </u>
<input type="checkbox"/>	CONSTRUCTION CONTRACT CHANGE ORDER NO.	<u> </u>

PROJECT NO. ST3002CPROJECT NAME: FUTS Signage ProjectFILE NO. 03-13009PROJECT MANAGER: Randy Whitaker**JUSTIFICATION:**

The K-signs added with this change order were not included in the original scope due to the estimated construction cost. The bid came in lower than the estimate so it was decided to ask the Conco to give us a unit rate for the K-signs. Reviewing the bids the unit rate of \$500 per sign is a competitive rate if K-signs were bid at a later date.

Several weeks into the project it became apparent that the quantity for excavating the post holes in rock and existing sign removal was going to be significantly higher than in the bid.

Given the difficult nature of determining if the post holes were in consolidated rock verses just cobble the City and the Contractor determined that a lump sum rate and the Contractor taking full responsibility for any conditions encountered was appropriate.

TIME ANALYSIS: This work will require 60 additional calendar days to the contract for a total of 210 calendar days.

COST ANALYSIS: Adding this work as a change order is likely less expensive than going out to bid in the future as a separate project.

Original Bid Items and Quantities:

Bid Item	Description	Quantity	Unit Rate \$	Extended \$
1.02	Existing Sign Removal	20	200	4000
3.01	Rock Excavation	15	1000	15000

Estimated Additional Quantities and Cost:

1.02	Existing Sign Removal	160	200	32,000
3.01	Rock Excavation	45	1000	45,000
n.a.	K Signs	80	500	36,000
n.a.	Misc Items	1	10000	<u>10,000</u>

Total Additional using Unit Rates 123,000

The total cost of the above was negotiated for \$95,000. The pending change order will use the \$15,000 Contract allowance and \$80,000 additional funds for a new contract total (Bid Amount) of \$232,632

Inadvertently no funds were carried forward from previous year for this project. Budgeted funds will be transferred from 040-05-111-3305-5, 040-05-111-3018-5 and 040-05-111-3288-5.

CITY OF FLAGSTAFF**PROJECT STATUS FORM**

PROJECT NAME: FUTS Signage Project

☐ Design
☒ Construction
☐

PROJECT NO. ST3002C

FILE NO. 03-13009

ACCT NO. 040-05-111-3002-5-4433

100 %

\$232,632.00

NEW CONTRACT TOTAL

\$232,632.00

CITY COUNCIL APPROVAL: September 16, 2014

ORIGINAL CONTRACT AMT:

\$152,632.00

BUDGET AMT:

\$445,000

FY:

14/15

NOTICE TO PROCEED:

October 6, 2014

TIME (No. Days):

150

COMPLETION DATE:

March 6, 2014

ORIGINAL CONTRACT ALLOWANCE:

\$15,000.00

CONSULTANT:

None

LOCATION:

N.A.

CONTRACTOR:

Conco Concrete Specialist

LOCATION:

Lakeside, AZ

Project Manager: Randy Whitaker

Change
Orders

C.O. Amount

C.O. Day

Council Date

REASON FOR CHANGE

Revision
Date

New Total

New Total

New Comp. Date

1

\$80,000.00

60

N/A

Addition Signs were added to project. Rock and sign removal quantities increased.

10/30/14

\$232,632.00

210

05/05/14

COMMENTS: _____

NOTE: IF CHANGE ORDER ACCOUNT NUMBER OR DISTRIBUTION DIFFERS FROM THAT ABOVE, IT MUST BE SPECIFICALLY NOTED.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Jerene Watson, Deputy City Manager
Co-Submitter: Kevin Burke, City Manager
Date: 12/03/2014
Meeting Date: 12/16/2014



TITLE

Draft 2015 City of Flagstaff State & Federal Legislative Priorities Agenda

RECOMMENDED ACTION:

Review and discuss projects and positions proposed as legislative priorities for the City in 2015 covering regional, state and federal issues that provide guidance to City staff and contracted lobbyists representing the City in regional meetings, in state forums involving the Governor, state agencies or before the State Legislature, Congress and federal agencies.

INFORMATION

The attached State and Federal Legislative Priorities agenda provides the platform that establishes City of Flagstaff positions on issues, policies and projects of legislative interest. Materials that guide our lobbying and communication efforts and comprise the context for this legislative agenda include:

- League's 2014 Municipal Policy Statement (governs 2015 Legislative Session)
- League of Arizona Cities and Towns 2015 Legislative Resolutions that were adopted at the annual conference last August will guide the League's lobbying efforts in the next state legislative session on behalf of municipalities. ***(change to this process for next year described below)***
- City of Flagstaff Guiding Principles

Issues identified may impact the Council's vision and mission in fulfilling City goals and objectives, promoting community values and protecting residents' quality of life. A final Legislative Priorities agenda will be drafted based upon Council comments and direction relating to the attached draft and brought back for adoption following tonight's discussion.

It should be noted that with this upcoming year, the League Resolutions Process has changed so there will not be the familiar process for future Resolutions.

In May, the **League Executive Committee approved a change in the Resolutions process**. The new system will allow for more in-depth research and greater involvement by elected officials and staff in developing the League's Municipal Policy Statement. **There will be five separate policy committees that will more thoroughly vet the issues**. These policy committees will be chaired by a member of the Executive Committee, and will consist of elected officials and municipal staff. At times, other stakeholders may be invited to participate to provide needed expertise and perspective. League personnel will coordinate and staff these committees.

The five policy committees and their chairs will be:

- Budget, Finance and Economic Development, Mayor Kenny Evans of Payson;
- General Administration, Human Resources and Elections, Mayor Lana Mook of El Mirage;

- Neighborhoods, Quality of Life and Sustainability, Councilmember Gilbert Lopez of Coolidge;
- Public Safety, Military Affairs and Courts, Mayor Jerry Weiers of Glendale; and
- Transportation, Infrastructure and Public Works, Mayor Jonathan Rothschild of Tucson.

The chairs of these committees and League staff will review and assign the submitted ideas to the relevant committees. **Each committee will meet to discuss and process these ideas, and will craft the actual resolution to be submitted to the Resolutions Subcommittee.** Completed resolutions will then go to the full Resolutions Committee at the Annual Conference. The chairs of each committee will be responsible for presenting these new resolutions to the full Resolutions Committee.

In this new process, cities and towns will be able to submit policy ideas to the League at any time during the year and do not need to have a co-sponsoring city or town. If a city or town wishes to submit an idea for consideration, it will be conveyed via an email with a brief yet thorough explanation. Creating a full resolution as was done in the past is no longer necessary. However, cities may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. As in past years, Resolutions will be debated for final passage at the League's Annual Conference.

Elected officials and municipal staff are welcome to volunteer to participate in these committees. If you are interested, please submit your name, title and committee of interest. These committees are expected to meet a few times a year. The actual committee membership and meeting schedule will be set by the committee chairs. Since we are just initiating this process, the first set of meetings will occur as soon as practical but targeted for after the 2015 League Resolutions are finalized in the fall. In the future we expect committee work to be conducted year round as needed.

Attachments: COF Legis.Agenda-DF
2014 League Municipal Policy
2015 Adopted League Resolutions



City of Flagstaff Intergovernmental Affairs Program

2015 LEGISLATIVE AGENDA

The City of Flagstaff Intergovernmental Affairs Program addresses legislative initiatives at the county, state, and federal levels which follow annual legislative calendars. The program mission is to develop and advocate for the Flagstaff community by fostering and maintaining relationships with individuals and entities that affect the City's interests. As a member of the League of Arizona Cities and Towns, the City of Flagstaff has helped develop and sign on to League Resolutions. Council adoption of the League resolutions, our identified priorities and guiding principles which are incorporated as part of our legislative agenda.

The Guiding Principles of the League and our own Guiding Principles below strengthen local government, promote City goals and defend the City against legislative actions by the State or Federal governments that weaken our authority or take away traditional revenue sources.

GUIDING PRINCIPLES

- **Local Control:** Protect local revenues and local authority, which reflect core principles for local government. Flagstaff believes local government best represents local communities in the areas of regulatory, finance, and administrative decision-making. This representation requires opposing any unfunded mandates at the federal and the state levels. Partnerships to develop positive relations are essential for success. This can be accomplished informally and formally by agency and also through participation in joint meetings with the County as well as The Alliance for the 2nd Century whose membership includes Coconino Community College (CCC), Coconino County, the Flagstaff Unified School District (FUSD), and Northern Arizona University (NAU). Periodic meetings with Hopi and Navajo tribes are also beneficial for partnership on matters of mutual concern as well as membership in Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) to be involved in planning of our regional transportation and the Northern Arizona Council of Governments (NACOG).
- **Council Goals:** Advancing or defending goals of the City Council and adopted legislative priorities in affect during the 2015 legislative session does not require additional council action.

STATE - LEGISLATURE

- **STATE SHARED REVENUES:** Protect state shared revenue to municipalities as a revenue percentage and a revenue source.
- **HURF FUNDING LEVELS INCREASE:** Full lobbying support in coordination with the League Resolution to restore HURF (Highway User Revenue Funds) dollars and actions that restore 2008 levels of funding as well as allocate new dollars to transportation.

- **PENSION REFORM:** In coordination with the League of AZ Cities and Towns, support efforts relating to pension reforms which obtain greater flexibility to manage pension plans affecting municipal employees. This includes obtaining more control of determining part-time classification.
- **ENERGY DISTRICTS:** Seek enabling legislation for 'sustainable Energy Districts' that provides flexible financing authority for commercial entities via finance mechanisms for upfront investment capital in energy efficiency improvements to properties.
- **FOREST HEALTH:** Support any state efforts designed to reduce forest fire dangers in the region, encouraging state investment opportunities or matching funds to treat areas in and around cities.
- **PROCUREMENT LAW CHANGE:** Allowing the sales tax to be paid as part of the total bid price when considering the "lowest, responsible bidder"
- **RESTORATION OF THE HOUSING TRUST FUND:** Remove the \$2.5m cap and allow the State's Housing Trust Fund to be fully funded through unclaimed property proceeds received by the State annually.
- **SUPPORT ECONOMIC DEVELOPMENT TOOLS:** May

STATE - GOVERNOR

- **Water:** Secure easement rights for required water transmission line located within Interstate 40 right-of-way or other Council-approved route.
- **Prevail with commitment from Governor's office in coordination with AZ Dept. of Transportation (ADOT).**
- **VETERANS AFFAIRS:** Seek funding in the Governor's Budget for the establishment of a VA Home in Bellemont as financial support needed from the State as matching funds to the federal allocation for the home.

FEDERAL

- **PUBLIC SAFETY:** Support President's \$263m. pledge to equip all police officers with body cameras
- **RIO DE FLAG FLOOD CONTROL PROJECT:** Complete the Limited Re-evaluation Report and obtain necessary approvals from the Assistant Secretary of the Army so as to be included in any USACE work plan or report to Congress as an authorized project.
- **FOREST HEALTH:** Leverage voter approved FWPP (Flagstaff Watershed Protection Project) bonds for forest restoration with federal dollars to maximize acreage to be treated and ensure that resources and funding continue to flow to important regional projects such as the federal pilot program known as 4FRI (Four Forest Restoration Initiative) and NAU's ERI (Ecological Restoration Institute).
- **FAA (Airport):**
 - Resurface & Restripe Runway which has aged excessively; continue funding request of \$3.3m
 - Construct non-revenue, multi-level parking structure to increase passenger parking capacity at the airport terminal; funding request FY 2016 \$4m and FY 2017 \$4m for a total estimated project cost of \$8m.

- Purchase 167.89 acres of Airport land, which contains Runway Protection Zone, Avigation Easement, Lake Mary Park land and the Water Treatment Plant; funding request FY 2018 in the amount of \$6.7m.
- RAILROAD REVERSIONARY CLAUSE: Seek relief from the Federal Government reversionary clause on property sold to the City by BNSF (Burlington Northern Santa Fe) Railroad.
- TRANSPORTATION – Secure authorization and fiscal resources for the Regional Transportation Plan priorities including Lone Tree Interchange and the 4th Street Bridge over I-40, along with widening of Highway 180.

Further Collaboration

Support regional, state and federal partnerships that may advance applicable legislation in support of the City of Flagstaff.

Regional	Statewide	National
Coconino County	League of Arizona Cities and Towns	National League of Cities and Towns
Flagstaff Unified School District	Coconino Community College	Conference of Mayors
Northern Arizona Council of Governments (NACOG)	Northern Arizona University	US Forest Service
Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA)	AZ Game and Fish	US Parks Service
Northern Arizona Municipal Water Users Association (NAMWUA)	Arizona State Land Department	Hopi Tribal Nation
Greater Flagstaff Forest Partnership	Greater Arizona Mayors' Association (GAMA)	Additional State Agencies
Chamber of Commerce		Additional Federal Agencies

MUNICIPAL POLICY 2014 STATEMENT

FOR MORE INFORMATION: CALL 602-258-5786
VISIT: WWW.AZLEAGUE.ORG • TWITTER: @AZCITIES

OVERVIEW

The League of Arizona Cities and Towns, a voluntary association of the 91 incorporated municipalities in Arizona, is governed by two core principles: to protect shared revenues and promote local decision-making authority.

PRESERVE LOCAL CONTROL

Decentralized government at the local level represents a fundamental principle of American democracy, recognizing that when it comes to community governance, one size does not fit all. The League calls upon the Legislature to respect the authority of cities and towns to govern their communities in the best interests of their residents. The League will endorse legislation that supports and sustains the principle of local control and oppose legislation that conflicts with the autonomy of cities and towns.

PROTECT STATE SHARED REVENUE

The League is determined to safeguard the economic resources cities and towns require to ensure safety and provide high-quality services for their residents. To that end, the League calls upon the Legislature to enact a budget that maintains existing historical formulas for the distribution of state-collected shared revenue to local governments.

GOVERNMENT SERVICES

From roads to public safety, cities and towns are service providers. Our residents look to their local government to provide key services critical to creating welcoming, healthy communities. Therefore, the League urges the passage of legislation to:

- Make the **requirements for annexation a more simple and flexible process;**
- **Prohibit fire districts from annexing areas inside a municipal planning area without the consent of the municipality, provided the municipality operates a municipal fire department;**
- **Authorize street light improvement districts to levy and expend money to repair, maintain and replace lighting facilities;** and
- Amend statute to ensure that **restitution for graffiti offenses includes all abatement costs** associated with a victim of graffiti.

FISCAL RESPONSIBILITY

Cities and towns provide public safety and other high-quality services for their residents. In order to accomplish this there needs to be fiscal certainty in funding sources from the state level. The League calls upon the Legislature to:

- Stop future sweeps of **Highway User Revenue Funds (HURF)** allocated to Arizona cities and towns and follow statutory formulas for the distribution of HURF monies;
- Develop and pass legislation to ensure the viability of **Arizona state parks and to restore the Arizona State Parks Heritage Fund;** and
- Include one representative from a large city along with one representative from a small non-metropolitan city on the **Public Safety Personnel Retirement System Board of Trustees.**

FEDERAL ISSUES

The League recognizes that all levels of government must work cooperatively in order for local communities to be successful. Therefore, the League will:

- Support the passage of legislation or engage in other activities that support and advocate for resources to **improve Arizona's ports of entry with Mexico and related infrastructure;**
- Support the long-term **retention of Arizona's military installations;**
- **Encourage Congress to preserve the tax exempt status of municipal bonds;** and
- Push **Congress to pass the Marketplace Fairness Act.**

League of Arizona Cities & Towns
2015 Resolution Submissions

No.	Summary	Sponsor	Recommendation
1	Creation of Enhanced Municipal Services Districts as a new type of improvement district not restricted to slum or blight.	Lake Havasu	Recommend for Adoption
2	Revenue Allocation District - any incremental increase in revenue streams above the base could be used by the district to fund public improvements within the district. Allows anticipated revenues to be used to finance components of projects.	Lake Havasu	Recommend for Adoption
3	Encourage the development of commercial and industrial zoned parcels primarily through property tax incentives that support speculative development.	Bullhead City (Tri-City)	Not Recommended
4	Make retention and detention basins eligible for operation and maintenance cost payments through an improvement district.	Yuma	Recommend for Adoption
5	Establish a mechanism enabling local government to create renewable energy and conservation financing districts.	Flagstaff	Recommend for Adoption
6	Stop future sweeps of Highway User Revenue Funds (HURF) allocated to Arizona cities and towns and to restore HURF funding to FY2008 levels.	Yuma	Recommend for Adoption
7	HURF revenue study committee to develop recommendations for new or expanded revenue streams.	Kingman	Recommend for Adoption
8	Authorize municipalities to use a sampling method to determine population estimates and housing vacancy rates for mid-decennial population updates.	Prescott Valley	Not Recommended
9	Restore AZ Housing Trust Fund.	Flagstaff	Significant Municipal Issue
10	Restore the Arizona State Park Heritage Fund.	Sedona	Recommend for Adoption
11	Appropriate \$20 million to the Greater Arizona Development Authority (GADA) infrastructure fund, restoring its original statutory mandate and pre-FY2008 funding level.	Apache Junction	Recommend with Amendments
13	Explore mechanisms to improve public safety pensions that create an economically sustainable retirement system, such as including one representative from both a large city and a small non-metropolitan city on the PSPRS board.	Flagstaff	Recommend with Amendments
14	Make the requirements for annexation a more simple and flexible process.	Yuma	Recommend for Adoption
15	Place reasonable limits on the frequency of requests for public records and on requests that are overbroad or abusive.	Yuma	Not Recommended
16	Ban the use of a cell phone, smart phone or similar data devices with one or both hands while in control as the driver of a motorized vehicle, except in the case of an emergency.	Sedona	Significant Municipal Issue

League of Arizona Cities & Towns

2015 Resolution Submissions

17	Permanently allow cities and towns to calculate the majority of votes cast for a municipal office based on the total number of votes cast for that office.	Gilbert	Recommend for Adoption
18	Allow the state of Arizona to partner with cities and towns for the operation and maintenance of Arizona State Parks under long-term leases.	Yuma	Not Recommended
19	Reduce the shortage of health care professionals in Arizona, including addressing the issue of residency.	Sierra Vista	Recommend with Amendments
20	Pass legislation or engage in other activities that support and advocate for resources to improve Arizona's ports of entry with Mexico and related infrastructure.	Douglas	Recommend for Adoption
21	Support the long-term retention of Arizona's military installations.	Sierra Vista	Recommend for Adoption

League Staff Recommendations

1	Support legislation to preclude the Arizona Department of Transportation (ADOT) from requiring cities and towns to completely indemnify ADOT in order to obtain access to certain federal funds.	Recommend for Adoption
2	Support legislation to streamline the implementation of development impact fees including, but not limited to, expansion and clarification of allowable uses, shorter implementation time frames, and reduction of complexity and ambiguity.	Recommend for Adoption

Key to Committee Recommendations

Recommend for Adoption – Becomes a part of the Municipal Policy Statement, and will help guide legislative activity in the coming session.

Recommend with Amendments - Becomes a part of the Municipal Policy Statement, and will help guide legislative activity in the coming session, but needed amending for either content or technical reasons.

#11 was amended to take out the language “insulate the fund from future sweeps.”

#12 was merged into #13, as both related to state retirement systems. Therefore #12 does not show up on this document as a separate resolution.

#19 was amended to add “including the issue of residency.”

Significant Municipal Issue – Although an important concept to cities and towns, does not quite rise to the level of legislative activity. League staff may address the issue with state agencies and/or other stakeholders.

Not Recommended – The resolution may be too confined to one community, be on its face contrary to core principles, or not in line with current agreements with other stakeholders.

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Elizabeth A. Burke, City Clerk
Date: 12/04/2014
Meeting Date: 12/16/2014



TITLE:

Consideration and Adoption of Resolution No. 2014-43: A resolution of the Council of the City of Flagstaff, Arizona, ordering questions be submitted to the qualified electors of the City with respect to amendments to the Flagstaff City Charter, said questions to be submitted at a City Special Election to be held on May 19, 2015 (***Calling a Special Election and approving ballot language for Charter amendments***)

RECOMMENDED ACTION:

- 1) Read Resolution No. 2014-43 by title only
- 2) City Clerk reads Resolution No. 2014-43 by title only (if approved above)
- 3) Adopt Resolution No. 2014-43

Policy Decision or Reason for Action:

The attached resolution calls for a Special May 19, 2015, Election to submit proposed charter amendments to the voters.

Financial Impact:

A Special Charter Amendment Election was budgeted in the 2014-2015 budget in the amount of \$125,000.

Connection to Council Goal and/or Regional Plan:

11. Effective governance

Has There Been Previous Council Decision on This:

A resolution calling the election and approving the ballot language has not been discussed previously; however, there has been much discussion on this topic as outlined further in Background on page 2.

Options and Alternatives:

- 1) Adopt Resolution No. 2014-43
- 2) Amend Resolution No. 2014-43
- 3) Direct staff to make changes to Resolution No. 2014-43 and bring back for final action on January 6, 2015
- 4) Not adopt Resolution No. 2014-43 thereby not calling an election

Background/History:

The City Council initially gave direction to conduct a comprehensive review of the City Charter through a City Manager-appointed resident committee. This committee met 10 times during 2014 and presented their recommendations to the City Manager in October. On October 28 and November 25, 2014, the City Council discussed these questions and directed staff to bring back in resolution form those questions which were determined had sufficient public input due to the housekeeping changes that were either clarifying (e.g., personnel-related items determined by City Manager such as personnel hires or rules to conform to our Council-Manager form of government, etc.) or of a technical nature (e.g., specifying certain actions are determined by ordinance, etc.) to be placed on the ballot for May 19, 2015.

The remaining questions which focus more broadly on policies that Council believes should continue to be further reviewed and discussed with the public, will be taken to the residents of Flagstaff for additional input and will be considered for placement on a future ballot by the Council at a later time for ultimate citizen decision.

The questions have been placed in order as they appear in the City Charter. Additionally, on further review and direction by the Council, the first question regarding the Powers of the City was moved to the list that will have additional public review and discussion due to it being a more substantive change. Two questions were combined (Number 10) by the City Attorney as they related to the same topic.

Community Involvement:

Inform
Consult
Involve
Collaborate
Empower

Attachments: Res. 2014-43
 Questions

RESOLUTION NO. 2014-43

RESOLUTION OF THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, ORDERING QUESTIONS BE SUBMITTED TO THE QUALIFIED ELECTORS OF THE CITY WITH RESPECT TO AMENDMENTS TO THE FLAGSTAFF CITY CHARTER, SAID QUESTIONS TO BE SUBMITTED AT A CITY SPECIAL ELECTION TO BE HELD ON MAY 19, 2015

RECITALS:

WHEREAS, at the direction of the Flagstaff City Council, the City Manager appointed members to a Charter Review Committee to review potential amendments to the Flagstaff City Charter; said amendments submitted by staff and members of the Charter Review Committee; and

WHEREAS, after recommendation by the City Manager, the City Council considered various options and agreed to order the submission of questions to the voters that were predominantly technical in nature, while directing staff to obtain further citizen input on specific questions more policy-related in nature.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA AS FOLLOWS:

Section 1. THAT a special mail-ballot election of the qualified electors of the City is hereby called to be held on May 19, 2015, (hereinafter referred to as the "Election"), at which there shall be submitted to the qualified electors of the City questions amending the Flagstaff City Charter.

Section 2. THAT

(A) notice of the Election shall be given by mailing an informational pamphlet (hereinafter referred to as the "Informational Pamphlet") to each household that contains a registered voter within the City not less than thirty-five (35) days before the date of the Election.

(B) the Clerk of the City is hereby authorized and directed to cause the Informational Pamphlet to be prepared and mailed according to law and the provisions of this resolution.

Section 3. THAT the official ballot for the Election shall be in substantially the form hereto attached and marked Exhibit 'A.'

Section 4. THAT the Clerk of the City is hereby authorized to request arguments for and against the subject matter of the Election for inclusion in the Informational Pamphlet by providing the notice in substantially the form attached and marked Exhibit 'B' (hereinafter referred to as the "Notice for Arguments") by posting the Notice of Arguments at all places at which notices of meetings of the Council of the City are posted

and publishing the Notice of Arguments once in the *Arizona Daily Sun*. The deadline to submit arguments shall be 5:00 p.m. MST on February 18, 2015.

Section 5. THAT the election shall be a Mail Ballot Election unless a polling place election is required for another ballot issue.

Section 6. THAT

(A) the Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State of Arizona, except as otherwise provided by law, and only such persons shall be permitted to vote at the Election who are qualified electors of the City.

(B) all expenditures as may be necessary to order, notice, hold and administer the Election are hereby authorized, which expenditures shall be paid from current operating funds of the City.

(C) the Clerk of the City is hereby further authorized to take all other necessary action to facilitate the Election.

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of Flagstaff this _____ day of _____, 201__.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

EXHIBIT 'A'
FORM OF OFFICIAL BALLOT
OFFICIAL BALLOT

QUESTION NO. 1

OFFICIAL TITLE: AMENDMENT TO ARTICLE II, SECTION 3, *TERM OF THE MAYOR*, AND SECTION 4, *TERM OF COUNCILMEMBERS*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article II, Section 3, *Term of the Mayor*, and Section 4, *Term of Councilmembers*, to combine both sections and provide for the beginning of terms for both mayor and councilmember to be set by ordinance.

A **YES** vote shall have the effect of amending Article II, Section 3, and Section 4, of the Flagstaff City Charter to combine said sections and provide for the beginning of terms to be set by ordinance

YES ☐

A **NO** vote shall have the effect of not amending Article II, Section 3, and Section 4, of the Flagstaff City Charter to combine said sections and provide for the beginning of terms to be set by ordinance

NO ☐

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QUESTION NO. 2

OFFICIAL TITLE: AMENDMENT TO ARTICLE II, SECTION 8, *INDUCTION*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article II, Section 8, *Induction*, to allow the induction date of Council and Mayor to be set by ordinance.

A **YES** vote shall have the effect of amending Article II, Section 8, of the Flagstaff City Charter to allow the induction date of Council and Mayor to be set by ordinance

YES ☐

A **NO** vote shall have the effect of not amending Article II, Section 8, of the Flagstaff City Charter to allow the induction date of Council and Mayor to be set by ordinance

NO ☐

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QUESTION NO. 3

OFFICIAL TITLE: AMENDMENT TO ARTICLE II, SECTION 10, *VACANCIES IN THE COUNCIL AND THE OFFICE OF MAYOR*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article II, Section 10, *Vacancies in the Council and the Office of Mayor*, to clarify how to calculate the period of vacancy for replacement of councilmembers.

A **YES** vote shall have the effect of amending Article II, Section 10, of the Flagstaff City Charter to clarify how to calculate the period of vacancy for replacement of councilmembers

YES ☐

A **NO** vote shall have the effect of not amending Article II, Section 10, of the Flagstaff City Charter to clarify how to calculate the period of vacancy for replacement of councilmembers

NO ☐

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QUESTION NO. 4

OFFICIAL TITLE: AMENDMENT TO ARTICLE III, SECTION 3(c), *POWERS AND DUTIES*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article III, Section 3(c), *Powers and Duties*, to clarify the powers and duties granted to the City Manager and City Council.

A **YES** vote shall have the effect of amending Article III, Section 3(c), of the Flagstaff City Charter to clarify the powers and duties granted to the City Manager and City Council

YES ☐

A **NO** vote shall have the effect of not amending Article III, Section 3(c), of the Flagstaff City Charter to clarify powers and duties granted to the City Manager and City Council

NO ☐

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QUESTION NO. 5

OFFICIAL TITLE: AMENDMENT TO ARTICLE IV, SECTION 2, *THE CITY CLERK*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article IV, Section 2, *The City Clerk*, to remove the requirement that Council approve appointment of the City Clerk.

A **YES** vote shall have the effect of amending Article IV, Section 2, of the Flagstaff City Charter to remove the requirement that Council approve appointment of the City Clerk

YES☐

A **NO** vote shall have the effect of not amending Article V, Section 2, of the Flagstaff City Charter to remove the requirement that Council approve appointment of the City Clerk

NO☐

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QUESTION NO. 6

OFFICIAL TITLE: AMENDMENT TO ARTICLE IV, SECTION 3, *THE CITY TREASURER*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article IV, Section 3, *The City Treasurer*, to remove the requirement that Council approve appointment of the City Treasurer.

A **YES** vote shall have the effect of amending Article IV, Section 3, of the Flagstaff City Charter to remove the requirement that Council approve appointment of the City Treasurer

YES☐

A **NO** vote shall have the effect of not amending Article V, Section 2, of the Flagstaff City Charter to remove the requirement that Council approve appointment of the City Treasurer

NO☐

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QUESTION NO. 7

OFFICIAL TITLE: AMENDMENT TO ARTICLE IV SECTION 4, *THE CITY ATTORNEY*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article IV, Section 4, *The City Attorney*, to authorize the non-exclusive power of the City Attorney to call an Executive Session with the Council.

A **YES** vote shall have the effect of amending Article IV, Section 4, of the Flagstaff City Charter to authorize the non-exclusive power of the City Attorney to call an Executive Session with the Council

YES☐

A **NO** vote shall have the effect of not amending Article IV, Section 4, of the Flagstaff City Charter to authorize the non-exclusive power of the City Attorney to call an Executive Session with the Council

NO

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QUESTION NO. 8

OFFICIAL TITLE: AMENDMENT TO ARTICLE IV, SECTION 5, *PERSONNEL RULES AND REGULATIONS*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article IV, Section 5, *Personnel Rules and Regulations*, directing the Council to adopt an ordinance requiring the City Manager to establish Personnel Rules and Regulations.

A **YES** vote shall have the effect of amending Article IV, Section 5, of the Flagstaff City Charter to direct the Council to adopt an ordinance requiring the City Manager to establish Personnel Rules and Regulations

YES

☐

A **NO** vote shall have the effect of not amending Article IV, Section 5, of the Flagstaff City Charter to direct the Council to adopt an ordinance requiring the City Manager to establish Personnel Rules and Regulations

NO

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QUESTION NO. 9

OFFICIAL TITLE: AMENDMENT TO ARTICLE VII, SECTION 6, *READING AND PASSAGE OF ORDINANCES AND RESOLUTIONS: EFFECTIVE DATE*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article VII, Section 6, *Reading and Passage of Ordinances and Resolutions: Effective Date*, to require three fourths of all of the members elected or appointed to council to affirmatively vote for the final read of an ordinance on the same date as first reading.

A **YES** vote shall have the effect of amending Article VII, Section 6, of the Flagstaff City Charter to require three fourths of all of the members elected or appointed to council to affirmatively vote for the final read of an ordinance on the same date as first reading

YES

☐

A **NO** vote shall have the effect of not amending Article VII, Section 6, of the Flagstaff City Charter to require three fourths of all of the members elected or appointed to council to affirmatively vote for the final read of an ordinance on the same date as first reading

NO☐

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QUESTION NO. 10

OFFICIAL TITLE: AMENDMENT TO ARTICLE VII, SECTION 7, *EMERGENCY MEASURES: EFFECTIVE DATE*, AND SECTION 9, *PUBLICATION OF ORDINANCES AND RESOLUTIONS*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article VII, Section 7, *Emergency Measures: Effective Date*, and Section 9, *Publication of Ordinances and Resolutions*, to require the affirmative vote of three-fourths of all members elected to the city council, to be consistent with state law.

A **YES** vote shall have the effect of amending Article VII, Sections 7 and 9, of the Flagstaff City Charter to require the affirmative vote of three-fourths of all members elected to the city council for an emergency measure, to be consistent with state law

YES☐

A **NO** vote shall have the effect of not amending Article VII, Sections 7 and 9, of the Flagstaff City Charter to require the affirmative vote of three-fourths of all members elected to the city council for an emergency measure, to be consistent with state law

NO☐

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QUESTION NO. 11

OFFICIAL TITLE: AMENDMENT TO ARTICLE VII, SECTION 9, *PUBLICATION OF ORDINANCES AND RESOLUTIONS*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article VII, Section 9, *Publication of Ordinances and Resolutions*, to provide consistency with state law as to publication requirements of ordinances and resolutions.

A **YES** vote shall have the effect of amending Article VII, Section 9, of the Flagstaff City Charter to provide consistency with state law as to publication requirements of ordinances and resolutions

YES☐

A **NO** vote shall have the effect of not amending Article VII, Section 9, of the Flagstaff City Charter to provide consistency with state law as to publication requirements of ordinances and resolutions

NO☐

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QUESTION NO. 12

OFFICIAL TITLE: AMENDMENT TO ARTICLE VIII, Section 10, *SALE OF CITY PROPERTY*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article VIII, Section 10, *Sale of City Property*, to establish a procedure for sale of property when no bids are submitted after notice has been published.

A **YES** vote shall have the effect of amending Article VIII, Section 10, of the Flagstaff City Charter to establish a procedure for sale of property when no bids are submitted after notice has been published

YES☐

A **NO** vote shall have the effect of not amending Article VIII, Section 10, of the Flagstaff City Charter to establish a procedure for sale of property when no bids are submitted after notice has been published

NO☐

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QUESTION NO. 13

OFFICIAL TITLE: AMENDMENT TO ARTICLE IX, SECTION 4, *NOMINATION FOR PRIMARY ELECTION*, OF THE FLAGSTAFF CITY CHARTER

DESCRIPTIVE TITLE: Amendment to Article IX, Section 4, *Nomination for Primary Election*, to require petitions for nomination to be presented to the City Clerk between 90 and 120 days before the date set for the Primary Election, to be consistent with state law and provide adequate time for preparing ballots.

A **YES** vote shall have the effect of amending Article IX, Section 4, of the Flagstaff City Charter to require petitions for nomination to be presented to the City Clerk between 90 and 120 days before the date set for the Primary Election

YES☐

A **NO** vote shall have the effect of not amending Article IX, Section 4, of the Flagstaff City Charter to require petitions for nomination to be presented to the City Clerk between 90 and 120 days before the date set for the Primary Election

NO

☐

EXHIBIT 'B'**FORM OF NOTICE FOR ARGUMENTS****REQUEST FOR ARGUMENTS FOR AND AGAINST PROPOSED
AMENDMENTS TO THE FLAGSTAFF CITY CHARTER**

Pursuant to a resolution adopted by the Council of the City of Flagstaff, Arizona (the "City"), on _____ (the "Resolution"), a special election in and for the City was ordered and called to be held on May 19, 2015 (the "Election"). Notice of the Election will be given by mailing an informational pamphlet to each household that contains a registered voter, with such pamphlet to include arguments for and against the proposed amendments to the Flagstaff City Charter to be considered at the Election. Any person interested in providing any such argument is hereby requested to provide the same to the City Clerk, before 5:00 p.m., Arizona time on Wednesday, February 18, 2015. If you have any questions about the foregoing, please contact Elizabeth Burke, City Clerk, at 928-213-2076.

/s/ Elizabeth Burke

Elizabeth Burke, Flagstaff City Clerk

**PROPOSED
CHARTER AMENDMENTS
MAY 2015**

QUESTION NUMBER 1: Shall the Charter of the City of Flagstaff, Arizona, Article II, Sections 3 and 4, TERM OF MAYOR AND TERM OF COUNCILMEMBERS, be amended as follows:

~~Section 3 – TERM OF THE MAYOR~~

~~The term of office of the Mayor shall commence on the first meeting in April¹ following the election, and shall be for two (2) years, or until a successor is elected and inducted.~~

~~Section 4 – TERM OF COUNCILMEMBERS~~

~~The term of office of Councilmembers shall commence on the first meeting in April² following their election, and except as otherwise provided herein, shall be for four (4) years, or until their successors are elected and inducted. Each even-numbered year, three (3) Councilmembers shall be elected.~~

SECTION 3 – TERMS OF MAYOR AND COUNCILMEMBERS

THE TERMS OF OFFICE FOR ALL MUNICIPAL ELECTED OFFICIALS SHALL COMMENCE ON THE DATE SET BY ORDINANCE.

SECTION 4 - RESERVED

Question Number 2: Shall the Charter of the City of Flagstaff, Arizona, Article II, Section 8, INDUCTION, be amended as follows:

On the **DATE SET BY ORDINANCE** ~~second meeting in April following the General Election~~, the Council shall hold a meeting to induct into office the newly-elected Mayor and Councilmembers and to organize the Council. At this meeting, the Council shall designate one of its members as Vice- Mayor, who shall serve in such capacity at the pleasure of the Council. The Vice-Mayor shall perform all the duties of the Mayor during the absence or disability of the Mayor.

Question Number 3: Shall the Charter for the City of Flagstaff, Arizona, Article II, Section 10, VACANCIES IN THE COUNCIL AND THE OFFICE OF MAYOR, be amended as follows:

The Council, by a majority vote of its remaining members, shall, within thirty-one (31) days, fill the vacancies in its own membership, and in the office of Mayor, for the unexpired terms. In the event that such unexpired term exceeds two years **FROM THE FIRST DATE ON WHICH CANDIDATES MAY FILE THEIR NOMINATION PAPERS AND PETITIONS**, then the appointment to such vacancy shall be for the period from the appointment until the next succeeding **CITY CANDIDATE** election, at which time a Councilmember shall be elected to serve the remainder of the term and who shall be designated on the ballot as running for the "short term."

Question Number 4: Shall the Charter for the City of Flagstaff, Arizona, Article III, Section 3(c), POWERS AND DUTIES, be amended as follows:

The City Manager shall: Devote entire time to the discharge of official duties, prepare the agenda for, and attend, all meetings of the Council, unless excused therefrom by the Council or the Mayor;

(a) Devote entire time to the discharge of official duties, prepare the agenda for, and attend, all meetings of the Council, unless excused therefrom by the Council or the Mayor;

(b) See that all ordinances are enforced, and that the provisions of all franchises, leases, contracts, permits, and privileges granted by the City are observed;

(c) Appoint and, when necessary for the good of the service, lay off, suspend, transfer, demote, or remove all officers and employees of the City, except as otherwise provided by this Charter, and except as the Manager may authorize the head of a department or office to appoint and remove subordinates in such department or office, subject to such ~~merit system~~ regulations DETERMINING THE DUE PROCESS RIGHTS OF EMPLOYEES SUBJECT TO LAYOFFS, SUSPENSIONS, DEMOTIONS AND TERMINATIONS as the Council may adopt;

(d) Prepare the annual budget estimates and submit them to the Council, and be responsible for the administration of the budget after adoption;

(e) Keep the Council advised at all times of the affairs and needs of the City, and make reports annually, or more frequently, if requested by the Council, of all affairs of the City;

(f) Act as purchasing agent for all departments of the City, giving due consideration to the recommendations and counsel of department heads;

(g) Have such other powers, duties, and functions as this Charter may prescribe, and such powers, duties, and functions consistent with this Charter that the Council may prescribe.

Questions Number 5: Shall the Charter of the City of Flagstaff, Arizona, Article IV, Section 2, THE CITY CLERK, be amended as follows:

The City Manager shall, ~~with approval of the Council,~~ appoint an officer of the City, who shall have the title of City Clerk, and who shall give notice of all Council meetings, keep the journal of the Council's proceedings, authenticate by signature, and record in full in books kept for the purpose, all ordinances and resolutions, and perform such other duties as shall be required by this Charter, or by ordinance. The City Clerk will serve at the pleasure of the City Manager.

Question Number 6: Shall the Charter of the City of Flagstaff, Arizona, Article IV, Section 3, THE CITY TREASURER, be amended as follows:

The City Manager shall, ~~with approval of the Council,~~ appoint an officer of the City, who shall have the title of City Treasurer, and who shall receive and have custody of all the money of the City, and shall keep and save said money, and dispense the same only as provided by ordinance, and who shall always be bound by the Constitution, laws of the State, Charter of the

City, and ordinances, and upon whom legal garnishments may be served. The City Treasurer will serve at the pleasure of the City Manager.

Question Number 7: Shall the Charter for the City of Flagstaff, Arizona, Article IV, Section 4, THE CITY ATTORNEY, be amended as follows:

The Council shall appoint a City Attorney, who shall be an attorney-at-law, admitted to the Bar of the Supreme Court of this State. The City Attorney shall be the chief legal advisor of all offices, departments, and agencies, and of all officers and employees in matters relating to their official powers and duties. The City Attorney shall represent the City in all legal proceedings. It shall be the City Attorney's duty to perform all services incident to this position as may be required by statute, by this Charter, or by ordinance. **THE CITY ATTORNEY SHALL HAVE THE NON-EXCLUSIVE POWER TO CALL AN EXECUTIVE SESSION WITH THE COUNCIL FOR THE PURPOSES OF DISCUSSION OR CONSULTATION AS PERMITTED BY LAW.** The City Attorney will serve at the pleasure of the Council.

Question Number 8: Shall the Charter of the City of Flagstaff, Arizona, Article IV, Section 5, PERSONNEL RULES AND REGULATIONS, be amended as follows:

The Council shall ~~ADOPT AN by ordinance~~ **THAT REQUIRES THE CITY MANAGER TO ESTABLISH** ~~For the establishment of~~ Personnel Rules and Regulations by ordinance or resolution for the purpose of regulating and controlling the due process for appointments, promotions, demotions, discharges, and reinstatements of all officers and employees of the City, except those elected by the people, members of appointive boards and commissions and volunteers who serve without pay, and also except the City Manager, the City Attorney, and the Police Judges.

Question Number 9: Shall the Charter of the City of Flagstaff, Arizona, Article VII, Section 6, READING AND PASSAGE OF ORDINANCES AND RESOLUTIONS: EFFECTIVE DATE, be amended as follows:

All proposed ordinances and resolutions shall either be read in full or posted in a public place at least twenty-four (24) hours prior to its adoption, provided if any amendments are proposed to a posted ordinance or resolution such amendments shall be read in full prior to its adoption. An ordinance may be read for the final time at the same meeting as when introduced upon **THE AFFIRMATIVE VOTE OF THREE FOURTHS OF ALL OF THE MEMBERS ELECTED TO THE COUNCIL** ~~unanimous consent of those Councilmembers present~~. A resolution shall require only one (1) reading before its adoption and may be adopted at the same meeting at which it is first introduced by a majority of those Councilmembers present.

QUESTION NUMBER 10: Shall the Charter of the City of Flagstaff, Arizona, Article VII, Section 7, EMERGENCY MEASURES, and Section 9, PUBLICATION OF ORDINANCES AND RESOLUTIONS, be amended as follows:

Section 7, EMERGENCY MEASURES

(a) An emergency measure is one necessary for the immediate preservation of the public peace, health, or safety, in which the emergency is set forth and defined. An emergency

measure may be placed upon its final reading and final passage at the same meeting as when first introduced upon the affirmative vote of **THREE FOURTHS OF ALL OF THE MEMBERS ELECTED OR APPOINTED TO** ~~five (5) members of~~ the Council.

(b) An emergency measure shall take effect immediately upon its passage.

Section 9, PUBLICATION OF ORDINANCES AND RESOLUTIONS

(a) All ordinances and resolutions having the effect of ordinances, except emergency measures, shall become effective and operative thirty (30) days after its adoption or twenty (20) days after its publication in the official newspaper of the City, whichever is later.

(b) An emergency ordinance which has been passed by ~~the necessary vote of five (5) members of~~ **THREE FOURTHS OF ALL OF THE MEMBERS ELECTED OR APPOINTED TO** the Council shall be published one time in the official newspaper of the City within ten (10) days after its passage.

QUESTION NUMBER 11: Shall the Charter of the City of Flagstaff, Arizona, Article VII, Section 9, PUBLICATION OF ORDINANCES AND RESOLUTIONS, be amended as follows:

(a) All ordinances and resolutions having the effect of ordinances, except emergency measures, shall become effective and operative thirty (30) days after its adoption or **AS REQUIRED OR PERMITTED BY STATE LAW** ~~twenty (20) days after its publication in the official newspaper of the City~~, whichever is later.

(b) An emergency ordinance ~~which has been passed by the necessary vote of five (5) members of the Council~~ shall be published one time in the official newspaper of the City within ten (10) days after its passage **OR AS REQUIRED OR PERMITTED BY STATE LAW**.

Question Number 12: Shall the Charter of the City of Flagstaff, Arizona, Article VIII, Section 10, SALE OF CITY PROPERTY, be amended as follows:

The Council may sell such portions of the real and personal property of the City not needed or not likely to be needed within a reasonable future time. Each sale shall be made on such conditions as the Council may prescribe to the highest responsible bidder after published notice of the sale in accordance with the following schedule:

1. Personal property valued in excess of \$500.00 shall be sold after published notice of the sale for at least once not less than five (5) days prior to opening of bids.

2. Real property shall be sold after published notice of the sale for at least one time per week for three weeks prior to opening of bids. ~~The Council~~ shall have the right to reject any and all bids. **IF THERE ARE NO BIDS SUBMITTED, THEN FOR A TWO-YEAR PERIOD THE CITY MANAGER MAY ENTER INTO AN AGREEMENT TO SELL THE PROPERTY FOR AN AMOUNT REASONABLY CONSISTENT WITH AN APPRAISAL WITHOUT FURTHER NOTICE AND BID PROCESS. SALE OR TRADE OF REAL PROPERTY WITH ANOTHER GOVERNMENT ENTITY DOES NOT REQUIRE A NOTIFICATION AND BID PROCESS.**

3. The City Manager may sell or otherwise dispose of any personal property having a value of \$500.00 or less without published notice, but written advice of such sale or disposal shall be given to the Council.

4. The Council may also in its discretion subdivide and plat City property which it determines to sell, providing restrictions relative to its use and dedicate streets and alleys as determined necessary for the use of the public.

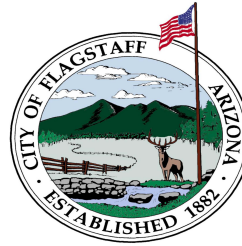
Question Number 13: Shall the Charter of the City of Flagstaff, Arizona, Article IX, Section 4, NOMINATION FOR PRIMARY ELECTION, be amended as follows:

(a) Nominations for Primary Elections shall be by petition of nomination, which shall consist of a printed or written form, which shall be furnished to applicants by the City Clerk.

(b) The petition or petitions for nomination, consisting of signatures of qualified voters, aggregating not less than five (5) percent, nor more than ten (10) percent of the number of electors voting at the last preceding municipal General Election, shall be presented to the City Clerk not earlier than ~~ONE HUNDRED-TWENTY (120)~~~~ninety (90)~~ days, nor later than ~~NINETY (90)~~~~SIXTY (60)~~ days before the date set for the Primary Election. The City Clerk shall endorse on such petition or petitions the date and the time when the same was received by the City Clerk, and shall cause the candidates' names to be printed on the ballot.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Nicole Woodman, Sustainability Manager
Date: 11/04/2014
Meeting Date: 12/16/2014



TITLE

Discussion: Walnut Canyon Study boundary discussion

RECOMMENDED ACTION:

The intent of the December 16, 2014 presentation is to provide Council with four boundary options and receive direction regarding which boundary to include in the City's resolution supporting option two as outlined in the Walnut Canyon Special Study. A draft resolution is included in the attachment wherein a boundary option can be inserted to reflect the Council's direction.

INFORMATION

CONNECTION TO COUNCIL GOALS AND/OR REGIONAL PLAN:

Goal E&C.4. Integrate available science into policies governing the use and conservation of Flagstaff's natural resources.

Goal E&C.5. Preserve dark skies as an unspoiled natural resource, basis for an important economic sector, and core element of community character.

Goal E&C.6. Protect, restore, and improve ecosystem health and maintain native plant and animal community diversity across all land ownerships in the Flagstaff region.

Goal E&C.7. Give special consideration to environmentally sensitive lands in the development design and review process (Policy E&C.8.2).

Goal E&C.8. Maintain areas of natural quiet and reduce noise pollution.

Goal E&C.9. Protect soils through conservation practices.

Goal OS.1. The region has a system of open lands, such as undeveloped natural areas, wildlife corridors and habitat areas, trails, access to public lands, and greenways to support the natural environment that sustains our quality of life, cultural heritage, and ecosystem health.

Goal LU.3. Continue to enhance the region's unique sense of place within the urban, suburban, and rural context (Policy LU.3.3).

The Walnut Canyon Study was compiled by the U.S. Forest Service (USFS) and National Park Service (NPS) for purposes of determining how best to manage the USFS lands adjacent to the Walnut Canyon National Monument. The Study was authorized in Section 7201 of the Omnibus Public Land Management Act of 2009, Public Law 111-11, passed by Congress and signed into law by President Obama on March 30, 2009. The text of Section 7201 requests that the Study aim to assess "the suitability and feasibility of designating all or part of the study area as an addition to Walnut Canyon National Monument, continued management of the study area by the Forest Service or any other designation or management option that would provide for (i) protection of resources within the study area; and (ii) continued access to, and use of, the study area by the public."

The Study was supported by the Coconino County Board of Supervisors and Flagstaff City Council in a joint resolution numbered 2002-65 and 2002-92, respectively. In the joint resolution, the City Council and the Board of Supervisor supported a federal authorization for a special resources and land management study of federal lands surrounding Walnut Canyon National Monument for purposes of determining how best to protect these lands from future development.

The final Walnut Canyon Study was released on January 31, 2014. On February 3, 2014, representatives from the U.S. Forest Service and the National Park Service presented an update on the Study to the Flagstaff City Council and Coconino County Board of Supervisors. On February 25, 2014, staff presented a brief presentation to City Council highlighting the three protection options recommended in the Study. City Council requested an additional work session to discuss the options and impacts in greater detail. On June 10, 2014 staff from the City, US Forest Service and Flagstaff Area National Monuments provided an overview of the study and the three management options. The City Council requested staff to return with boundary alternatives in support of option two as outlined in the Walnut Canyon Special Study.

On April 15, 2014, the Coconino Board of Supervisors adopted resolution 2014-17 regarding Walnut Canyon. The resolution supports option two in the Study, which provides the highest level of protection for Federal land that Congress can bestow and to continue existing access and uses.

Attachments: [Walnut Canyon Presentation](#)
 [Walnut Canyon Boundary Option Maps](#)
 [Walnut Canyon Resolution Draft Example](#)

Walnut Canyon Study Area

December 16, 2014



Walnut Canyon Study Background

- Compiled by the U.S. Forest Service (USFS) and National Park Service (NPS).
- Study authorized in Omnibus Public Land Management Act of 2009.
- In 2002 Coconino County Board of Supervisors and Flagstaff City Council passed a joint resolution supporting the study.
- Study released on January 21, 2014.
- February 3 and February 25, 2014 presentations to City Council.
- April 15, 2014 Coconino County Board of Supervisors adopts resolution in support of option 2 as outlined in the study.
- June 10, 2014 City staff, USFS and Flagstaff Area National Monuments presented to City Council. Staff received direction to provide boundary alternatives in support of the Study's option 2 through a resolution.

Walnut Canyon Study Option 2: Supports Congressional Special Management Designation

- Could provide the highest level of protection for lands surround the Walnut Canyon Monument.
- Current range of multiple uses continue to be managed by the USFS.
- Land use may be defined by congressional action.
- USFS management would require additional layer of planning and staffing responsibility.
- Land disposal would require act of Congress.
- State Land and private land rights are preserved.

Based on City Council Comments – Four Boundary Alternatives for Consideration

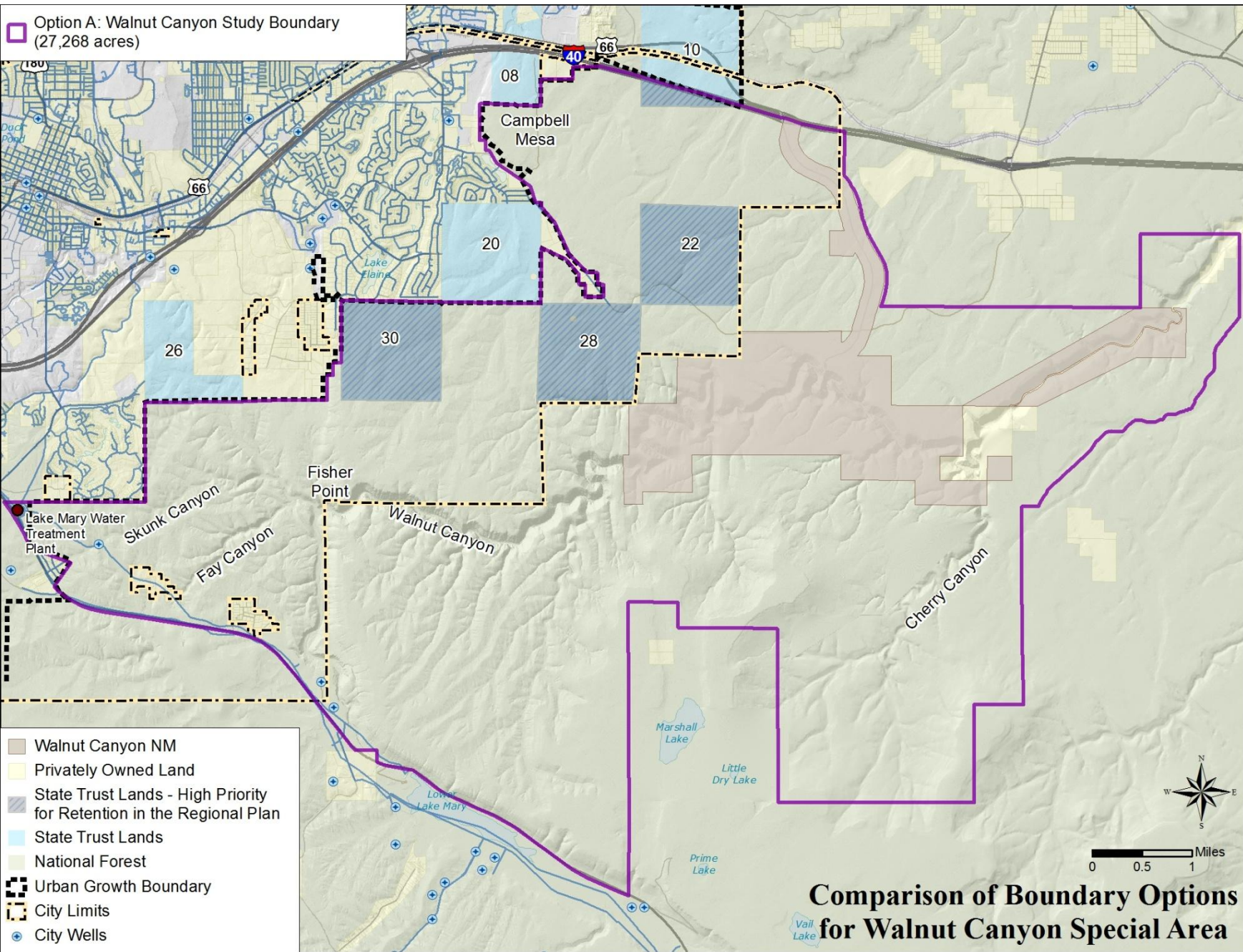
- Option A: Walnut Canyon Study Boundary.
- Option B: Walnut Canyon Study Boundary less State Land, private land and Lake Mary Water Treatment Plant.
- Option C: NPS Key Resource Value Area.
- Option D: NPS Key Resource Value Area with Skunk and Fay Canyons and Campbell Mesa.

All Boundary Alternatives

- Surround Walnut Canyon Monument.
- Extend protection to portions of Walnut Creek watershed.
- Preserve riparian, old growth and endangered species habitat.
- Preserve the natural scenery.
- Address fire management and forest restoration.
- Existing use would remaining including recreation.

Boundary Option A: Walnut Canyon Study Area Boundary

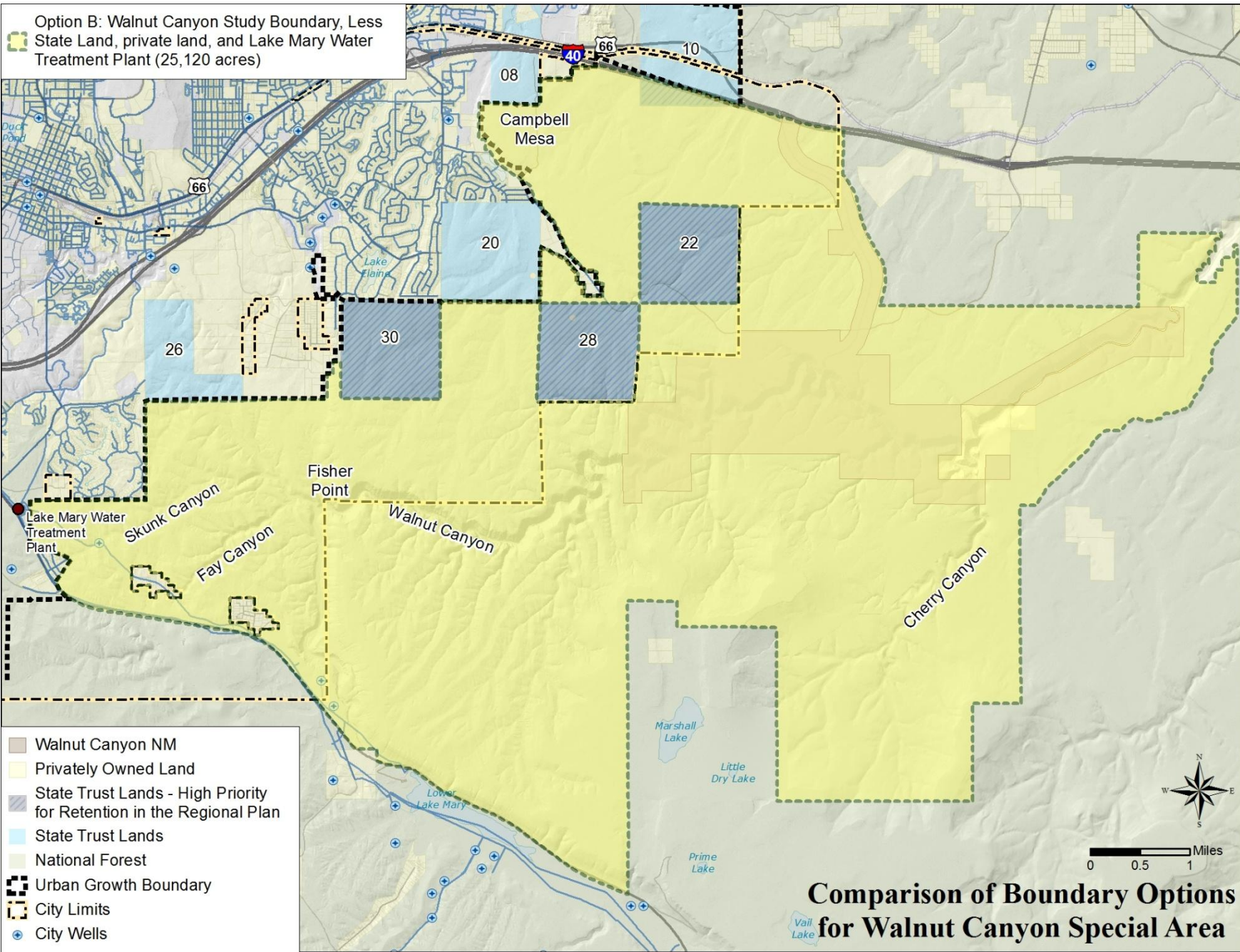
- The Study Area encompasses roughly 27,800 acres:
 - 25,400 acres of federal land.
 - 2,000 acres of state land.
 - 465 acres of private land.



Boundary Option B: Walnut Canyon Study Boundary, Less State and Private Land and Lake Mary Water Treatment Plant

- Excludes Arizona State Land Department land, private land and Lake Mary Water Treatment Plant.
- Roughly 25,120 acres.
- If state or private lands are protected in the future it would take an additional act of Congress to incorporate them into the Walnut Canyon special designation area.

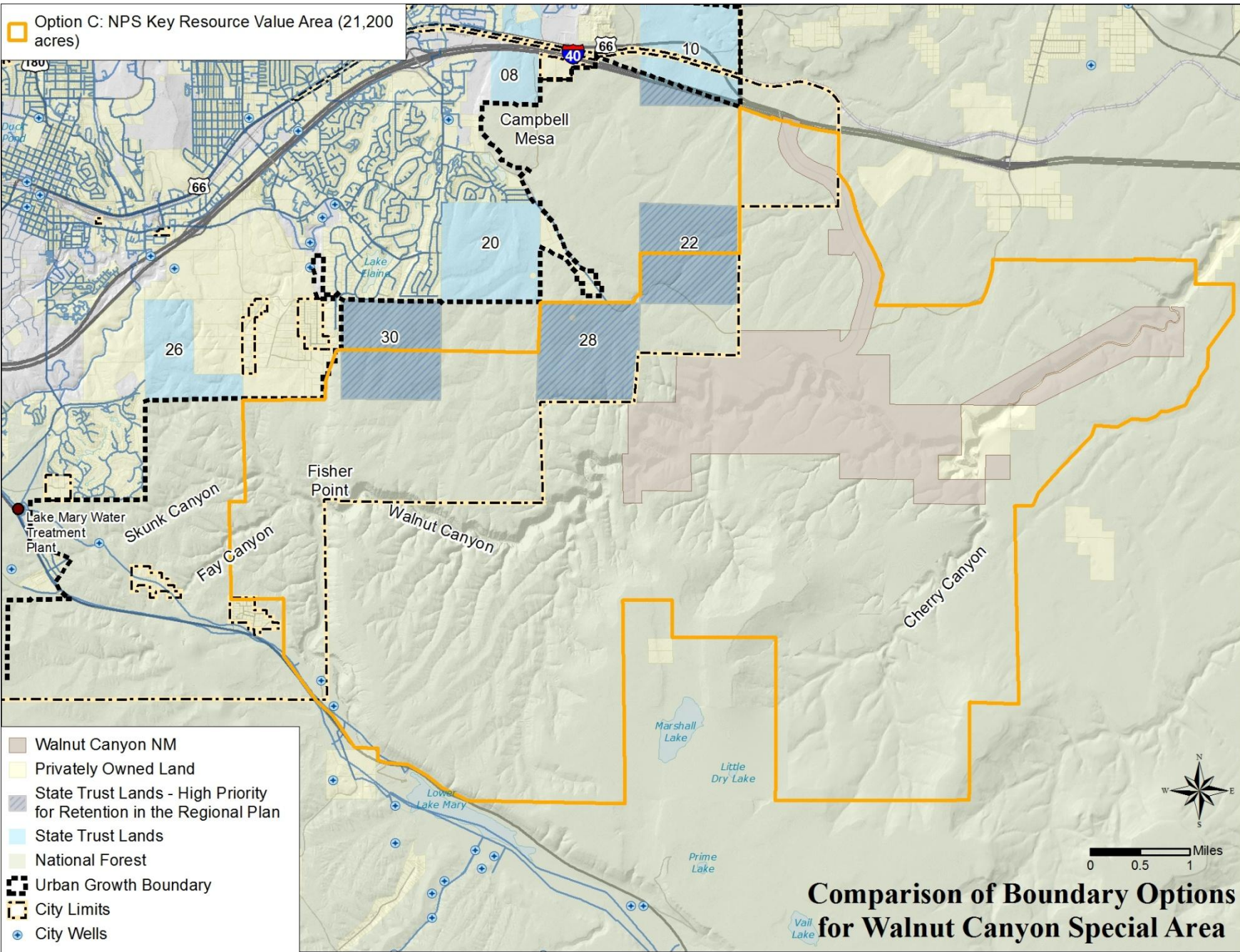
Option B: Walnut Canyon Study Boundary, Less
State Land, private land, and Lake Mary Water
Treatment Plant (25,120 acres)



**Comparison of Boundary Options
for Walnut Canyon Special Area**

Boundary Option C: NPS Key Resource Values Area

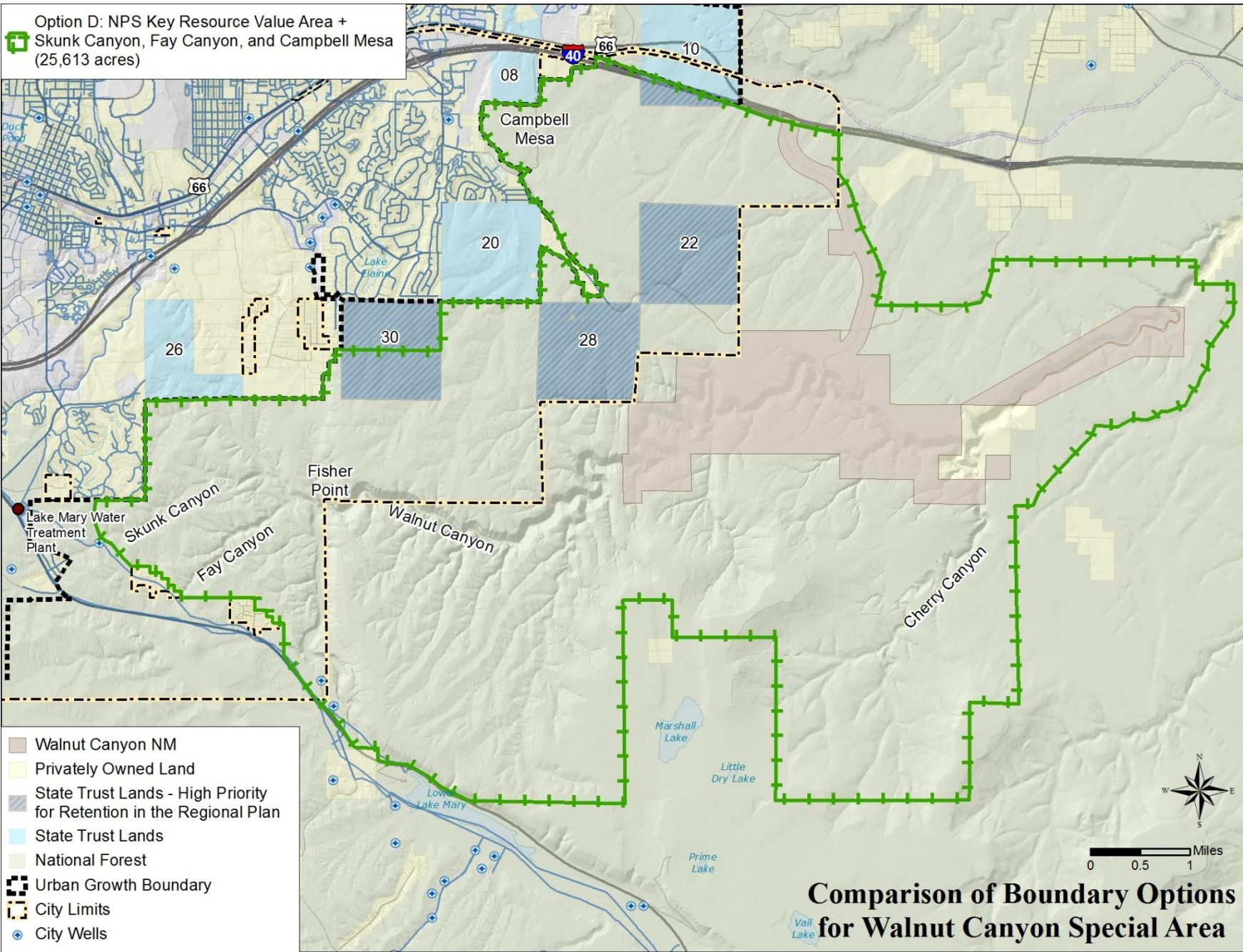
- Roughly 24,418 acres.
- NPS General Management Plan and Key Resource Values.



Boundary Option D: Option C with Skunk Canyon, Fay Canyon and Campbell Mesa

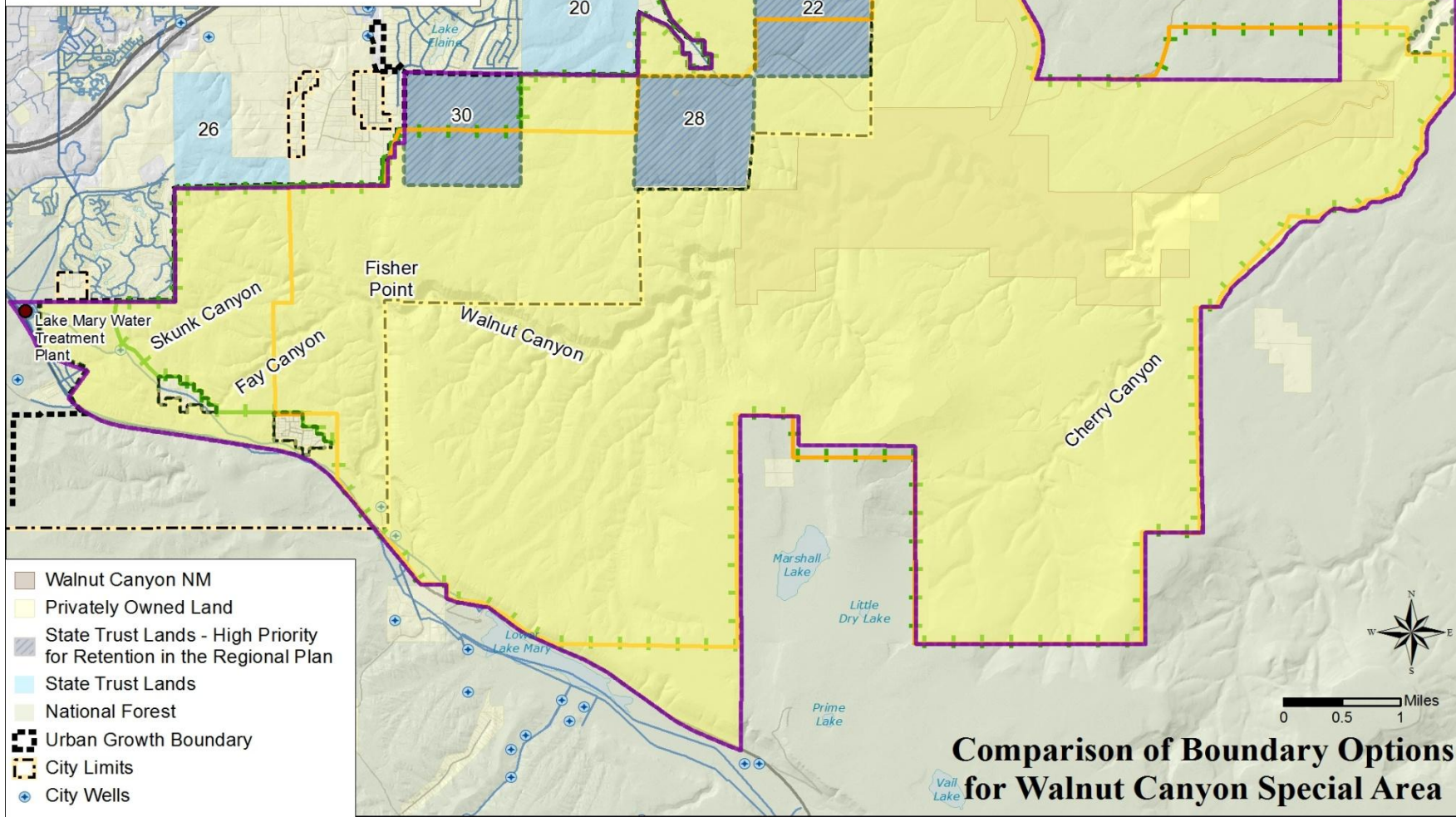
- Roughly 25,600 acres.
- In addition to the NPS Key Resources, includes Skunk and Fay Canyons and Campbell Mesa.
- Includes headwaters of Walnut Creek.

Option D: NPS Key Resource Value Area +
 Skunk Canyon, Fay Canyon, and Campbell Mesa
 (25,613 acres)



**Comparison of Boundary Options
 for Walnut Canyon Special Area**

- Option A: Walnut Canyon Study Boundary (27,268 acres)
- Option B: Walnut Canyon Study Boundary, Less State Land, private land, and Lake Mary Water Treatment Plant (25,120 acres)
- Option C: NPS Key Resource Value Area (21,200 acres)
- Option D: NPS Key Resource Value Area + Skunk Canyon, Fay Canyon, and Campbell Mesa (25,613 acres)

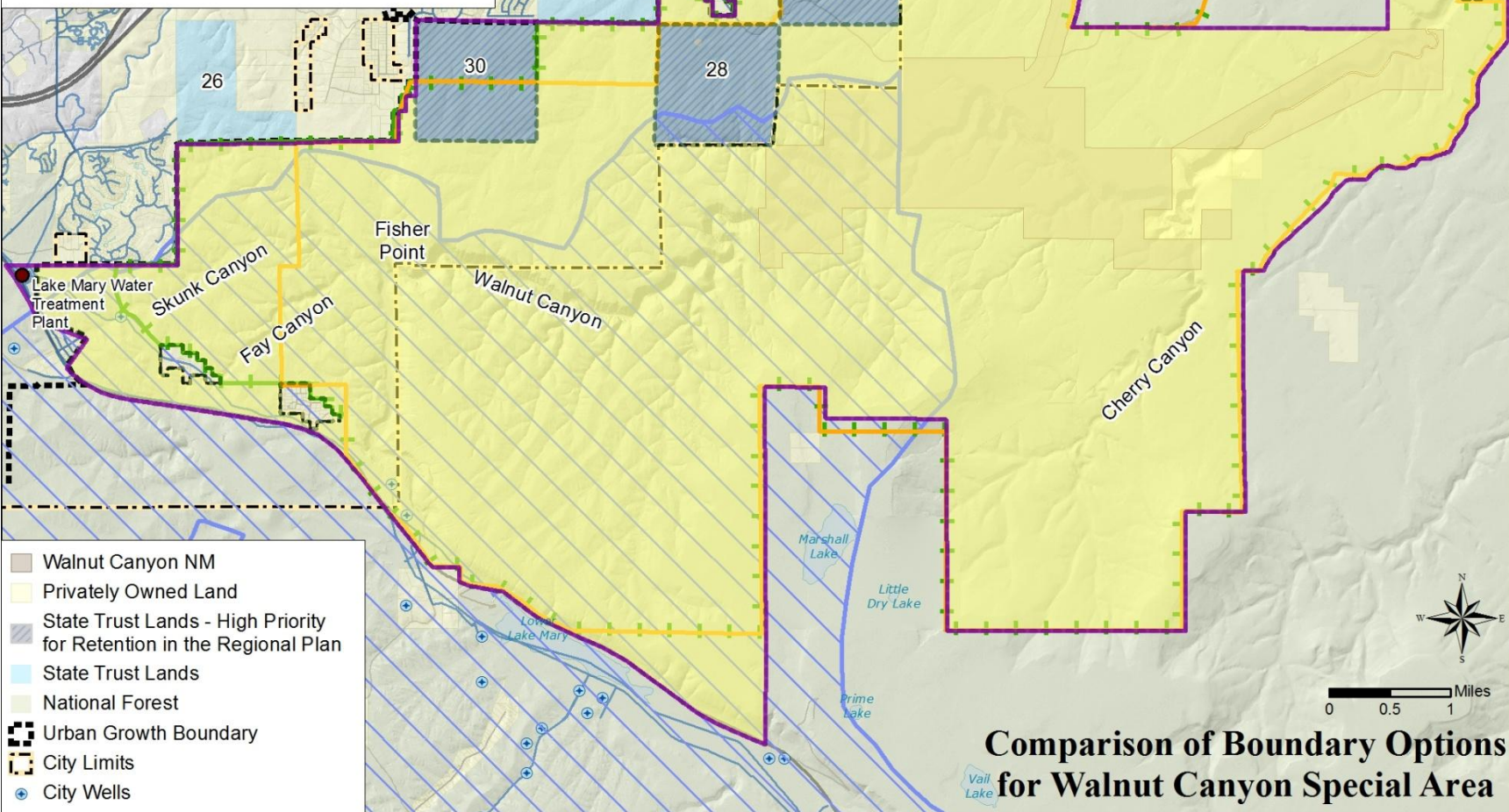


**Comparison of Boundary Options
for Walnut Canyon Special Area**

Next Steps

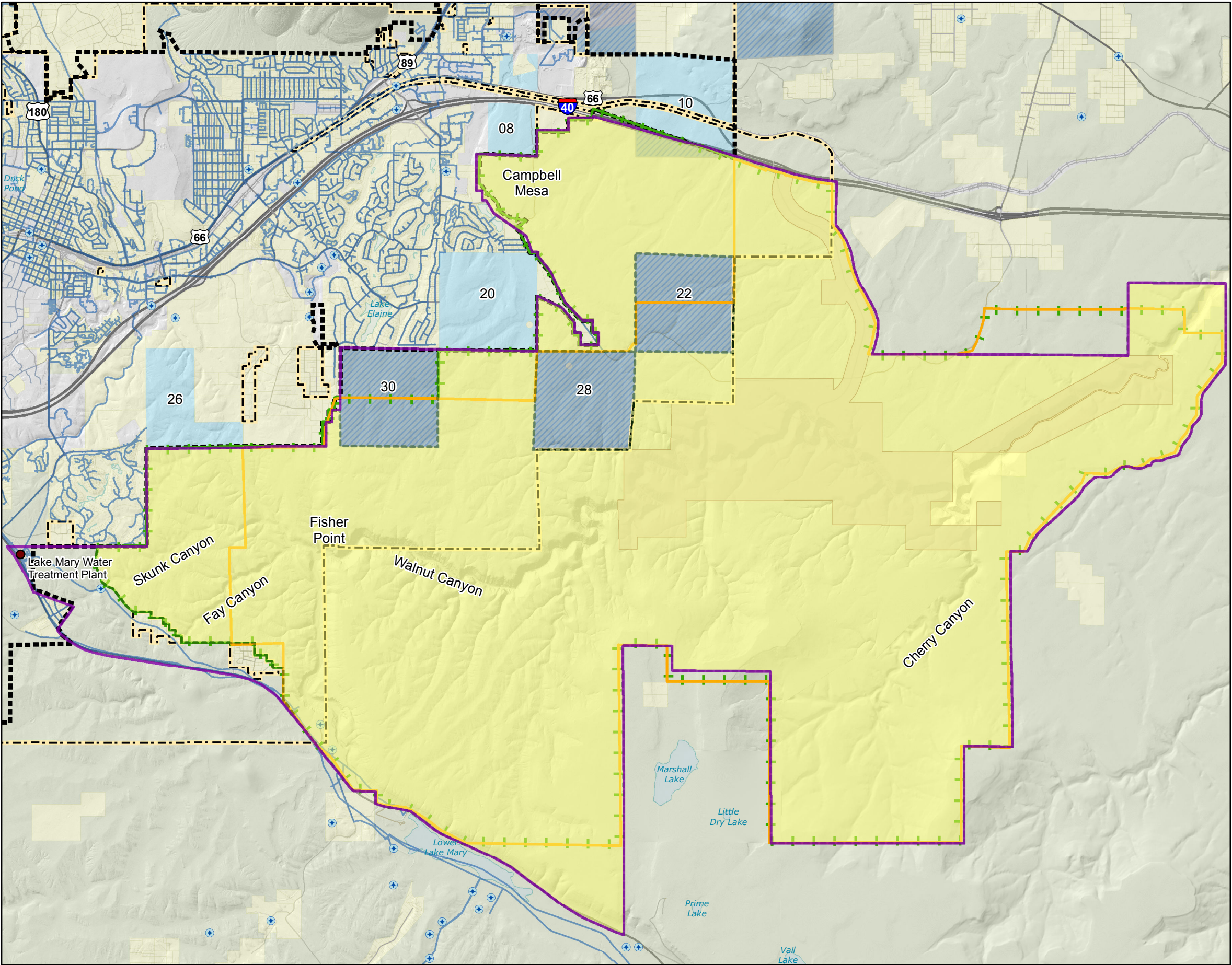
- Direct staff on preferred boundary option.
- Staff will return with a resolution.

- Option A: Walnut Canyon Study Boundary (27,268 acres)
- Option B: Walnut Canyon Study Boundary, Less State Land, private land, and Lake Mary Water Treatment Plant (25,120 acres)
- Option C: NPS Key Resource Value Area (21,200 acres)
- Option D: NPS Key Resource Value Area + Skunk Canyon, Fay Canyon, and Campbell Mesa (25,613 acres)
- Lake Mary Walnut Creek Watershed Boundary (2001)



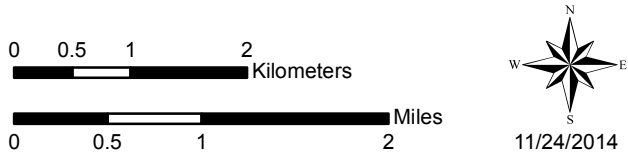
**Comparison of Boundary Options
for Walnut Canyon Special Area**

Comparison of Boundary Options for Walnut Canyon Special Area

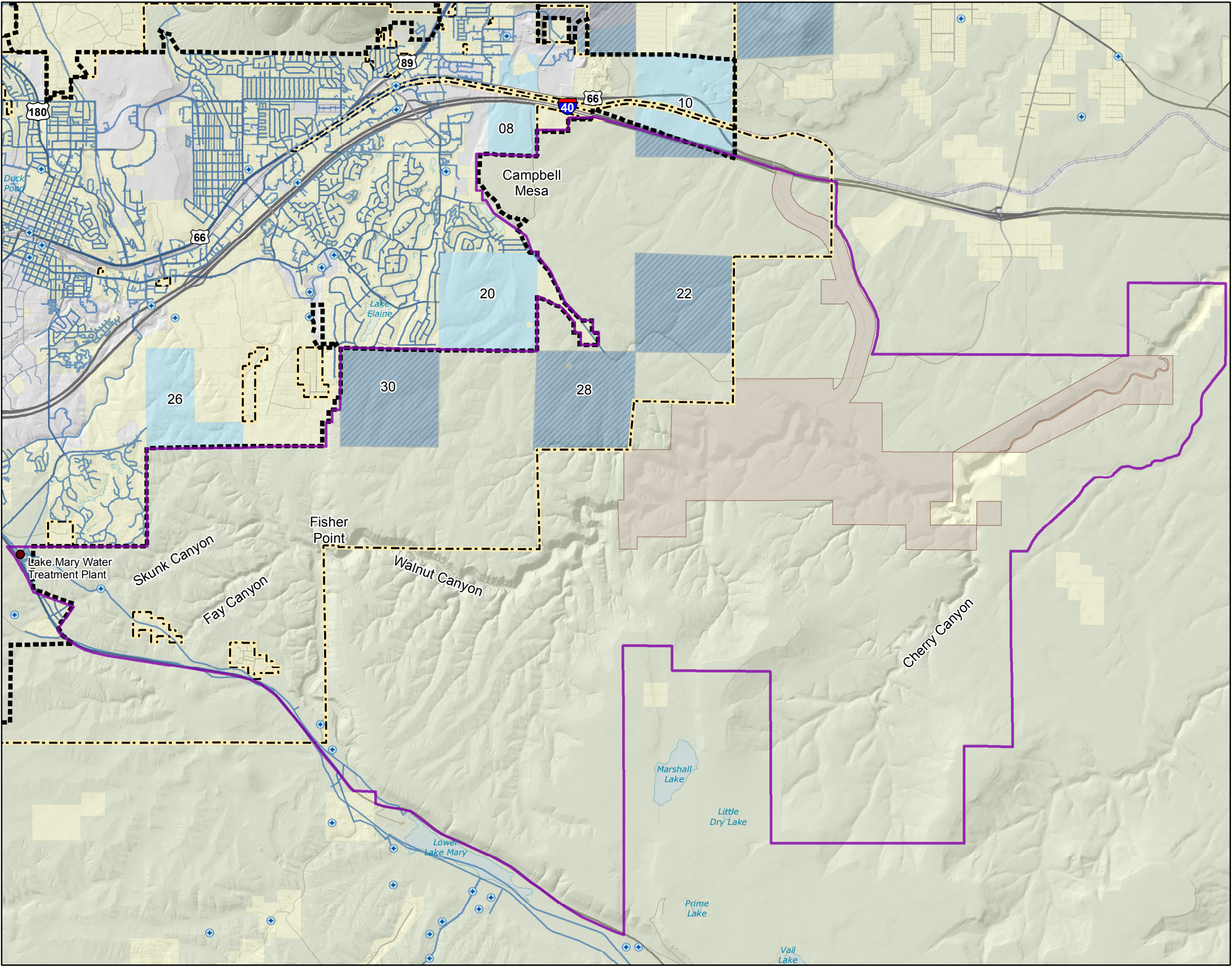


- Option A: Walnut Canyon Study Boundary (30,885.5 acres)
- Option B: Walnut Canyon Study Boundary, Less State Land, private land, and Lake Mary Water Treatment Plant (28,099 acres)
- Option C: NPS Key Resource Value Area (24,817.7 acres)
- Option D: NPS Key Resource Value Area + Skunk Canyon, Fay Canyon, and Campbell Mesa (29,230 acres)

- Walnut Canyon National Mounument (3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains

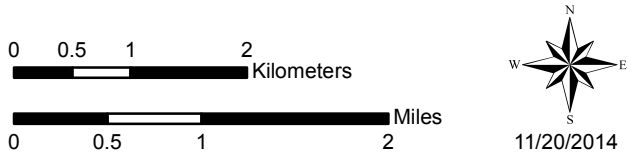


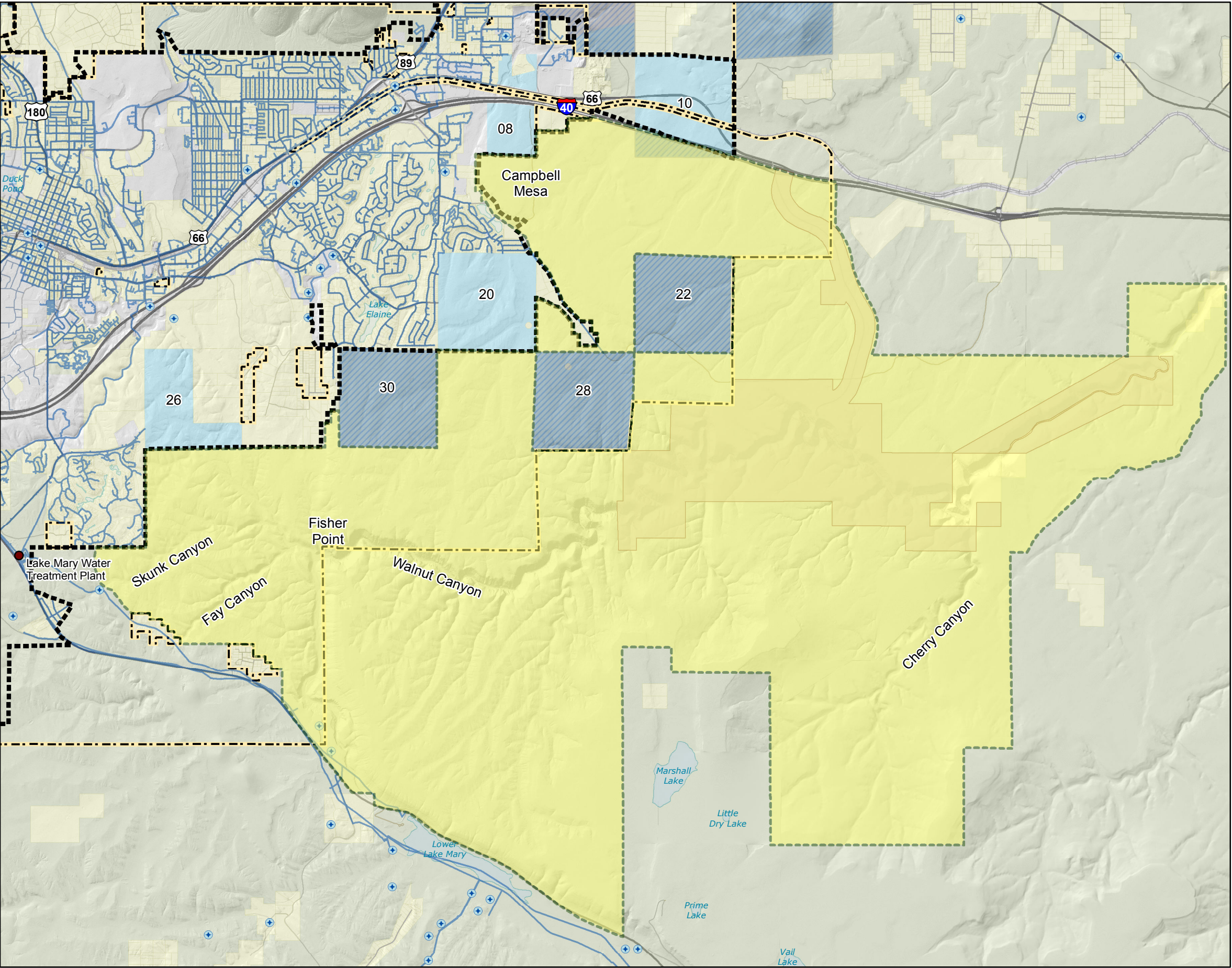
Comparison of Boundary Options for Walnut Canyon Special Area



Option A: Walnut Canyon Study Boundary (30,885.5 acres)

- Walnut Canyon National Mounument (3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains





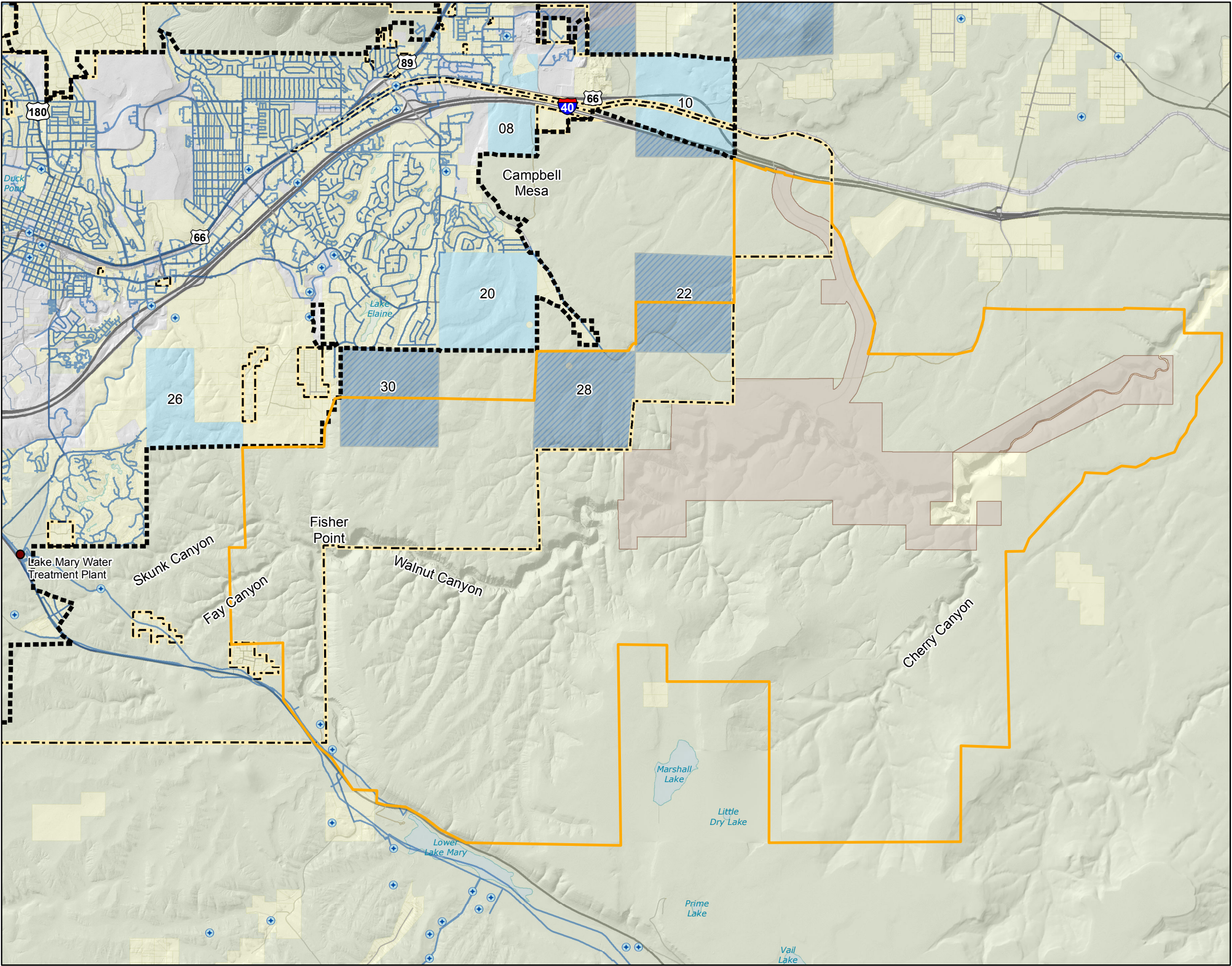
Comparison of Boundary Options for Walnut Canyon Special Area

Option B: Walnut Canyon Study Boundary,
Less State Land, private land, and Lake
Mary Water Treatment Plant (28,099 acres)

- Walnut Canyon National Mounument (3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains



Comparison of Boundary Options for Walnut Canyon Special Area



Option C: NPS Key Resource Value Area
(24,817.7 acres)

- Walnut Canyon National Mounument
(3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for
Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains

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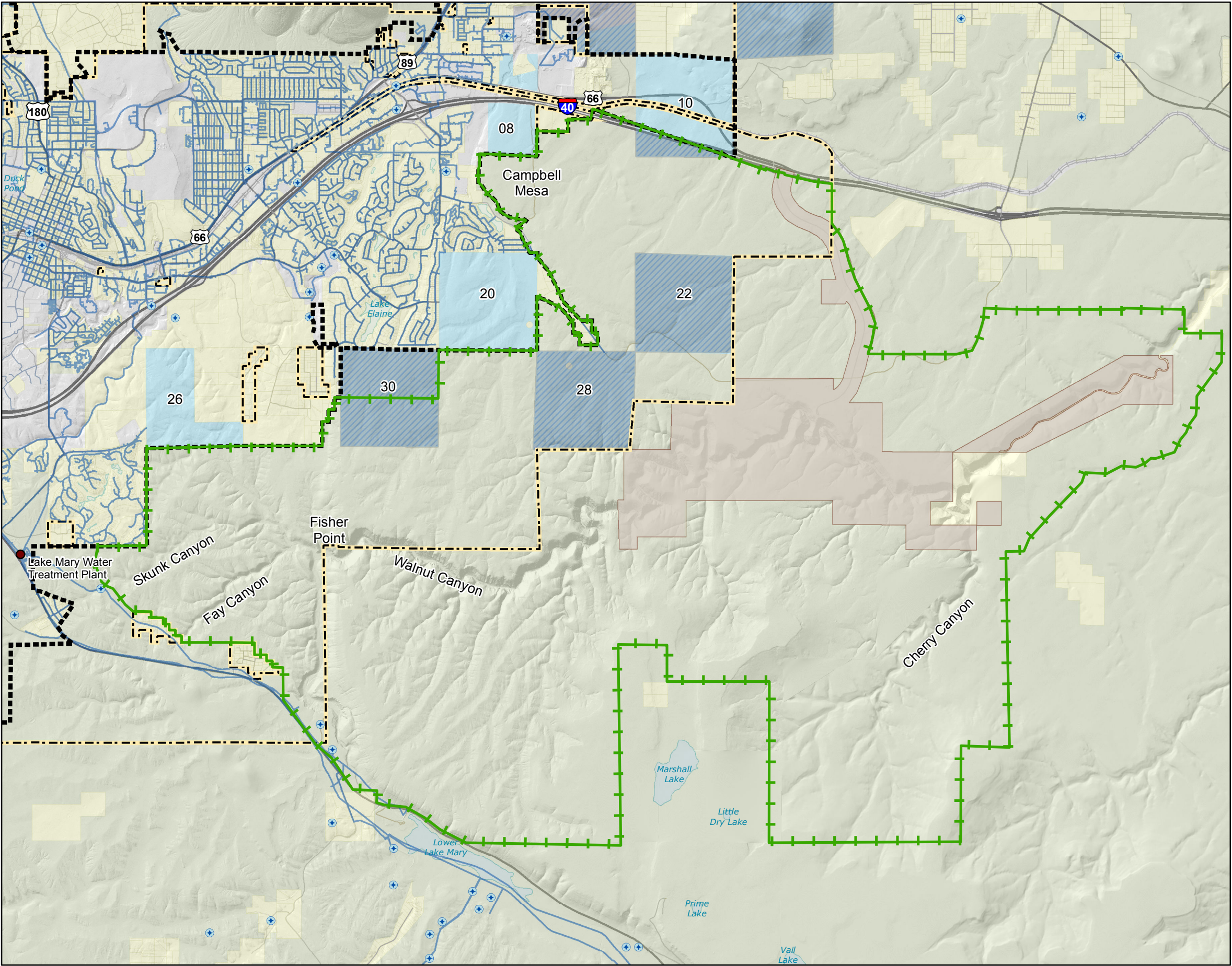
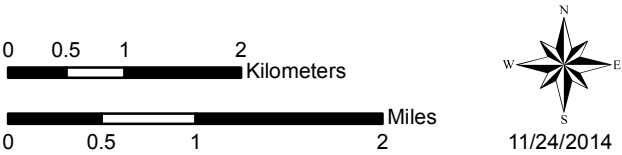
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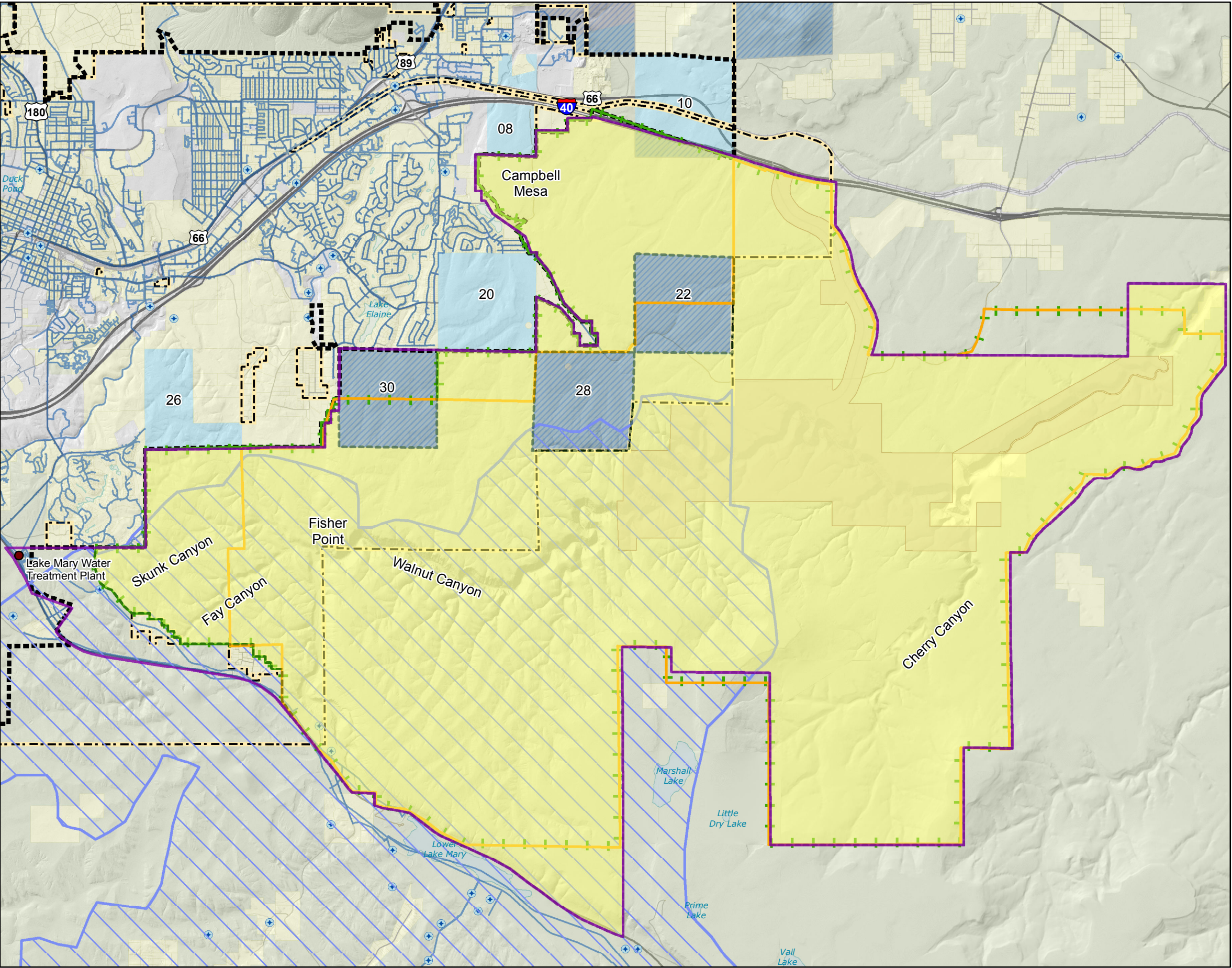
11/20/2014

Comparison of Boundary Options for Walnut Canyon Special Area

Option D: NPS Key Resource Value Area +
Skunk Canyon, Fay Canyon, and Campbell
Mesa (29,230 acres)

- Walnut Canyon National Mounument (3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains





Comparison of Boundary Options for Walnut Canyon Special Area

- Option A: Walnut Canyon Study Boundary (30,885.5 acres)
- Option B: Walnut Canyon Study Boundary, Less State Land, private land, and Lake Mary Water Treatment Plant (28,099 acres)
- Option C: NPS Key Resource Value Area (24,817.7 acres)
- Option D: NPS Key Resource Value Area + Skunk Canyon, Fay Canyon, and Campbell Mesa (29,230 acres)

- Walnut Canyon National Mounument (3342 acres)
- Privately Owned Land
- State Trust Lands - High Priority for Retention in the Regional Plan
- State Trust Lands
- National Forest
- City Limits
- Regional Plan Urban Growth Boundary
- City Wells
- Water Mains
- Lake Mary Walnut Creek Watershed Boundary (2001)



RESOLUTION NO. 2014-__

**A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL REGARDING
WALNUT CANYON**

WHEREAS, the Walnut Canyon National Monument was established by Presidential Proclamation Number 1318 on November 30, 1915, and subsequently expanded by Presidential Proclamation in 1938, by a Public Land Order in 1956 and by Congress in 1996 to protect certain prehistoric ruins of ancient cliff dwellings located in and adjacent to Walnut Canyon; and

WHEREAS, the boundaries of the Walnut Canyon National Monument are contiguous to lands within Coconino County, the City of Flagstaff and lands managed by the Coconino National Forest and the Arizona State Land Department; and

WHEREAS, land-use management plans within Coconino County and the City of Flagstaff have identified the ecological, social, economic and cultural impacts of the Walnut Canyon National Monument as significant to the region; and

WHEREAS, on December 10, 2001, a Stipulation was signed by the City of Flagstaff and the United States on behalf of the National Park Service and the Forest Service, and confirmed by the Apache County Superior Court on August 8, 2002, In Re: The General Adjudication of All Rights to Use Water in the Little Colorado River System and Source (Civil. No. 6417) (the “Stipulation”); and

WHEREAS, the Stipulation confirms, among other things, the City of Flagstaff’s right to use existing wells and develop future production wells, and access to utility corridors on U.S. Forest Service lands, including development of groundwater supplies on lands within two miles of the current boundary of Walnut Canyon National Monument, and

WHEREAS, the Stipulation also confirms, among other things, the United States’ and City of Flagstaff’s commitment to enhance municipal water supply values in the Walnut Canyon Watershed (as defined in the Stipulation); and

WHEREAS, this Resolution in support of a Congressional “special designation area” for the Walnut Canyon National Monument is expressly conditioned on establishment of said “special designation area” being subject to the Stipulation; and that said “special designation area” shall not modify or otherwise limit the terms of the Stipulation or the City of Flagstaff’s access to surface water or groundwater supplies, or to wells or utility corridors as provided in the Stipulation; and

WHEREAS, in December 2002, following numerous public hearings, the Coconino County Board of Supervisors and the Flagstaff City Council passed a joint resolution supporting additional protection for lands surrounding Walnut Canyon National Monument and requested Federal authorization for a special resource and land management study of Federal lands surrounding Walnut Canyon National Monument to determine how best to protect the lands and resources in perpetuity while allowing existing uses to continue; and

WHEREAS, the resolution passed by the Coconino County Board of Supervisors and the City of Flagstaff requested that the study recommend the most desirable and feasible means for the future management of the Walnut Canyon Study Area and the management designation best

suited to ensure in perpetuity protection for the Study Area and ensure continued opportunities for public access, enjoyment, recreation and economic benefit; and

WHEREAS, in 2009, the United States Congress authorized and the President signed the Walnut Canyon Study Act into law (Public Law 111-11) directing the Secretary of Agriculture and the Secretary of Interior to jointly conduct a special study of management options in the Walnut Canyon Study Area; and

WHEREAS, following the authorization of the Walnut Canyon Special Study, the National Park Service and the U.S. Forest Service initiated the Walnut Canyon Study Area providing data collection, assessment of the resources and coordination of interagency meetings and public meetings throughout the region; and

WHEREAS, on January 31, 2014, the National Park Service and the U.S. Forest Service transmitted the Walnut Canyon Special Study to the Secretaries of the Interior and Agriculture and identified three management options for the Federal land surrounding the National Monument: 1) Continuation of current management by the U.S. Forest Service, 2) Congressional designation of a special management area, and 3) Congressional action that prohibits exchange of federal lands to other than federal land management agencies. All three options retain management by the U.S. Forest Service; and

WHEREAS, the Flagstaff City Council has reviewed all three options identified in the final Walnut Canyon Special Study to determine if the options can achieve the goals of protection, maintaining current uses as identified in the 2002 joint resolution and is consistent with and does not modify the Stipulation signed in 2001; and

WHEREAS, the Flagstaff City Council supports the second option, namely, Congressional designation of a special management area, such as a National Conservation Area, that will meet the goals of the 2002 resolution, including Congressional protection for the lands within Option A or Option B, as well as ensuring continued opportunities for public access, enjoyment, recreation and economic benefit; and

WHEREAS, a Congressional designation of a special management area, such as a National Conservation Area, can incorporate the gold standard for protection against loss of federal land by exchange. The protection would be the same as that for National Parks provided that it is subject to and does not modify the Stipulation; and

Council may choose from the following options:

A) Option 2 with all existing uses

THEREFORE, BE IT RESOLVED THAT, the Flagstaff City Council supports the continued protection of lands surrounding Walnut Canyon National Monument through a Congressional designation of a special management area, such as a National Conservation Area, to provide the highest level of protection for Federal land; provided however that the legislation expressly ensures and confirms the following:

- a) Existing public uses as allowed by the U.S. Forest Service (See definitions);
- b) Rights and uses defined and agreed upon in “Stipulation between the City of Flagstaff and the United States on behalf of the National Parks Service and the Forest Service in RE the General Adjudication of all rights to use water in the Little Colorado River system and source (Civil No. 6417)”; and
- c) New utility corridors shall be allowed within existing or adjacent to existing utility corridors if they are consistent with the Stipulation and when existing corridors are used to their maximum capacity, given obtaining appropriate environmental permits and

environmental and visual impacts are acceptable or the proposed utility is incompatible in the existing right-of-way.

B) Option 2 with all existing uses and a redefined boundary

THEREFORE, BE IT RESOLVED THAT, the Flagstaff City Council supports the continued protection of lands surrounding Walnut Canyon National Monument through a Congressional designation of a special management area, such as a National Conservation Area, to provide the highest level of protection for Federal land, given that the legislation ensures the following:

- a) Existing public uses;
- b) Rights and uses defined and agreed upon in “Stipulation between the City of Flagstaff and the United States on behalf of the National Parks Service and the Forest Service in RE the General Adjudication of all rights to use water in the Little Colorado River system and source (Civil No. 6417)”; and
- c) New utility corridors shall be allowed within existing or adjacent to existing utility corridors if they are consistent with the Stipulation and when existing corridors are used to their maximum capacity, given obtaining appropriate environmental permits and environmental and visual impacts are acceptable or the proposed utility is incompatible in the existing right-of-way.
- d) The boundary reflects
 - a. The Walnut Canyon Study Area boundary (See Map “Option A”); or
 - b. The Walnut Canyon Study Boundary less State Land, private lands and Lake Mary Water Treatment Plant (See Map “Option B”); or
 - c. The Key Resource Values Area identified by the National Park Service (See Map “Option C”) ; or
 - d. The Key Resource Values Area identified by the National Park Service area with Skunk and Fay Canyons and Campbell Mesa (See Map “Option D”).

DEFINITIONS:

- 1. Current Public Uses as Allowed by the U.S. Forest Service:
 - a) Access to forested areas
 - b) Bird watching
 - c) Camping
 - d) Driving for pleasure on roads/trails
 - e) Education
 - f) Firewood gathering
 - g) General exercise
 - h) Group uses
 - i) Hiking
 - j) Horseback riding
 - k) Hunting
 - l) Livestock grazing and associated infrastructure
 - m) Mountain biking
 - n) Non-motorized winter sports
 - o) Painting
 - p) Rock climbing
 - q) Sightseeing
 - r) Snowmobiling
 - s) Target practice as permitted
 - t) Walking with pets
 - u) Wildlife viewing

PASSED AND ADOPTED by the City Council and approved by the Mayor of the City of
Flagstaff this _____ day of _____, 2014

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM

CITY ATTORNEY

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Kevin Burke, City Manager
Date: 12/04/2014
Meeting Date: 12/16/2014



TITLE

Discussion: Student Housing Symposium After Action Report

RECOMMENDED ACTION:

Review and provide direction on possible action items. Once the list is agreed upon, then formalize in the form of a policy resolution.

INFORMATION

On October 27, 2014, the City of Flagstaff participated in a Student Housing Symposium initiated by County Supervisor Liz Archuleta and co-sponsored by the City, NAU, Friends of Flagstaff's Future and the Greater Flagstaff Chamber of Commerce. The 1-day symposium featured speakers from the City and University as well as area neighborhoods and representatives from Davis, California and Ft. Collins, Colorado. Many good ideas were generated.

The City Manager compiled a list of possible action items from that symposium and has since circulated them among City Staff and shared them with NAU's Office of the President. Both parties agree that this is a workable list and something that could be supported moving forward.

The purpose of this agenda item is to present the list to Council for review, additions and deletions. Once amended it is suggested that it be adopted in the form of a resolution so that it becomes a publicly stated policy direction for the City. Implementation is expected to be driven from the City manager's Office as the possible action items cut across many different divisions.

CONNECTION TO COUNCIL GOALS AND/OR REGIONAL PLAN:

REGIONAL PLAN:

Policy LU12.8 Provide strong connections from Flagstaff Medical Campus to the Northern Arizona University campus via pedestrian paths, bicycle connections, streets and transit service.

Goal LU.13.: Increase the variety of housing options and expand opportunities for employment and neighborhood shopping within all suburban neighborhoods.

Goal NH.3: Make available a variety of housing types at different price points, to provide housing opportunities for all economic sectors.

Goal ED.2: Support and encourage an excellent education system that promotes critical thinking and job training programs at all levels.

Attachments: Student Housing

Student Housing Possible Action Items

December 3, 2014

This list is intended to identify ideas from the Student Housing Symposium held in October 2014 that are known to be within the legal and financial realm of possibility for the City of Flagstaff and Northern Arizona University. It is unlikely these all could be completed within a single fiscal year, but it might serve as a work program for the foreseeable future.

1. Present to the City Council and the appropriate NAU authority, the list for buy-off. Council could adopt this work plan in the form of a Resolution.
2. Designate internal and external City –NAU work groups to possibly accomplish the following.
 - a. Internal NAU-City Work Group (WG)
 - i. City to Include: Police Department, Community Development (Planning, Engineering, Code Enforcement), Flagstaff Metropolitan Planning Office, and the City Manager's Office; NAIPTA
 - ii. NAU to Include: Student Life, Student Transportation, President's Office, NAU PD.
 - iii. Possible Work Items in addition to those below
 1. Applying NAU Code of Conduct to off campus behavior
 2. Student Housing Action Plan (SHAP)
 - b. External NAU-City and Stakeholders Group
 - i. Possibly Use the Good Neighbor Coalition
 - ii. Possibly use Town-Gown Steering Committee (open to anyone)
 - iii. Possible Work Items in addition to those below
 1. SHAP
 - a. Review Regional Plan for Possible Amendments
 2. Neighborhood component for freshman orientation or sophomore move-out.
 - a. Work with private sector on an off-campus housing guide
3. City/NAU Police Department
 - a. Review Party Ordinance with an eye on holding landlords & hosts more accountable, extending warning period from 90 to 180 days, initiating a police response fee upon first offense, Security Plans
 - b. Develop a Security Ordinance focused upon Crime Free Multi-Housing
 - c. Determine Standard Security Conditions for Development Agreements (D.A.) and Zoning Ordinances
 - d. Invite City/NAU PD to Community Development's (CD's) Inter-Divisional Staff meeting for developments involving more than XX residential units.
 - e. Work with CD & Legal to determine Post Construction Consequences for non-compliance
4. Look at a Neighborhood/University Liaison position in FY16 Budget Cycle. (Internal WG)
 - a. Get job descriptions from Ft. Collins for their 2 positions.
 - b. Understand budget to include outreach dollars.
 - c. Determine if outreach dollars go to Southside officers in meantime
 - d. Develop a work plan for position

5. Map our review process with goal of understanding when and how neighbors are informed. Compare this to the City of Fort Collins process. (City CD)
6. Re-examine a Parking Permit System in the Southside. Determine who should pay for the system. (External WG)
7. Review definition of "Family" in City Zoning code with the City Attorney's Office to explore the legal risk, if any, and the practical concerns, with reducing the number of unrelated people living in a single dwelling unit. (City CD/Attorney's Office)
8. Student Housing Proposals on Land with appropriate Entitlements (a.k.a. Use-by-Right) (City CD)
 - a. Explore requiring a public meeting for Use-by-Right developments over Certain Units.
 - b. Understand what is informative vs. Discretionary.
 - c. Discuss what do you do when people don't like it, but there is no discretion.
9. Traffic Impact Analysis (Internal WG)
 - a. City/FMPO consider funding a consultant to develop trip generation models for the Student Housing Category.
 - b. Re-examine the adopted Milton Avenue Corridor Plan in a City/NAU Work Session.
 - i. Use Internal Work Group plus ADOT and FMPO to continue to explore the Lone Tree alternative to Milton.
 - ii. Re-examine Pedestrian access corridors across Milton with an eye towards combining improvement
 - c. Multi-Modal Traffic Impact Analysis – develop a tool to measure bike, ped, and bus transportation impacts of a development. (FMPO)

CITY OF FLAGSTAFF
STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: David McIntire, Asst. to City Manager - Real Estate
Co-Submitter: Gail Jackson
Date: 12/03/2014
Meeting Date: 12/16/2014



TITLE

Discussion: Potential provision of City owned land on McMillan Mesa (the area currently used for materials storage) to the Arizona Department of Veteran's Services for the construction and operation of a Veteran's Facility. *(Use of City land for a Veteran's home)*

RECOMMENDED ACTION:

Provide staff with guidance regarding the potential provision of City owned land for the development of a Veterans Home operated by the Arizona Department of Veterans Services.

INFORMATION

Please see attached memo. It should be noted that the City Attorney's Office has not had an opportunity to fully evaluate the legality of this item.

CONNECTION TO COUNCIL GOALS AND/OR REGIONAL PLAN:

COUNCIL GOALS

- 5. Retain, expand, and diversify economic base
- 11. Effective governance

Attachments: Overview Memo
Illustration



Memorandum

City Manager's Office

DATE: Thursday, December 04, 2014

TO: Mayor and Council

FROM: David McIntire, Assistant to the City Manager for Real Estate

RE: Department of Veteran's Services Facility

Council is asked for guidance regarding the potential provision to the Arizona Department of Veterans Services of approximately 7-8 acres of City owned land currently used for materials storage on McMillan Mesa. The partnership model being explored could provide a 60 bed facility for veterans administered by the Arizona Department of Veteran's Services which would not only provide a valuable resource for veterans and their families, but would generate jobs and additional economic activity. Through the proposed model Tucson has developed a 120 bed facility and Yuma just provided the deed to 8 acres of City of Yuma owned land for the potential development of a 60 bed facility in their community.

The City's contribution would be the land. The State would be requested to provide 35% of the cost of development and a request for Federal funds for the additional 65% of the development costs would be made to the Veterans Administration. There would be no ongoing costs to the City of Flagstaff.

The land being considered is currently zoned Rural Residential. It is not defined through the Regional Plan per Council's guidance during the land inventory process. While the site has not been recently appraised, residential land on McMillan Mesa can be anticipated to have a high value and there has also been consistent public interest in the potential disposition of the City's lands in that area.

Staff is seeking direction on whether there is interest in further exploring the opportunity prior to investing additional resources.



Area: 10.45 ac
Perimeter: 0.87 km