

WORK SESSION AGENDA

**CITY COUNCIL WORK SESSION
TUESDAY
NOVEMBER 25, 2014**

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

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

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

MAYOR NABOURS
VICE MAYOR EVANS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER

COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

- 4. Preliminary Review of Draft Agenda for the December 2, 2014, City Council Meeting.***

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

- 5. Public Participation**

Public Participation enables the public to address the council about items that are not on the prepared agenda. Public Participation appears on the agenda twice, at the beginning and at the end of the work session. You may speak at one or the other, but not both. Anyone wishing to comment at the meeting is asked to fill out a speaker card and submit it to the recording clerk. When the item comes up on the agenda, your name will be called. You may address the Council up to three times throughout the meeting, including comments made during Public Participation. Please limit your remarks to three minutes per item to allow everyone to have an opportunity to speak. At the discretion of the Chair, ten or more persons present at the meeting and wishing to speak may appoint a representative who may have no more than fifteen minutes to speak.

- 6. Northern Arizona Center for Entrepreneurship and Technology (NACET) Annual Update**
- 7. Continued Review and Discussion of City Manager City Charter Advisory Committee Recommended Changes**

RECOMMENDED ACTION:

Consider separating proposed changes to the City Charter over multiple ballots by: (1) moving forward 12 of the technical changes and 3 footnotes to the May 2015 ballot and (2) providing opportunities for citizen focus groups, a survey and public forums to incorporate broader community participation in the remaining eight items that are policy based changes beyond the house-keeping and organizational changes, delaying them for a ballot after May 2015; Council to provide direction.

8. **Presentation and discussion concerning a potential Request for Proposals for 308 Elden (property designated for affordable housing near Sawmill)**
9. **Community Reinvestment Plan** - (Draft of Community Reinvestment Plan for discussion only).
10. **Council Accomplishments 2012 - 2014**
11. **Recognition of Outgoing Councilmember Mark Woodson**
12. **Review of Draft Agenda Items for the December 2, 2014, City Council Meeting.***

** Public comment on draft agenda items will be taken at this time, at the discretion of the Mayor.*
13. **Public Participation**
14. **Informational Items To/From Mayor, Council, and City Manager.**
15. **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

Memorandum

6.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Gail Jackson, Econ. Dev. Sales & Marketing Specialist
Date: 10/30/2014
Meeting Date: 11/25/2014



TITLE:

Northern Arizona Center for Entrepreneurship and Technology (NACET) Annual Update

DESIRED OUTCOME:

Information Only

INFORMATION:

Annette Zinky, new President/CEO of the Northern Arizona Center for Entrepreneurship and Technology (NACET), will present an update at the work session on November 25, 2014. NACET is the City's operating tenant for the business incubator located on McMillan Mesa.

Annette will make the presentation and be joined by a client of the incubator, Mother Road Brewing Company. Annette will speak to the topics of tenant and affiliate updates. She will be available for any questions after the presentation.

Attachments:

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Kevin Burke, City Manager
Co-Submitter: Jerene Watson, Deputy City Manager
Date: 11/12/2014
Meeting Date: 11/25/2014



TITLE:

Continued Review and Discussion of City Manager City Charter Advisory Committee Recommended Changes

RECOMMENDED ACTION:

Consider separating proposed changes to the City Charter over multiple ballots by: (1) moving forward 12 of the technical changes and 3 footnotes to the May 2015 ballot and (2) providing opportunities for citizen focus groups, a survey and public forums to incorporate broader community participation in the remaining eight items that are policy based changes beyond the house-keeping and organizational changes, delaying them for a ballot after May 2015; Council to provide direction.

Policy Decision or Reason for Action:

This Work Session is designed to determine the Council's interest in moving the identified technical changes forward to the May 2015 ballot. Those amendments identified or determined to be policy items will be given additional public participation through focus group, survey and any other public forum the Council deems appropriate. Policy amendments would be placed on a ballot later than May 2015. The first attachment itemizes both the technical and policy amendments for ballot sequencing.

Financial Impact:

Amendments to the City Charter require a vote of the citizens and therefore a mail-in ballot election was budgeted in FY15 (July 1, 2014- June 30, 2015). There would also be some small reprinting costs associated with updating the Charter with the measures that pass.

Connection to Council Goal and/or Regional Plan:

The review and possible election of Charter amendments support the following Council Goal:

11. Effective governance

REGIONAL PLAN:

Goal ED.1. Create a healthy environment for business by ensuring transparent, expeditious, and predictable government processes.

Goal ED.7. Continue to promote and enhance Flagstaff's unique sense of place as an economic development driver.

Previous Council Decision on This:

Council discussed this item earlier this year on January 21, March 11, and October 28 in work sessions. It initially gave direction to conduct a comprehensive review of the City Charter through a City Manager-appointed resident committee, resulting in development of amendments for Council consideration by using citizen input, with a goal of presenting these to the voters in March or May 2015. Most recently Council asked for additional options for public input beyond the citizen committee, even possible rewrite of the Charter, potentially delaying some or all of the changes beyond a May 2015 election.

Options and Alternatives:

This meeting is intended to review and give guidance on the following options:

1. Recommend division of Charter changes into categories ready for the May 2015 ballot which are more technical and have received sufficient public review. Council would need to call the election by January 2015. If Council goes forward with this option, the City Attorney's Office, along with the Clerk and Deputy City Manager Jerene Watson will proceed to prepare language appropriate for the ballot for each recommended change to the Charter.
2. Create additional public discussion opportunities, such as focus groups, on those proposals Council agrees are more policy-driven that would come back again for Council discussion and direction, and fall to a later ballot than May 2015.
3. Consider allowing an elected committee to rewrite a City Charter which could incorporate all recommended changes into a comprehensively updated document that aligns with changes in State law if the committee chooses to consider and accept Staff and Council recommendations.

Background/History:

Recapping the progress of this public process and Council guidance: Council majority gave direction to conduct a comprehensive review of the City Charter in a March 2014 Council meeting through a City Manager-appointed committee. Twelve residents worked over four months in ten meetings to develop 20 recommendations generated from the Committee members and staff. Their work was facilitated by a Deputy City Manager, City Clerk and City Attorney. A series of footnotes accompany the recommendations in those instances where State law supersedes the Charter due to the number of questions. This has been common practice from prior Charter amendment changes. Finally, the Committee felt it important to capture items which were discussed for the City Manager and Council, but did not move these forward with any recommendation. They are found in the final attachment.

The City Manager took their report and added recommendations, predominantly supporting the Committee's recommendations. Under State law, each change to the Charter must be considered by the voters independently. Because there were so many changes discussed, the Committee and the City Manager felt it important to limit the recommendations to twenty amendments. By forwarding the technical changes for the May ballot, it helps resolve the 'long ballot' issue, minimizing ballot fatigue.

The Manager recommended against two items. Additionally, in consultation with the City Attorney in order to ensure compliance with State law, consolidated two items. He also recommended that one of the "No Action" items (regarding the sale of property) be moved to the technical list consideration. One additional advantage of putting smaller groups of items on multiple ballots is that it allows for one or two changes that may be recommended pending the outcome of the Phoenix and Tucson lawsuit against the State requiring consolidated elections.

Key Considerations:

Categorizing the recommendations by technical or house-keeping clean ups for the May ballot and then working on broader policy amendments for a later ballot in order to seek additional public dialogue keeps the number of amendments to a manageable number on the ballots. Fewer items increases the odds of voters completing the ballot in full.

Community Involvement:

The City Manager Appointed a Citizen Advisory Committee and ultimately any Charter amendments require a vote of the electorate. Therefore the following levels of community involvement are associated with this agenda item.

Consult
Involve
Empower

Expanded Options and Alternatives:

The suggestion by a Councilmember to consider scrapping the entire Charter and seating a committee to re-write it is not recommended at this time due to the length of such a process and the potential for negative, unintended consequences which were not considered during the drafting and implementation of the original Charter in 1958.

Attachments: [Charter Amend](#)
 [Charter Amend Not Moving Forward](#)

PROPOSED CHARTER CHANGES
CITY MANAGER RECOMMENDATIONS
OPTIONAL CHARTER AMENDMENT SEQUENCING CONSIDERATIONS

Technical Changes Proposed
Recommend May 2015 Ballot

| RANK | CITY MANAGER POSITION • RATIONALE • INITIATOR | CHARTER CITATION | CHARTER LANGUAGE (EXISTING) | CHARTER LANGUAGE CHANGES (NEW TEXT in caps & underlined) |
|------|--|--|---|--|
| 2 | <p>SUPPORT</p> <p>Clearly defines the source of power for the City, and lists such powers for better understanding</p> <p>(Initiator: Committee member)</p> | <p>Art. I Sec. 3 POWERS OF CITY</p> | <p>The City shall have all the powers, granted to municipal corporations and to cities by the Constitution and general laws of this State together with all the implied powers necessary to carry into execution all the powers granted.</p> <p>The City may acquire property . . . as its interests may require; and, except as prohibited by the Constitution of this State, or restricted by this Charter, the City shall and may exercise all municipal powers. . . nature whatsoever, and especially to enter into contracts. . . best interest of the City.</p> <p>The enumeration of particular powers by this Charter shall not be deemed to be exclusive, and, in addition to the powers enumerated herein, or implied hereby, or appropriate to the exercise of such powers, it is intended that the City shall have and may exercise all powers which, under the Constitution or laws of this State, it would be competent for this Charter specifically to enumerate.</p> | <p>A. The City shall have all the powers, <u>FUNCTIONS, RIGHTS, PRIVILEGES AND IMMUNITIES POSSIBLE UNDER the Constitution and general laws of this State AS THOUGH THEY WERE SPECIFICALLY ENUMERATED IN THIS CHARTER AND ALL THE POWERS, FUNCTIONS, RIGHTS, PRIVILEGES AND IMMUNITIES GRANTED OR TO BE GRANTED, EITHER EXPRESSLY OR BY IMPLICATION, TO CHARTER CITIES AND TO CITIES AND TOWNS INCORPORATED UNDER THE PROVISIONS OF TITLE 9, ARIZONA REVISED STATUTES, NOT IN CONFLICT HERewith, AND IN ADDITION, THE CITY SHALL HAVE THE POWER TO:</u></p> <ol style="list-style-type: none"> 1. Acquire property. . . as its interests may require. 2. Exercise all municipal powers. . . nature whatsoever. 3. Enter into contracts. . . best interest of the City. <p>B. <u>IN THIS CHARTER MENTION OF A particular power shall not be deemed to be exclusive OR TO RESTRICT THE SCOPE OF THE POWERS WHICH THE CITY WOULD HAVE IF THE PARTICULAR POWER WERE NOT MENTIONED. THE CHARTER SHALL BE LIBERALLY CONSTRUED TO THE END THAT THE CITY SHALL HAVE ALL POWERS NECESSARY OR CONVENIENT FOR THE CONDUCT OF ITS MUNICIPAL AFFAIRS, AND FOR THE HEALTH AND SAFETY OF ITS INHABITANTS, INCLUDING ALL POWERS THAT ARE NOT PROHIBITED BY STATE LAW AND STATE CONSTITUTION.</u></p> |

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| 3 | <p>SUPPORT Brings practice into conformance with the structure of the Council/Manager form of government, eliminating merit system reference, thereby removing Council involvement in the mechanism of the "Due Process" provisions of the personnel handbook and clarifies the Manager is the authority in personnel matters determined by due process requirements.</p> <p>(Initiator: Human Resources Director and City Attorney)</p> | Art. III Sec. 3 (c) POWERS/ DUTIES (City Manager) | (c) Appoint . . . and except as the Manager may authorized the head of a department or office to appoint and remove subordinates in such department or office, subject to such merit system regulations as the Council may adopt; | (c) Appoint . . . 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 regulations <u>THAT DETERMINE THE DUE PROCESS REQUIREMENTS FOR REVIEW OF LAYOFF, SUSPENSIONS, DEMOTIONS, AND TERMINATIONS</u> as the Council may adopt; |
| 7 | <p>SUPPORT To allow the City Attorney to place items on the Executive Session agenda as needed.</p> <p>(Initiator: CITY Attorney)</p> | Art. IV Sec 4 THE CITY ATTORNEY | The Council shall appoint a City Attorney . . . The City Attorney shall represent the City 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 Council shall appoint a City Attorney . . . The City Attorney shall represent the City 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. <u>THE CITY ATTORNEY SHALL HAVE THE NON-EXCLUSIVE POWER TO SET EXECUTIVE SESSIONS ON THE AGENDA FOR THE PURPOSE OF GIVING LEGAL ADVICE AND RECEIVING DIRECTION FROM COUNCIL REGARDING CONTRACT NEGOTIATIONS OR CONTEMPLATED OR PENDING LITIGATION.</u> |
| 9 | <p>SUPPORT To Clarify start time of the two-year period , as well as the next Candidate election</p> <p>(Initiator: Committee member, CITY Attorney & City Clerk)</p> | Art. II Sec 10 VACANCIES IN THE COUNCIL AND THE OFFICE OF THE MAYOR | The Council, by a majority vote . . . In the event that such unexpired term exceeds two years, then the appointment to such vacancy shall be for the period from the appointment until the next succeeding election, . . . | The Council, by a majority vote . . . In the event that such unexpired term exceeds two years <u>FROM THE FIRST DATE ON WHICH CANDIDATES MAY FILE THEIR NOMINATION PAPERS AND PETITIONS</u> , then the appointment to such vacancy shall be for the period from the appointment until the next succeeding <u>CANDIDATE</u> election, . . . |

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| 10 | SUPPORT Clearly defines the source of power for the COUNCIL, and lists such powers for better understanding (Initiator: Committee member) | Art. II Sec.11 POWERS OF THE COUNCIL | All powers of the City, and the determination of all matters of policy, shall be vested in the Council. | All powers of the City <u>NOT PROHIBITED BY THE CONSTITUTION AND APPLICABLE LAWS OF THE STATE OF ARIZONA AND SUBJECT TO THE LIMITATIONS OF THIS CHARTER</u> shall be vested in the Council <u>WHICH SHALL ENACT APPROPRIATE LEGISLATION AND PERFORM ANY AND ALL ACTS AND THINGS WHICH MAY BE NECESSARY AND PROPER TO CARRY OUT THESE POWERS OR ANY OF THE PROVISIONS OF THIS CHARTER.</u> |
| 12 | SUPPORT Establishes ordinance to set when Mayor and Councilmembers are inducted into office rather than set it in the Charter which has to be changed with each State law change. (Initiator: Committee member) | Art. II Sec.8 INDUCTION | On the second meeting in June following the General Election, . . . “ | On the <u>DATE SET BY ORDINANCE</u> , the Council shall hold a meeting to induct into office the newly-elected Mayor and Councilmembers . . |
| 15 | SUPPORT Changes authority over volunteers from Council control to City Manager but leaves Board and Commission members under Council control, with Council/ Manager form of government. (Initiator: Human Resources Director and City Attorney) | Art. IV Sec. 5 PERSONNEL RULES & REGS | The Council shall, by ordinance, provide for the establishment of Personnel Rules and Regulations for the purpose of regulating and controlling the 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 Council shall <u>ADOPT AN</u> ordinance <u>THAT REQUIRES THE CITY MANAGER TO ESTABLISH</u> Personnel Rules and Regulations for the purpose of regulating and controlling the 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 also except . . . |
| 18 | SUPPORT Aligns the required vote by Council for taking a First and Final Read in the same meeting with the same number of required votes to adopt an emergency measure <i>(currently it</i> | Art. VII Sec. 6 READING AND PASSAGE OF ORDINANCES & RESOLUTIONS | . . . An ordinance may be read for the final time at the same meeting as when introduced upon unanimous consent of those Councilmembers present. . . . | . . . An ordinance may be read for the final time at the same meeting as when introduced upon <u>THE AFFIRMATIVE VOTE OF SIX (6) MEMBERS OF THE COUNCIL.</u> . . . |

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| | <i>is harder to adopt a First and Final read together).</i> (Initiator: City Attorney) | | | |
| 19 | SUPPORT Aligns our time requirements with State law, including overseas voters timing requirements. (Initiator: City Clerk) | Art. IX Sec. 4 (b) NOMINATION FOR PRIMARY ELECTION | (b) The petition or petitions for nomination, . . . shall be presented to the City Clerk not earlier than ninety (90) days, nor later than sixty (60) days before the date set for the Primary Election. . . . | (b) The petition or petitions for nomination, . . . shall be presented to the City Clerk not earlier than <u>ONE HUNDRED TWENTY (120)</u> days, nor later than <u>NINETY (90)</u> days before the date set for the Primary Election. . . . |
| 6 | SUPPORT <i>at lower priority</i> Removes the requirement that the Council approves the appointment of the City Clerk, bringing practice into conformance with the structure of the Council/Manager form of government (Initiator: Committee member) | Art. IV Sec. 2 THE CITY CLERK | The City Manager shall, with the approval of the Council, appoint an officer of the City, who shall have the title of City Clerk . . . | The City Manager shall appoint an officer of the City, who shall have the title of City Clerk . . . |
| 8 | SUPPORT <i>at lower priority</i> Removes the requirement that the Council approves the appointment of the City Treasurer, bringing practice into conformance with the structure of the Council/ Manager form of government. (Initiator: Committee member) | Art. IV Sec. 3 THE CITY TREASURER | The City Manager shall, with the approval of the Council, appoint an officer of the City, who shall have the title of City Treasurer . . . | The City Manager shall appoint an officer of the City, who shall have the title of City Treasurer . . . |
| NO ACTION | SUPPORT This allows for practical disposal of property when the procurement process has been | Art. VIII Sec. 10 SALE OF CITY PROPERTY | The Council shall have the right to reject any and all bids. | The Council shall have the right to reject any and all bids. <u>SHOULD THERE BE NO BIDS, THE CITY MAY ENTER INTO A SALES AGREEMENT FOR AN ACCEPTABLE</u> |

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| | exhausted without success up to a two-year window of time. (Initiator: City Attorney and Real Estate Manager) | | | <u>OFFER, BASED ON A RECENT AND VALID APPRAISAL, WITHOUT FURTHER ADVERTISING DURING THE TWO YEAR PERIOD FOLLOWING THE DATE OF THE RECEIPT OF NO BIDS. SALE OR TRADE OF REAL PROPERTY WITH ANOTHER PUBLIC ENTITY MAY BE ACCOMPLISHED WITHOUT PUBLISHED NOTIFICATION AND A BID PROCESS.</u> |
| FOOT-NOTE 2 | SUPPORT To be consistent with Arizona Revised Statutes that supersede the Charter (Initiator: City Clerk) | Art. VII Sec. 7 EMERGENCY MEASURES | . . . 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 five (5) members of the Council. | . . . 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 <u>SIX (6)</u> members of the Council. |
| FOOT-NOTE 3 | SUPPORT To be consistent with Arizona Revised Statutes that supersede the Charter, AND to allow for alternative publication methods if State law should change in the future. (Initiator: City ATTORNEY AND CITY Clerk) | Art. VII Sec. 9 (a) & (b) PUBLICA-TION OF ORDI-NANCES AND RESOLU-TIONS | (a) All ordinances and resolutions . . . 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 the Council shall be published one time in the official newspaper of the City . . . | (a) All ordinances and resolutions . . . Or twenty (20) days after its publication, <u>IN ACCORDANCE WITH STATE LAW</u> whichever is later. (b) An emergency ordinance which has been passed by the necessary vote of <u>SIX (6)</u> members of the Council shall be published one time <u>IN ACCORDANCE WITH STATE LAW</u> . . . |
| FOOT-NOTE 4 | SUPPORT To be consistent with Arizona Revised Statutes that supersede the Charter (Initiator: City Clerk) | Art. IX Sec. 5 (a) PRIMARY ELECTIONS | (a) The Primary Election shall be held on the first Tuesday in February. | (a) The Primary Election shall be held on the <u>TENTH TUESDAY BEFORE THE</u> first Tuesday <u>AFTER THE FIRST MONEY IN NOVEMBER.</u> |
| Policy Changes Proposed / Amendments Pending Court Case Needs More Public Discussion Before Future Ballot (Focus Groups, Town Hall Forum, Survey) | | | | |
| 1 | NEUTRAL PROS - Hard to obtain and maintain state leadership positions such as Governor Appointments and League of Cities officer positions in 2 year terms. Provides consistent | Art. II Sec 3 TERM OF MAYOR (Length of Term) | The term of office of the Mayor shall commence on the first meeting in April following the election, and shall be for two (2) years, or until a successor is elected and inducted. | The term of office of the Mayor shall commence on the first meeting in April following the election, and shall be for <u>FOUR (4)</u> years, or until a successor is elected and inducted. |

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| | <p>term with Councilmembers.</p> <p>CONS - Means the mayor would cycle with only one half of Council. Those Councilmembers on the opposite cycle wishing to run for Mayor would have to resign their seat under State law. May have unintended impacts on that Council cycle as well. (Initiator: Committee member)</p> | | | |
| 4 | <p>OPPOSE Sets term limits for the Mayor</p> <p>PROS - Ensures the power of the incumbency doesn't trump good challengers.</p> <p>CONS - Doesn't seem to be a current problem. Several instances of long term mayors not being re-elected. Also imposes a condition separate from Council. Should be all members or nothing.</p> <p>(Initiator: Committee member)</p> | <p>Art. II Sec 3 TERM OF MAYOR (Term Limits)</p> | <p>The term of office of the Mayor shall commence on the first meeting in April following the election, and shall be for two (2) years, or until a successor is elected and inducted.</p> | <p>The term of office of the Mayor shall commence on the first meeting in April following the election, and shall be for two (2) years, or until a successor is elected and inducted, <u>BUT SHALL NOT SERVE MORE THAN TWO (2) CONSECUTIVE FOUR-YEAR TERMS. THIS SHALL NOT PRECLUDE A PERSON FROM COMPLETING THE UNEXPIRED REMAINDER OF A TERM OF THEIR PREDECESSOR. THERE SHALL BE NO LIMIT OF NON-CONSECUTIVE YEARS.</u></p> |
| 11 | <p>OPPOSE Sets term limits for Councilmembers</p> <p>Pros – Ensures the power of the incumbency doesn't trump good candidates.</p> <p>Cons – Does not appear to be a problem. Between the primary system and the multiple slots, opportunity for new candidates to get into the system. Probably more suited to a District system.</p> <p>(Initiator: Committee member)</p> | <p>Art. II Sec 4 TERM OF COUNCIL-MEMBERS (Term Limits)</p> | <p>The term of office of Councilmembers shall . . . are elected and inducted. Each even-numbered year, three (3) Councilmembers shall be elected.</p> | <p>The term of office of Councilmembers shall . . . are elected and inducted. Each even-numbered year, three (3) Councilmembers shall be elected. <u>NO PERSON SHALL BE ELIGIBLE TO SERVE IN THE OFFICE OF COUNCILMEMBER FOR MORE THAN TWO (2) CONSECUTIVE TERMS, BUT THERE SHALL BE NO LIMIT ON THE NUMBER OF NON-CONSECUTIVE TERMS.</u></p> |

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| 13 16 combo | SUPPORT Allows Charter to be amended after Court case is settled to reflect one of four consolidated election dates and/or date specific if Court settles | Art. II Sec.3 Art. II Sec 4 | The term of office of the Mayor shall commence on the first meeting in April following the election. . . The term of office of Councilmembers shall commence on the first meeting in April following their election... | The terms of office for all municipal elected officials shall commence on the date set by ordinance. |
| 14 | SUPPORT Authorizes City Manager to call Special Elections and meet Open Meeting Law requirements. (Initiator: Committee member, CITY Attorney & City Clerk) | Art. II Sec 13 SPECIAL MEETINGS | The Mayor may, or, at the request of three (3) members of the Council . . . for a time not earlier than three (3) hours after the notice is given. Special meetings of the Council may also be held at any time by the common consent of all the members of the Council. | The Mayor <u>OR CITY MANAGER</u> may, or, at the request of three (3) members of the Council . . . for a time not earlier than three (3) hours after the notice is given. |
| 17 | SUPPORT Brings the Charter more in line with recent legislative changes to the Model City Tax Code, including recent tax simplification. These changes also clarify Council abilities to self-administer existing tax code. (Initiator: Finance staff and Deputy City Attorney) | Art. VI Sec 2 (b) ADDITIONAL TAXES FOR SPECIAL PURPOSES | (b) The Council shall have the power to levy a Transaction Privilege Tax (Sales Tax) subject to approval by a majority of the qualified electors voting in the regularly scheduled general election. | (b) The Council shall have the power to levy a Transaction Privilege Tax (Sales Tax) <u>PROVIDED THAT NO LEVY MEASURED ON GROSS RECEIPTS, GROSS INCOME OR GROSS PROCEEDS OF SALES OF THE TAXPAYER SHALL BE LEVIED AT A RATE IN EXCESS OF ONE PERCENT (1%) UNLESS SUCH RATE IS APPROVED</u> by a majority of the qualified electors voting in the regularly scheduled general <u>OR SPECIAL</u> election. |
| 20 | SUPPORT Clarifies rule (Initiator: Committee member) | Art. II Sec. 16 FAILURE TO VOTE | No member of the Council present at any meeting shall be excused from voting, except in matters involving the consideration of their own official conduct. In all other cases, a failure to vote shall be entered on the minutes as an affirmative vote. | <u>THE MAYOR AND COUNCILMEMBERS SHALL NOT BE EXCUSED FROM VOTING EXCEPT UPON MATTERS INVOLVING THE CONSIDERATION OF THEIR OWN OFFICIAL CONDUCT OR IN SUCH MATTERS AS THEY MAY HAVE A CONFLICT OF INTEREST AS SET FORTH BY STATUTE OR WITH THE APPEARANCE OF IMPROPRIETY. IN ALL OTHER CASES, A VOTE OF AYE OR NAY MUST BE CAST.</u> |
| 21 | SUPPORT Sets a minimum number of signatures on a petition and a | Art. II Sec. 17 CONSIDERATION OF | Any citizen of the City may present a written petition to the City Manager, who shall present it to the Council at its next regular | Any citizen of the City may present a written petition to the City Manager, <u>SIGNED BY A MINIMUM OF 25 RESIDENTS FROM THE CITY OF</u> |

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| | prescribed form for it to be considered. | PETITIONS | meeting . . . | <u>FLAGSTAFF IN A FORM PRESCRIBED BY ORDINANCE</u> , who shall present it to the Council at its next regular meeting . . . |
| 5 | SUPPORT <i>at lower priority</i> | Art. VIII Sec 2 (b), (c) PURCHASES AND CONTRACTS | (b) Any City improvement costing fifty thousand dollars (\$50,000) or more, or any purchase costing more than fifty thousand dollars (\$50,000), shall be executed by contract, . . . (c) Any contract or purchase exceeding the sum of fifty thousand dollars (\$50,000) shall require . . . | (b) Any City improvement costing ONE HUNDRED THOUSAND DOLLARS (\$100,000) or more, or any purchase costing more than ONE HUNDRED THOUSAND DOLLARS (\$100,000), shall be executed by contract, ... (c) Any contract or purchase exceeding the sum of ONE HUNDRED THOUSAND DOLLARS (\$100,000) shall require . . . |

2014 FLAGSTAFF CITY CHARTER
ADDITIONAL CHARTER REVIEW COMMITTEE AMENDMENT DISCUSSION
NO FURTHER ACTION RECOMMENDED

The following items were introduced and discussed by the committee members and some given rankings initially but were determined there was not consensus or need for further recommendation at this time.

| ART. | Sec. | Nominator | Charter Language with considered changes |
|----------------|------|-------------|--|
| IV | 1 | CRC-Mihalik | ADMINISTRATIVE DEPARTMENTS AND OFFICES (a) (b) (c) (d) City officials, as designated by this Article, and a All heads of departments shall be residents of the City during their tenure of office. |
| PURPOSE | | | Requires (in addition to the City Manager as required in another section of the Charter) the Deputy City Managers to be residents of the City, and removes requirements for other officers. |
| XV | | CRC-Mihalik | METHOD OF CHARTER AMENDMENT This Charter, or any part of any Article or Section hereof, may be amended in the manner provided by the Constitution of this State. <u>IN ORDER TO REMAIN CURRENT AND RELEVANT, A CHARTER REVIEW COMMITTEE SHALL BE ESTABLISHED EVERY (#) YEARS TO CONSIDER RECOMMENDATIONS BROUGHT FORTH BY STAFF, THE PUBLIC, AND COMMITTEE MEMBERS TO BE PRESENTED TO THE COUNCIL FOR FUTURE CONSIDERATION.</u> |
| PURPOSE | | | To keep the Charter current and relevant. |
| VI | 6 | CRC-Otenyo | Section 6—PERMISSION TO EXCEED THE BUDGET Nothing in this Article shall prevent the Council from seeking permission from the Arizona State Tax Commission to exceed the adopted budget in the event that an emergency should arise <u>TO PROTECT PUBLIC HEALTH, SAFETY, OR WELFARE.</u> |
| PURPOSE | | | To clarify the definition of an emergency. |
| IV | 1 | CRC-Mihalik | ADMINISTRATIVE DEPARTMENTS AND OFFICES (a) (b) (c) (d) City officials, as designated by this Article, and a All heads of departments shall be residents of the City |

during their tenure of office. ADDITIONALLY, ANY EMPLOYEE WHO MAKES SUGGESTIONS OR DECISIONS TO SET OR CHANGE CITY ZONING, BUILDING CODES OR BEAUTIFICATION PROJECTS THAT HAVE TO BE FUNDED BY ADDITIONAL TAX MONEY, MUST BE RESIDENTS OF THE CITY DURING THEIR TENURE OF OFFICE.

| | |
|----------------|--|
| PURPOSE | Requires (in addition to the City Manager as required in another section of the Charter) the Deputy City Managers to be residents, as well as Division Heads that makes decisions... those that have a stake in the increased spending being a resident taxpayer and living in the City. |
|----------------|--|

| | | | | |
|----|---|-------------|-----------------------|--|
| II | 5 | CRC-Mihalik | QUALIFICATIONS | (PROHIBITING OUTSIDE INVOLVEMENT WITH ORGANIZATIONS RECEIVING \$) |
|----|---|-------------|-----------------------|--|

The Mayor and the Councilmembers shall be qualified electors of the City, and shall hold no other public office except that of notary public, or member of the National Guard or Naval or Military Reserve. If a Councilmember or the Mayor shall cease to possess any of these qualifications, or shall be convicted of a crime involving moral turpitude, the office shall immediately become vacant.

THE MAYOR AND COUNCILMEMBERS CANNOT BE A PARTICIPANT, WHETHER PAID OR VOLUNTARY, ON A BOARD OR SPECIAL COMMITTEE OF ANY INSTITUTION, CHARITABLE OR OTHERWISE, WHO RECEIVES FINANCIAL SUPPORT OR DONATIONS FROM THE CITY OF FLAGSTAFF AND TAXPAYER FUNDS.

| | |
|----------------|---|
| PURPOSE | To avoid the suspicion of a conflict of interest or resulting in self gain. |
|----------------|---|

| | | | | |
|----|----|-----------|---|-----------------------------|
| II | 20 | CRC-Boone | ELECTORAL DISTRICTS; ESTABLISHMENT | (DISTRICT ELECTIONS) |
|----|----|-----------|---|-----------------------------|

A. WHEN THE POPULATION REACHES 75,000 AS CERTIFIED BY A DECENNIAL CENSUS OR A SPECIAL CENSUS CONDUCTED FOR THE PURPOSE OF DETERMINING THE POPULATION OF THE CITY, THE MAYOR AND COUNCIL SHALL DIVIDE THE CITY INTO FOUR (4) ELECTORAL DISTRICTS NOT LESS THAN SIX (6) MONTHS AFTER THE CERTIFICATION OF SUCH CENSUS. EACH ELECTORAL DISTRICT SHALL BE COMPACT AND CONTIGUOUS, BUT SHALL BE AS NEARLY EQUAL IN POPULATION AS POSSIBLE, AT WHICH TIME THE FOLLOWING MODIFICATIONS WILL OCCUR:

1. SECTION 2 (OF THIS ARTICLE) SHALL READ, "THE COUNCIL SHALL CONSIST OF A MAYOR AND TWO (2) COUNCIL MEMBERS ELECTED FROM THE CITY AT LARGE, AND FOUR (4) COUNCIL MEMBERS FROM THEIR RESPECTIVE DISTRICTS.

2. IMPLEMENTATION OF ARTICLE IX SECTION 11 (NEW) NOMINATION BY DISTRICT; ELECTION AT LARGE.

B. AT THE NEXT SUCCEEDING MUNICIPAL ELECTIONS, THE TWO (2) COUNCIL MEMBERS TO BE ELECTED SHALL BE FOR TERMS OF TWO (2) YEARS.

C. AT THE NEXT SUCCEEDING ELECTIONS FOLLOWING THE ELECTIONS PROVIDED IN SECTION 20 (B) ABOVE, SIX (6) COUNCIL MEMBERS SHALL BE ELECTED AS PROVIDED IN ARTICLE IX, SECTION 11, OF THIS CHARTER. THE COUNCIL MEMBERS FOR ELECTORAL DISTRICTS 1 AND 3 SHALL SERVE TRANSITIONAL TERMS OF TWO (2) YEARS AND COUNCIL MEMBERS FOR ELECTORAL DISTRICTS 2 AND 4 SHALL SERVE FULL TERMS OF FOUR (4)

YEARS. AT EACH SUCCEEDING ELECTION ALL COUNCIL TERMS SHALL BE FOR FOUR (4) YEARS AS PROVIDED IN THIS CHARTER.

D. NOTWITHSTANDING THE DIVISION OF THE CITY INTO DISTRICTS, THE MAYOR SHALL CONTINUE TO BE ELECTED AT LARGE.

PURPOSE To require district elections once the City reaches a population of 75,000.

IF DISTRICTS ELECTIONS WERE TO MOVE FORWARD, THE FOLLOWING CHANGES WOULD BE INCLUDED AS SEPARATE QUESTIONS ON THE BALLOT:

DISTRICTS; RESIDENCY

AT SUCH TIME AS THE CITY IS DIVIDED INTO ELECTORAL DISTRICTS, A COUNCIL MEMBER ELECTED FOR ANY SUCH DISTRICT SHALL HAVE BEEN A RESIDENT OF SUCH DISTRICT FOR A PERIOD OF NOT LESS THAN ONE HUNDRED EIGHTY (180) DAYS NEXT PROCEEDING THE DATE, FOR THE PRIMARY ELECTION AND SHALL CONTINUE TO RESIDE IN SUCH DISTRICT AS A QUALIFICATION FOR ELECTION TO AND HOLDING OF SUCH OFFICE.

NUMBER

The Council shall consist of a Mayor and six (6) Councilmembers elected from the City AT LARGE, EXCEPT AS PROVIDED IN SECTION 20 OF THIS ARTICLE.

SELECTION

The Council shall be elected at large, EXCEPT AS PROVIDED IN SECTION 20 OF THIS ARTICLE.

NOMINATION BY DISTRICT; ELECTION AT LARGE

- A. FROM AND AFTER SUCH TIME AS THE CITY IS DIVIDED INTO DISTRICTS, THE COUNCIL MEMBERS SHALL BE NOMINATED BY VOTE OF THE ELECTORS IN THE PRIMARY ELECTION IN THE DISTRICT IN WHICH THE CANDIDATE RESIDES, AND SHALL BE ELECTED IN THE GENERAL ELECTION BY THE ELECTORS OF THE CITY AT LARGE.
- B. FOR THE PURPOSES OF PARAGRAPH A OF THIS SECTION, EACH DISTRICT SHALL NOMINATE NO MORE THAN TWO (2) CANDIDATES FOR THE GENERAL ELECTION AND NO MORE THAN ONE (1) CANDIDATE FROM EACH DISTRICT SHALL BE ELECTED.

The Mayor and the Councilmembers shall be qualified electors of the City, and shall hold no other public office except that of notary public, or member of the National Guard or Naval or Military Reserve. If a Councilmember or the Mayor shall cease to possess any of these qualifications, or shall be convicted of a crime involving moral turpitude, the office shall immediately become vacant.

CITY EMPLOYEES ARE NOT ELIGIBLE TO STAND FOR ELECTION OR SERVE AS MAYOR OR AS MEMBERS OF THE CITY COUNCIL. NO PERSON SHALL BE ELIGIBLE FOR THE OFFICE OF MAYOR WHO SHALL NOT HAVE ATTAINED THE AGE OF TWENTY-FIVE (25) YEARS AT THE TIME OF ELECTION.

PURPOSE To place age limits on Mayor

II 5

CRC-Boone

QUALIFICATIONS

(AGE RESTRICTIONS FOR COUNCIL)

The Mayor and the Councilmembers shall be qualified electors of the City, and shall hold no other public office except that of notary public, or member of the National Guard or Naval or Military Reserve. If a Councilmember or the Mayor shall cease to possess any of these qualifications, or shall be convicted of a crime involving moral turpitude, the office shall immediately become vacant.

CITY EMPLOYEES ARE NOT ELIGIBLE TO STAND FOR ELECTION OR SERVE AS MAYOR OR AS MEMBERS OF THE CITY COUNCIL. NO PERSON SHALL BE ELIGIBLE FOR THE OFFICE OF COUNCIL WHO SHALL NOT HAVE ATTAINED THE AGE OF TWENTY-ONE (21) YEARS AT THE TIME OF ELECTION.

PURPOSE To place age limits on Councilmembers.

ADMINISTRATIVE DEPARTMENTS AND OFFICES

STAFF

PRIORITY #7-C

(a)

(b)

(c)

~~(d) City officials, as designated by this Article, and all heads of departments shall be residents of the City during their tenure of office.~~

PURPOSE To remove the requirement for residency for all but City Manager (which is addressed elsewhere in Charter)

FOOTNOTES

***THE FOLLOWING ITEMS ARE EITHER ALREADY FOOTNOTED, OR ARE BEING RECOMMENDED AS FOOTNOTES,
DUE TO ARIZONA REVISED STATUTE SUPERCEDING THE CHARTER.***

F 1

IV

5

Jacobson

PERSONNEL RULES AND REGULATIONS

The Council shall, by ordinance, provide for the establishment of Personnel Rules and Regulations for the purpose of regulating and controlling the 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~~ MAGISTRATE Judges.

PURPOSE Other changes are being recommended to this section of the Charter by the Committee; however, to correct the term from Police to Magistrate would require another question on the ballot, so it is being recommended for a footnote at this time.

F 2 VII 7 E. Burke **EMERGENCY MEASURES: EFFECTIVE DATE**

(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 ~~five (5)~~⁴ SIX (6) members of the Council.

PURPOSE To be consistent with Arizona Revised Statutes which supersede Charter

F 3 VII 9 E. Burke **PUBLICATION OF ORDINANCES AND RESOLUTIONS**

D'Andrea (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, IN ACCORDANCE WITH STATE LAW~~ whichever is later.

(b) An emergency ordinance which has been passed by the necessary vote of ~~five (5)~~⁵ SIX (6) members of the Council shall be published one time ~~in the official newspaper of the City- IN ACCORDANCE WITH STATE LAW~~ within ten (10) days after its passage.

PURPOSE To be consistent with Arizona Revised Statutes which supersede Charter, AND to allow for alternative publication methods if State law should change in the future.

F 4 IX 5 E. Burke **PRIMARY ELECTIONS**

(a) The Primary Election shall be held on the ~~first Tuesday in February~~⁶ TENTH TUESDAY BEFORE THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER. in even-numbered years. The two candidates receiving the highest number of votes at the Primary Election for each office for which there is a vacancy will be considered nominated for such office, and their names shall be printed on the ballot for the General Election; provided, that if there be any person who, under the provisions of this Section would have been entitled to become a candidate for any office except for the fact that some other candidate received said equal number of votes therefor, then all such persons receiving said equal number of votes shall likewise become candidates for such office.

(b) In the event that no more than two candidates file nominating petitions for each vacancy in office, the Primary Election may be dispensed with as to that office.

D'Andrea **OPTIONAL:** Should charter cities prevail in pending litigation.

(a) The Primary Election shall be held on the ~~first Tuesday in February~~⁶ SECOND TUESDAY IN MARCH in even-numbered years. The two candidates receiving the highest number of votes at the Primary Election for each

office for which there is a vacancy will be considered nominated for such office, and their names shall be printed on the ballot for the General Election; provided, that if there be any person who, under the provisions of this Section would have been entitled to become a candidate for any office except for the fact that some other candidate received said equal number of votes therefor, then all such persons receiving said equal number of votes shall likewise become candidates for such office.

- (b) In the event that no more than two candidates file nominating petitions for each vacancy in office, the Primary Election may be dispensed with as to that office.

| | | | | | |
|--|--|--|--|----------------|--|
| | | | | PURPOSE | To be consistent with current state law. OPTIONAL: To allow for spring elections on the permitted consolidated election dates. |
|--|--|--|--|----------------|--|

| | | | | | |
|------------|----|---|----------|--|---|
| F 5 | IX | 6 | E. Burke | TIME OF HOLDING OF GENERAL ELECTION | |
| | | | | | The General Election shall be held on the first Tuesday in March^z FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER in each even-numbered year. |
| | | | | D’Andrea | OPTIONAL: Should charter cities prevail in pending litigation. |
| | | | | | The General Election shall be held on the first Tuesday in March^z THIRD TUESDAY IN MAY in each even-numbered year. |

| | | | | | |
|--|--|--|--|----------------|--|
| | | | | PURPOSE | To be consistent with current Arizona law. OPTIONAL: To allow for spring elections on the permitted consolidated election dates. |
|--|--|--|--|----------------|--|

| | | | | | |
|--|--|--|--|--|--|
| NO ACTION <i>THE FOLLOWING ITEMS WERE DISCUSSED, BUT WERE NOT RECOMMENDED TO MOVE FORWARD DUE TO THE NUMBER OF OTHER, MORE PRESSING ITEMS.</i> | | | | | |
|--|--|--|--|--|--|

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|------------|----|---|----------|------------------|---|
| N 1 | II | 8 | E. Burke | INDUCTION | |
| | | | | M. D’Andrea | ADDITIONAL CONSIDERATION: Formalize the current informal policy of having the councilmember who received the largest number of votes at the last election to serve as Vice Mayor. |

| | | | | | |
|--|--|--|--|----------------|---------------------------------------|
| | | | | PURPOSE | To formalize current informal policy. |
|--|--|--|--|----------------|---------------------------------------|

| | | | | | |
|------------|-----|----|----------------------|-----------------------------------|---|
| N 2 | VII | 15 | E. Burke D’Andrea | CODIFICATION OF ORDINANCES | |
| | | | | | Any and all ordinances of the City which have been enacted and published in the manner required at the time of their adoption, and which have not been repealed, shall be compiled, consolidated, revised, indexed, and arranged as a |

comprehensive ordinance code, and such code may be adopted by reference, with the same effect as an ordinance, by the passage of any ordinance for such purpose. Such code need not be published in the manner required for other ordinances, but ~~not less than three (3) copies~~ **THE NUMBER OF COPIES REQUIRED BY STATE STATUTE** thereof shall be filed for use and examination by the public in the office of the City Clerk prior to the adoption thereof. Amendments to the code shall be enacted in the same manner as ordinances.

PURPOSE At this time, State Statutes require three (3) copies to be maintained; however, this is an antiquated statute and may change in the future. This verbiage would allow the Charter to change as well, if that should occur.

N 3 IX 11 D'Andrea **APPLICATION OF STATE LAW**

The provisions of the laws of this State relating to and governing the nomination of elective officers and the conduct of elections, and each and every provision of said law, with all amendments thereto, shall apply, and shall govern the nomination of elective officers, and the conduct of elections, except as otherwise provided in this Charter. The Council shall have the power to make any other provisions relating to the nomination of officers, and to the conduct of elections not repugnant nor contrary to the provisions of the laws of this State, or to the provisions of this Charter.

PURPOSE Clean up the language regarding the application of state law to the elections process to make it clear that the Charter prevails unless it is legally preempted. I believe that is what the current language means, but it is so wordy that it could be challenged.

N 4 XI 1 Jacobson **POLICE MAGISTRATE COURT**

The ~~Police~~ **MAGISTRATE** Court created by the general statutes of the State, and all statutes pertaining to the jurisdiction and procedure of said Court, shall be fully observed

PURPOSE Change all references to Police Court to Magistrate Court.

N 5 XI 2 D'Andrea
Jacobson **POLICE MAGISTRATE JUDGE(S), APPOINTMENT, TERM**

The ~~Police~~ **MAGISTRATE** Judge(s) shall be appointed by the Council, and shall hold office **CONSISTENT WITH STATE LAW** ~~at the pleasure of the Council.~~

PURPOSE Consider whether the section on Police Judges serving "at the pleasure of Council" should be revised considering the required independence for Judges.

N 6 XI 3 Jacobson **SERVICE OF PROCESS**

The Chief of Police shall cause all summonses issued by the ~~Police~~ **MAGISTRATE** Judge(s) to be served, and the return endorsed thereon and signed by the officer making such service. The Chief of Police shall also cause all warrants of arrest to be executed.

Also consider:

Eliminating this altogether

| | | | | | |
|------------|-----|----------|----------------------|---|---|
| | | | | PURPOSE | Change all references of Police Court to Magistrate Court. |
| N 7 | XII | 1 | E. Burke | ELECTIONS FOR APPROVAL OF FRANCHISES | <p>No franchise shall be granted, extended, or renewed by the City without the approval of a majority of the qualified electors residing within its corporate limits voting thereon at a Primary, General, or Special Election; the Council shall submit any matter for approval or disapproval to such election at any Primary or General Election, or shall call a Special Election for such purpose IN ACCORDANCE WITH STATE LAW at any time upon thirty (30) days' notice; and the Council shall require, before calling any such election, that the estimated expense thereof (to be determined by the Council) shall be first deposited by the applicant for such franchise with the City Clerk.</p> |
| | | | | PURPOSE | Thirty days' notice is not adequate time to call a Special Election and meeting other related timelines. Removes the possibility of holding a franchise election during the Primary Election due to partisanship complications with Primary Elections. |
| N 8 | XVI | Am. 2 | D'Andrea Jacobson | Amendment No. 2 VOTE REQUIRED FOR CERTAIN TYPES OF FACILITIES COSTING IN EXCESS OF ONE MILLION DOLLARS | <p>Notwithstanding any other provisions of the Charter, with the exceptions of utilities, public safety <u>(INCLUDING MAGISTRATE COURTS)</u> and street facilities, after the effective date of this Amendment the City shall not expend funds totaling more than one million dollars for the purchase and/or construction of municipal facilities, including but not limited to libraries, civic centers, or swimming pools, without the prior approval of a majority of the qualified electors of the City voting at an election for that purpose. Said one million dollar limit shall be adjusted annually by the consumer price index as of July 1 of each year.</p> |
| | | | | PURPOSE | In Amendment No. 2, define public safety facilities in a manner that would include Magistrate Courts, and reflects the current CPI to account for inflation. |
| N 9 | VI | 1 | Wagemaker Wendel | FISCAL | <p><u>Option 1</u> The provisions of the Constitution and the Laws of the State as the same now exist or hereafter may be amended governing the budget, taxation, financial, and fiscal powers of the City ARE A MATTER OF LOCAL CONCERN. shall apply to the governing and conduct of same in the City. <u>THE COUNCIL MAY BY ORDINANCE PROVIDE A SYSTEM FOR THE ASSESSMENT, LEVY AND COLLECTION OF ALL CITY TAXES, NOT INCONSISTENT WITH THE PROVISIONS OF THIS CHARTER.</u></p> <p><u>Option 2</u> The provisions of the Constitution and the Laws of the State as the same now exist or hereafter may be amended governing the budget, taxation, financial, and fiscal powers of the City shall apply to the governing and conduct of same in the City. <u>THE COUNCIL MAY BY ORDINANCE PROVIDE A SYSTEM FOR THE ASSESSMENT, LEVY AND COLLECTION OF ALL CITY TAXES, NOT INCONSISTENT WITH THE PROVISIONS OF THIS CHARTER.</u></p> |
| | | | | PURPOSE | This is an effort to bring the City Charter more in line with recent legislative changes to the Model City Tax Code, including the incorporation of recent legislative emphasis on tax simplification. The proposed changes also more clearly |

define the abilities of Council to self-administer the already adopted tax code.

N 10 VIII 9 D'Andrea **LEASES OF CITY PROPERTIES**

Goodrich

The Council may lease any **COMMERCIAL** land, **COMMERCIAL** buildings, or **COMMERCIAL** equipment now or hereafter owned by the City on such terms and conditions as the Council may prescribe. All leases shall be made to the highest responsible bidder after publication of notice thereof for at least one time per week for two weeks, stating explicitly the time and conditions of the proposed lease. However, the Council may, in its discretion, reject any and all bids.

McIntire **SHOULD THERE BE NO BIDS, OR SHOULD THE COUNCIL CHOOSE TO REJECT ALL BIDS, THE CITY MAY ENTER INTO A LEASE AGREEMENT FOR AN ACCEPTABLE OFFER, BASED ON A DOCUMENTED DETERMINATION OF MARKET VALUE, WITHOUT FURTHER ADVERTISING DURING THE SIX MONTH PERIOD FOLLOWING THE DATE OF THE RECEIPT OF NO BIDS OR THE REJECTION OF ALL BIDS.**

PURPOSE Allow leases of City property used for residential purposes to be leased by the City Manager for a commercially acceptable rate without going through the notification and bidding process.

N 11 VIII 10 D'Andrea **SALE OF CITY PROPERTY**

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.

McIntire **SHOULD THERE BE NO BIDS THE CITY MAY ENTER INTO A SALES AGREEMENT FOR AN ACCEPTABLE OFFER, BASED ON A RECENT AND VALID APPRAISAL, WITHOUT FURTHER ADVERTISING DURING THE TWO YEAR PERIOD FOLLOWING THE DATE OF THE RECEIPT OF NO BIDS. SALE OR TRADE OF REAL PROPERTY WITH ANOTHER PUBLIC ENTITY MAY BE ACCOMPLISHED WITHOUT PUUBLISHED NOTIFICATION AND A 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.

PURPOSE Raise the limit on the value of personal property that the City Manager may sell or dispose of. It is currently \$500.

N 12 XI 4 Jacobson **APPOINTMENT OF JUDGES PRO TEMPORE**

THE PRESIDING JUDGE OF THE MUNICIPAL COURT MAY, WITH BUDGETARY APPROVAL OF THE CITY MANAGER,

APPOINT SUCH JUDGES PRO TEMPORE AS ARE REQUIRED BY THE MUNICIPAL COURT AND SHALL OVERSEE THE COURT ADMINISTRATIVE STAFF..... Further language to be developed by Legal.

PURPOSE Allows the Presiding Judge to appoint Judges Pro Tempore and oversee court administrative staff

N 13 VI 4 Goodrich ~~CASH BASIS FUND SET UP; TRANSFER OF SUMS FROM CASH BASIS FUND TO OTHER FUNDS~~

~~The Council may, by ordinance, create and maintain a permanent revolving fund to be known as the Cash Basis Fund, for the purpose of putting the payment of the running expenses of the City on a cash basis. For this purpose, the Council may provide that from the money received from other sources, a sum equal to not less than two and one-half (2 1/2) cents on each one hundred dollars (\$100.00) of the assessed value of said property shall be placed in such fund, until the accumulated amount of such fund shall be sufficient to meet all legal demands against the Treasury for the first four (4) months, or other necessary period, of the succeeding fiscal year.~~

~~The Council shall have power to transfer from the Cash Basis Fund to any other fund or funds such sum or sums as may be required for the purpose of placing such fund or funds, as nearly as possible, on a cash basis. It shall be the duty of the Council to provide that all money so transferred from the Cash Basis Fund shall be returned thereto before the end of the fiscal year.~~

PURPOSE Not used

Memorandum

8.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Sarah Darr, Deputy Housing Director
Date: 11/19/2014
Meeting Date: 11/25/2014



TITLE:

Presentation and discussion concerning a potential Request for Proposals for 308 Elden (property designated for affordable housing near Sawmill)

DESIRED OUTCOME:

Receive presentation and provide direction on options pertaining to a potential Request for Proposals (RFP) for 308 Elden, a property designated for affordable housing near Sawmill. Staff will provide an overview of the property itself and options for a RFP process. The work session is an opportunity for City Council to ask questions and provide direction to staff.

INFORMATION:

At the November 25 Council Work Session, staff will present for discussion possible RFP options associated with the Sawmill affordable housing property.

COUNCIL GOALS:

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

REGIONAL PLAN:

- Goal LU.1. Invest in existing neighborhoods and activity centers for the purpose of developing complete, and connected places.
- Goal LU.4. Balance housing and employment land uses with the preservation and protection of our unique natural and cultural setting.
- Goal LU.6. Provide for a mix of land uses.
- Goal LU.9. Focus reinvestment, partnerships, regulations, and incentives on developing or redeveloping urban areas.
- Goal LU.10. Increase the proportion of urban neighborhoods to achieve walkable, compact growth.
- Goal LU.13. Increase the variety of housing options and expand opportunities for employment and neighborhood shopping within suburban neighborhoods.
- Goal LU.15. Plan for and encourage employee-intensive uses throughout the area as activity centers, corridors, research and development offices, business parks and light industrial areas to encourage efficient infrastructure and multimodal commuting.
- Goal LU.18. Develop well designed activity centers and corridors with a variety of employment, business, shopping, civic engagement, cultural opportunities, and residential choices.
- Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors.
- Goal NH.6. Neighborhood conservation efforts of revitalization, redevelopment and infill are compatible with and enhance overall community character.
- Goal ED.8. Promote the continued physical and economic viability of the region's commercial

districts by focusing investment on existing and new activity centers.

- Goal ED.9. Promote redevelopment in infill as a well-established means to accomplish a variety of community economic, planning and environmental goals.

Attachments: PowerPoint



Sawmill Affordable Housing Parcel

Sarah Darr

Deputy Housing Director
City Council Work Session
November 25, 2014

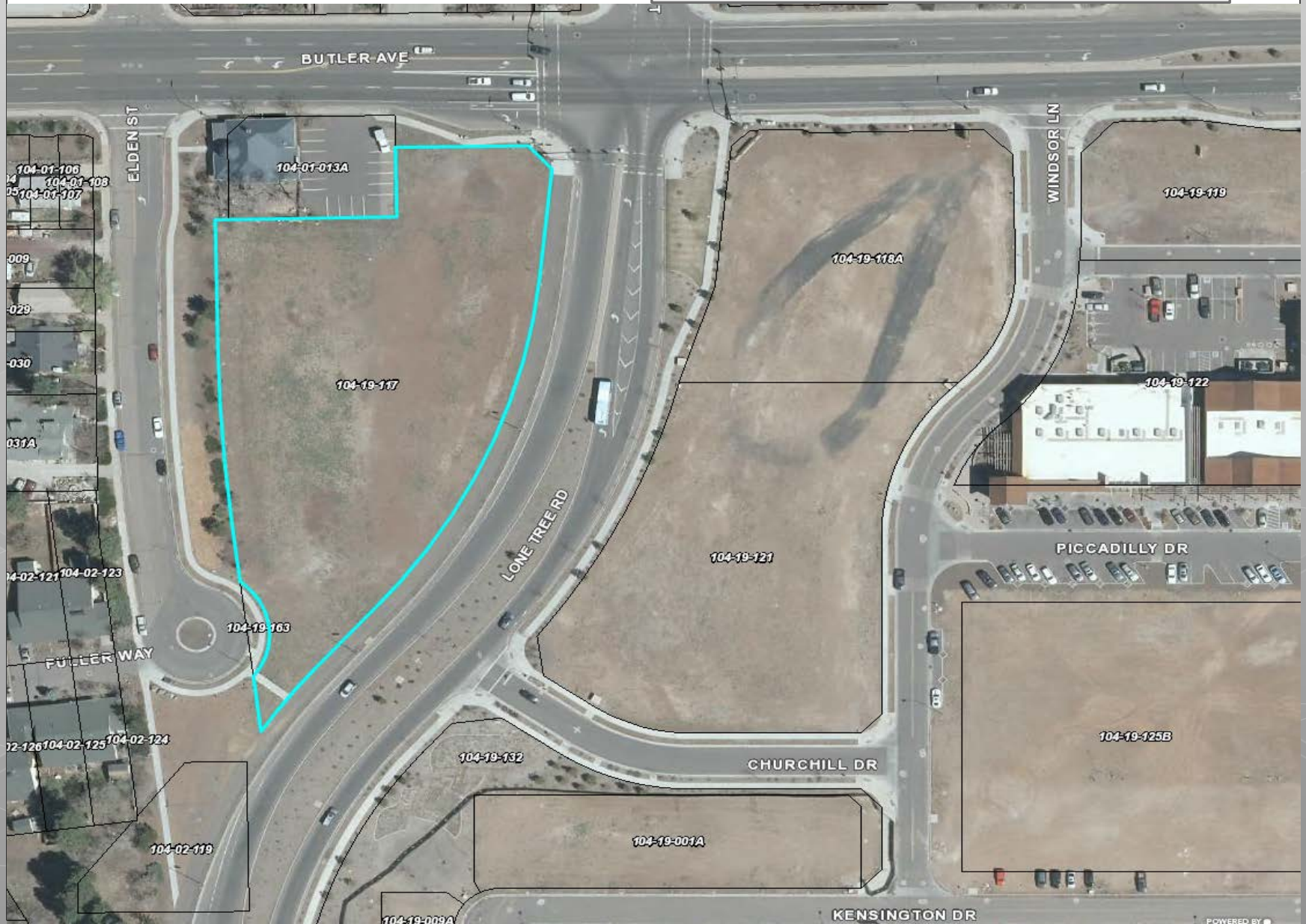
Overview

- Background and History
- Property Information
- Options
- Discussion and Direction

Background and History

- Deeded to City of Flagstaff for Affordable Housing purposes by Aspen Group as part of Sawmill Development Agreement process in mid-2000s
- Discussing options now due to interest expressed by developers and timing of surrounding development





Property Information

- Size: 1.74 acres
- Zoning: Highway Commercial
- Irregular shape
- Access questions



What does the current zoning allow?

- **Highway Commercial (from Zoning Code)**
 - Appropriate for a full range of automobile-oriented services.
 - Development of commercial uses in addition to residential uses is encouraged to provide a diversity in housing choices, provided that residential uses are located above or behind commercial buildings

What does the current zoning allow?

Highway Commercial - continued

- Intended to provide for convenient, controlled access and parking
- Primarily in the commercial corridors of the City intended to make the City more attractive as a tourist destination while providing needed commercial activity

Examples of Permitted Uses in HC

- Residential as part of mixed use
- Daycare
- Bars/tavern
- Equipment rental
- Vehicle towing and impound
- Retail and service (including drive-thru)
- Restaurant/café
- Flea Market
- Crematorium
- Lodging
- Offices
- Bank

What is the overall goal?

- Property must be used to benefit affordable housing
 - Land
 - Funding from sale or lease of land
- General Fund budget cuts since 2008 have equaled more than 55% to Housing Section programs and staff
- HUD funding cuts in recent years have been just as impactful
- Maximize return for community benefit

What are the options?

- Sell
- Long-term Commercial Lease
- Provide RFP requesting quotes for both
- Do nothing at this time

Housing

Why is there not an option for developing affordable housing on the site itself?

- Site capacity
- Maximization of return and community benefit

Questions to Keep in Mind

- Limit the use?
- Restrict density?
- Require affordable housing to be included?
 - Will most likely reduce price in all options
- Encourage mixed-use?

Option - Sell

- Has the potential of generating between \$500,000 and \$1 million in lump sum
- No long-term implications

Option - Long-term Commercial Lease

- Has the potential to generate between \$50,000 and \$100,000 per year in lease revenues
- This equates to \$700,000 - \$1.4 million in bonding capacity (4% for 20 years)

Option – Long-term Commercial Lease

- Leases are common in commercial uses
- Lease income can increase over time given an annual adjustment
- If lease income used for bonding, City still owns the property at the end of 20 years and then can either apply the income to needs or re-bond at that time

Option – RFP Requiring quotes for both lease and sale

- A Request for Proposals can be issued requiring bidders to list prices **for both sale and long-term lease**
- Process could help determine value for both options in current market

Option – Do Nothing At This Time

- Continue to hold property as surrounding developments are completed and tenanted
- Re-visit options in the future

What could be done with funding generated?

- Development
 - Partner with developer to create additional housing
 - Rental
 - Homeless
 - Serial Inebriate
 - Other

What could be done with funding generated?

- Programing
 - ROSS type position
 - Re-instate down payment and closing cost program for households between 80%-125%
 - Replenish Incentive Fund
 - Fund partner efforts in community
 - Leverage other grant applications

Summary

- Sale
 - Potentially \$500,000 - \$1 million
 - One time
- Long-term Lease
 - Potentially \$50,000 - \$100,000 in annual lease revenue
 - Ongoing
 - Bonding capacity \$700,000 - \$1.4 million
 - Lease revenue will increase over time

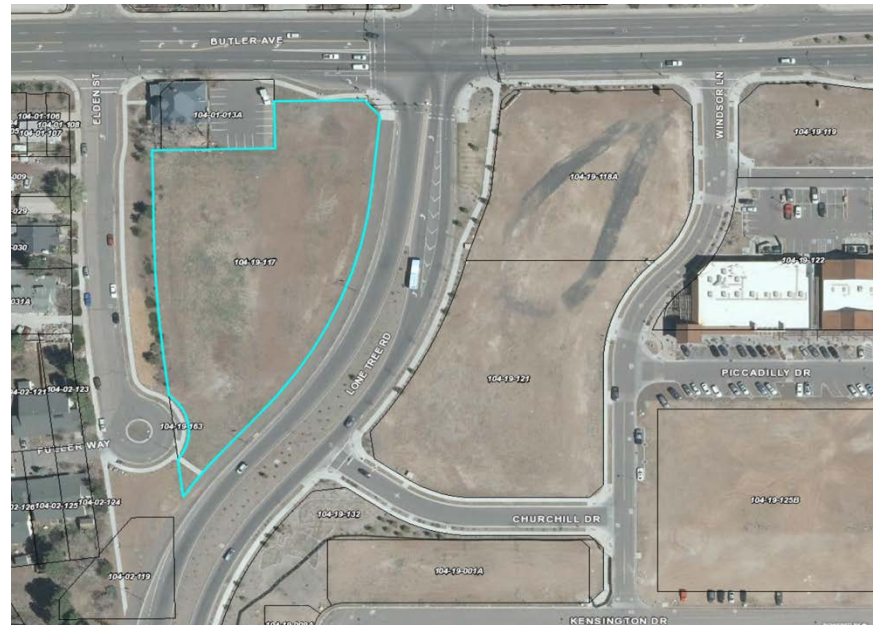
Staff Recommendation

RFP for both lease and sale

- Will provide the greatest amount of feedback about the market and options
- Require use to fit with surrounding uses and neighborhood - but let potential user propose what project is/looks like

Housing Authority Board Recommendation

RFP for both lease and sale



Next Steps

- Receive direction
- Create and issue RFP if directed to do so



Questions and Discussion

Thank you for your attention and input!

Memorandum

9.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Karl Eberhard, Comm Design & Redevelopment Mgr
Date: 11/04/2014
Meeting Date: 11/25/2014



TITLE:

Community Reinvestment Plan - (Draft of Community Reinvestment Plan for discussion only).

DESIRED OUTCOME:

Review and provide direction regarding "Community Reinvestment Plan - Draft November 2014" which includes:

1. Community Reinvestment Policy - Draft
2. Objectives - Draft
3. Implementation Strategies - Draft

INFORMATION:

COUNCIL GOALS:

11. Effective governance

REGIONAL PLAN:

The Flagstaff Regional Plan 2030 includes a series of goals and policies that support community reinvestment as an objective and course of action to achieve the goals and policies of the Plan. These include goals less directly seeking reinvestment such as preserving resources and open spaces, efficient infrastructure, energy efficiency, urban land-uses and development patterns, and multimodal commuting. However, the Plan also directly calls for compact development, investing in existing neighborhoods and urban areas, adaptive re-use, historic preservation, and promoting infill and redevelopment.

BACKGROUND:

At a Work Session on October 29, 2013, the City Council provided the most recent direction that serves as the basis of this draft of the Community Reinvestment Policy. The presentation included an overview of many available options and consideration was given to some "stage setting" concepts and prerequisite decision points. The City Council concurred that the Community Reinvestment Policy, by virtue of its very nature, would give reinvestment projects an advantage over greenfield projects and that the policy should be an overarching policy instead of targeting any specific neighborhoods (traditional redevelopment districts).. The City Council acknowledged the necessary financial commitment and provided direction on some of the possible implementation strategies that had less consensus among the various stakeholders. Direction was also provided regarding objectives and implementation strategies that the City Council was not interested in pursuing such as planning, impact fees, and land banking.

Finally, there was agreement that generally reduced development requirements, permit processing timeframes, and fee waivers do not have potential to yield meaningful incentives for reinvestment. The materials last reviewed by the City Council are attached.

Since that time, staff has modified the plan per City Council direction and carefully reviewed and discussed the plan amongst the impacted staff. For City Council consideration, please find attached a draft Community Reinvestment Plan developed from that direction and discussion.

ABOUT THE DRAFT:

The overall framework of the draft plan is that the potential policy and objectives are reflections of City Council, community, stakeholder, and staff input as to what the overarching policy should (or could) be. However, for the purposes of the current Work Session discussion, the City Council should consider the potential implementation strategies as a "menu" of possibilities that can be evaluated for viability and edited or deleted prior to adoption of any specific implementation action.

THE USE OF DISTRICTS:

Recall that the available “redevelopment district” options are limited and ineffective as the State laws have been modified through the years. On that basis, the focus of this plan has been on broad policies, objectives, goals, and implementation strategies. However, the Regional Plan 2030 identifies existing activity centers and corridors as desirable redevelopment foci. And, several of the implementation strategies, like any alternative “urban engineering standards”, would be best accomplished on a geographical basis. So while we’ve been trying to avoid requirements such as declaring neighborhoods as “slum and blight”, at the end of the day, creating districts is most likely a part of accomplishing the objectives. Specifically, the “Infill Incentive District” is likely the tool to be used to calibrate the codes and standards to these areas and most likely to be included in specific implementation actions that staff would bring forward for City Council adoption.

PREDICTABILITY:

Please recall from prior discussions that "predictability" is an important character trait of the development process. One of the disadvantages of typical reinvestment is that the work, the requirements, are less predictable. Many of the concepts of this plan are concerned with establishing a more predictable environment in a reinvestment scenario.

FINANCIAL IMPLICATIONS:

General thoughts on the financial implications are included in the annotations of the draft plan. As the implementation strategies are developed, more detailed cost understandings can be developed. Note that the most impactful strategies herein also have the highest associated costs and no funding mechanism has been identified.

Just developing these strategies has cost implications including staff time, or hiring consultants or additional staff. Other projects could experience delay as staff develops these strategies. The direction provided by the City Council will be constructive to include and prioritize these efforts within various work programs.

Attachments: Community Reinvestment Plan
10 2013 CC Work Session

City of Flagstaff

Community Reinvestment Plan

Draft - November 2014

Annotated

INTRODUCTION

The Flagstaff Regional Plan 2030 includes a series of goals and policies that support community reinvestment as an objective and course of action to achieve the goals and policies of the Plan. These include goals less directly seeking reinvestment such as preserving resources and open spaces, efficient infrastructure, energy efficiency, urban land-uses and development patterns, and multimodal commuting. However, the Plan also directly calls for compact development, investing in existing neighborhoods and urban areas, adaptive re-use, historic preservation, and promoting infill and redevelopment.

This Community Reinvestment Plan presents an over-arching Community Reinvestment Policy as well as objectives and potential actions to implement the policy. The term “reinvestment” is used so as not to evoke legal definitions and implications of the term “redevelopment” and refers to the improvement, including re-use, historic preservation, intensification, and infill of vacant, underutilized, or abandoned buildings and properties that are already developed or located in developed areas, and served and supported by existing public and private infrastructure. It is distinct from “greenfield development” which refers to the improvement of primarily undeveloped land, distant from existing activity centers and requiring the extension or development of most if not all necessary infrastructure, and often involving the subdivision of land.

The development of this plan was initiated by talking to our customers and learning their perceptions about how to promote reinvestment in Flagstaff. This was followed by research of other communities and the development of a broad menu of possible actions to accomplish this goal. Each item on this broad menu was then measured against our current activities, obvious fatal legal challenges, potential effectiveness, and the desires of the City Council.

Discussion: This work is composed as "a plan" such that if adopted, the policy and objectives would be in place, and the City Council will have provided direction to staff to further develop the implementation strategies and return to the City Council with final strategies for consideration and possible adoption.

The potential policy and objectives are reflections of extensive City Council, community, stakeholder, and staff input as to what the overarching policy should (or could) be.

A notable amount of work remains in developing the implementation strategies - preparing corresponding specific actions, likely in the form of ordinances for adoption by the City Council. Thus they should be considered as direction to staff, but also as a "menu" of possibilities that can be evaluated for viability. That evaluation, including deletions, additions, and editing, could be done in reviewing the draft, in adopting the plan, and even at a later date when specific actions are brought before the City Council for consideration and possible adoption.

To assist in the consideration of these potential implementation strategies, the draft is annotated with key considerations and discussion relative to each strategy.

COMMUNITY REINVESTMENT POLICY

While preserving the character of the community, the City of Flagstaff prefers reinvestment (redevelopment and infill) over greenfield development and peripheral expansion of the city, and as a matter of public policy will promote, favor, and give priority to reinvestment.

OBJECTIVES

OBJECTIVE 1: The City will address the physical constraints of existing urban properties.

OBJECTIVE 2: The City will change regulatory requirements and remove or add provisions so as to incentivize reinvestment projects.

OBJECTIVE 3: The City will provide beneficial financial mechanisms that would be applied to reinvestment projects.

POTENTIAL IMPLEMENTATION STRATEGIES

Discussion: For each of the following possible implementation strategies that the City Council would like staff to pursue further, staff will prepare specific actions, ordinances and other mechanisms, for future Council consideration and possible adoption.

For OBJECTIVE 1: The City will address the physical constraints of existing urban properties.

1. Each Division of the City shall incorporate into their work program the development of an inventory of their respective physical infrastructure and develop prioritized plans to install or upgrade incomplete, missing, or inadequate physical infrastructure.

Discussion: Note that several of the City's infrastructure systems have inventory work and replacement planning well underway while others are less complete. For example, our understanding of street issues and planning for them is well advanced, while our inventory of sidewalks does not include inadequate sidewalks, and our strategy for adding or replacing sidewalks is nominal.

Responsible Agency: All divisions of the City with capital programs.

Financial Implication: The inventory and planning work has some associated costs, particularly if performed by consultants. Notably, staff time must be dedicated to such work and considered in light of total workloads.

2. All presentations of capital improvement projects shall include a completed "Service to Reinvestment Scorecard". This rating shall be used in the process of prioritizing projects within five-year capital improvement plans such that all other variables being equal, those projects that have a higher score will have a higher priority than those with lower scores.

Discussion: The Capital Improvements Program has a matrix for scoring projects and a "reinvestment" score could be built into that matrix relatively easily. However, many capital improvement projects attain priority based on "opportunity" and other factors which can trump the reinvestment score. Notably, such opportunistic public investment contributes to the lack of reinvestment. Also, other programs do not have such a prioritizing matrix. A separate and uniform metric seems appropriate.

The use of this scorecard could be complex given other priority setting factors and given that the City Council generally only sees projects side-by-side during budget season. Adding the score into the budget process

could help the Council see and establish project priorities. Even when reviewing individual projects, having a score included would provide the Council with another “information point” in their decision making – helping to answer the question of “Who is served?”

Responsible Agency: Capital Improvements Program and all divisions of the City with capital programs.

Financial Implication: Nominal.

3. The City of Flagstaff Capital Improvement Plan shall be modified to include a separate category entitled “Reinvestment” and reinvestment serving Capital projects shall be identified under that category.

Discussion: Similar to the scorecard, the organization of capital projects in this manner will provide the City Council with a clear picture of reinvestment serving projects that are underway or proposed when making decisions about the City’s capital planning.

Responsible Agency: Capital Improvements Program

Financial Implication: Nominal.

4. The City will invest in infrastructure replacement and upgrades.

Discussion: A leading inspiration for private reinvestment is municipal reinvestment. This is a pattern almost anywhere we look for examples, but we see it here in Flagstaff in the Southside where the community response to the City’s investment has been notable.

In a nutshell, the concept of “plug-and-play” is the ultimate goal. Under this concept, we can expect more private investment if the public infrastructure is ready to receive new projects. This is how sub-divisions and business parks are often conceived – all that it needed is to build and hook-up. It makes the process quick and predictable.

Responsible Agency: City Council

Financial Implication: This is probably the single largest “expense” category of all implementation strategies presented and a source is not identified. Implementing a program of upgrades and replacement for all infrastructure systems is potentially quite costly.

For OBJECTIVE 2: The City will change regulatory requirements and remove or add provisions that favor reinvestment projects.

1. The City will make changes to the development requirements in the Zoning Code that are specific to the urban areas of the City (already identified in the Regional Plan 2030).

Discussion: Recognizing that the community needs in an urban area are different than in a suburban or rural area, this strategy seeks to change one-size-fits-all requirements to calibrated requirements. For maximum impact, the likely areas of change are those that take up site area, such as parking, and those that also don't yield the desired character, such as buffer yards. The likely implementation tool is to create an Infill Incentive District around the activity centers identified in the Regional Plan 2030.

In many ways this would take some of the current incentives for use of the transect zones and apply them to the standard zones. This would make use of the transect zones less attractive and could reduce their use.

Alternative: An alternative approach would be to develop a "community priority" project designation. Such a designation could be prescriptive (perhaps using the Service to Reinvestment Scorecard) or by review and action on individual projects by the City Council or a Reinvestment Authority (Commission). Once designated, prescriptive relief could then be applied. Note that this concept is used in other communities but has not been fully measured against Arizona law.

Responsible Agency: Planning and Development Services Section

Financial Implication: Nominal. Notably, staff time must be dedicated to such work and considered in light of total workloads.

2. The City will change the Zoning Code to increase the Minor Modification authority of the Planning Director for reinvestment projects.

Discussion: For example, the Planning Director can waive setbacks up to two feet under special circumstances. This could be changed to four feet for reinvestment projects.

This requires a rationale for designating a project as a reinvestment project – identifying when the expanded authority applies. Such a designation should be prescriptive (perhaps using the Service to Reinvestment Scorecard) because a hearing process would delay project approval time frames while the minor modification process is designed to speed up approvals.

Responsible Agency: Planning and Development Services Section

Financial Implication: Nominal.

3. The City will make changes to the Engineering Standards, or alternative standards, that are specific to the urban areas of the City (already identified in the Regional Plan 2030).

Discussion: See Discussion (calibrated requirements) and Alternative under Objective 2.1 above (not repeated for brevity). The example for this case: Standards calibrated to an urban environment might require less separation of driveways or narrower driveways.

While the City usually negotiates solutions when urban constraints are recognized, the lack of predictability, the need to negotiate, and the absence of prescribed standards is a disadvantage for urbanized areas compared to sites where the lack of existing development, available space, and established standards remove this concern.

Responsible Agency: Engineering Section

Financial Implication: Nominal. Notably, staff time must be dedicated to such work and considered in light of total workloads.

4. The City will change the Engineering such that the Modification authority of the City Engineer is greater for reinvestment projects.

Discussion: Unlike the Zoning Code, the Engineering Standards do not have a set criteria or limit on the City Engineer's authority. Therefore, to effectively implement this strategy, it is necessary to establish criteria and limits for such modifications in general so that more flexibility can be given to reinvestment projects.

See discussion of project designation in Objective 2.2 above (not repeated for brevity).

Responsible Agency: Engineering Section

Financial Implication: Nominal.

5. The City will make changes to the development requirements in the Storm Water Design Manual that are specific to the urban areas identified in the Regional Plan 2030.

Discussion: See Discussion (calibrated requirements) and Alternative in Objective 2.1 above (not repeated for brevity). The example for this case: Standards calibrated to an urban environment might require less on-site detention.

The development of the strategy will need to recognize that developed properties are already allowed to retain their current level of

imperviousness; that there are other laws that govern the handling of storm water; and that relief may require community solutions (and expenses) as an alternative.

Responsible Agency: Storm Water Program and Planning and Development Services Section

Financial Implication: Nominal, except as noted.

6. For transportation impact analyses of reinvestment projects, factors to adjust the baseline ITE trip generation data shall be developed by City staff for alternative mode travelers (transit, bicycle, and pedestrian), based on vehicle occupancy, and other best practice adjustments.

Discussion: Standard ITE Trip Generation data is based on suburban travel habits. Recent studies (such as the National Cooperative Highway Research Program Report 758) have suggested the above adjustments for urban infill. The level of adjustment should be graduated relative to context. For example, an adjustment for pedestrians would be relative to an existing urban activity center. As “predictability” is an important need in the development process, it is important to establish these adjustments ahead of time and NOT on a case-by-case basis (as is our current practice).

Responsible Agency: Engineering Section

Financial Implication: Nominal.

7. Using the inventories of infrastructure system needs (See Objective 1.1) and the growth projections of the Regional Plan 2030, City staff shall map high value needs that are likely to require physical or financial contributions based on impacts of development on surrounding property (Sewer, Water, Storm Water, and Traffic) .

Discussion: For example, a needed new traffic signal or sewer main should be mapped so that developers of surrounding properties can be informed - understand the deficiency and anticipate the need for participation.

In order to make this a reasonable map, only “high value” needs – say over \$1 million, or over \$5 million, would be included. An alternative metric for inclusion on such a map might be those projects that are likely to impact multiple properties. And, by some means, such mapping should communicate the “sphere of influence” (thus identifying which properties are most likely to be affected). Again, the objective is to provide critical information in advance which then shores up the “predictability” in the development process.

Responsible Agency: Engineering Section

Financial Implication: Nominal. Notably, staff time must be dedicated to such work and considered in light of total workloads.

8. For development requirements that yield undesired on-site features or where a community or municipal system is more efficient, City staff shall prepare an In-lieu-of Fee Schedule.

Discussion: In-lieu-of fees have been used by other communities primarily for parking but also for parks, affordable housing, landscaping, storm water, wetlands, and many more development or development mitigation requirements wherein a community solution can be substituted for a site specific solution. At its heart, a fee is paid by a developer instead of meeting or providing a development requirement. For space occupying requirements, like parking, the developer simply measures the cost of land and construction against the cost of the fee. This aids reinvestment more than greenfields because, generally speaking, land costs are higher in urbanized areas.

Some of these should be graduated based on level of service. For example, distance from municipal parking is a common metric for graduating parking in-lieu-of fees.

Also, the City Council should consider if such fees would be tied to actual plans to construct municipal infrastructure. On one hand this is entirely reasonable – if we have no plans to build municipal parking, should we collect an in-lieu-of fee for it? On the other hand, doing so would delay the deployment of this strategy. The City would have the most flexibility in capital planning if such fees were not tied to actual plans to construct municipal infrastructure.

Responsible Agency: Planning and Development Services Section

Financial Implication: Nominal. In some respect, this would amount to another capital project funding mechanism.

9. The City will have an Aging Infrastructure Credit that would provide City funds for the partial replacement of public infrastructure when such work is required in association with a reinvestment development application.

Discussion: This is simply paying a portion of the developer's expense on the basis that we would have to pay some amount as part of our replacement programs. However, we have limited replacement programs at present which suggests that this implementation should be coupled with establishing such programs.

Responsible Agency: All divisions of the City with capital programs.

Financial Implication: This requires the dedication of funds and is probably the second largest “expense” category of all implementation strategies presented.

10. The City will have a Transfer of Obligations / Development Rights ordinance that allows resource protection requirements to be met off-site and that allows density to be relocated from peripheral areas to urbanized areas of the city.

Discussion: There may be other development features or requirements that can be transferred off-site. So, we may need to add to this list as the final recommendation is developed - or better, create a system that has ongoing flexibility. And notably, “density” is not a feature generally sought by local developers which reduces that effectiveness of this measure.

Responsible Agency: Planning and Development Services Section

Financial Implication: Nominal.

For OBJECTIVE 3: The City will provide beneficial financial mechanisms that would be applied to reinvestment projects.

1. Review and inspection fees shall not be required for the replacement of public infrastructure by a developer and City staff shall prepare for City Council consideration and possible adoption necessary changes to the appropriate fee schedules.

Discussion: At the very least this would be a head nod to the “aging infrastructure credit” concept (See discussion Objective 2.10).

Responsible Agency: Community Development Division

Financial Implication: Cost recovery would need to come from funds other than review and inspection fees paid by other developers.

2. The City will have a Reinvestment Incentive Program that offsets development costs.

Discussion: Regarding prior drafts of this policy, Council expressed an interest in a simple cash incentive program. This requires designating a project as a reinvestment project (See Objective 2.2 above). Being fairly broad, a mechanism for selecting among qualified reinvestment projects is likely also required. Such a selection might involve preferring projects that add a “missing” land use to an area which then requires identifying which areas are “missing” what land uses. Gift clause issues are highly likely.

Responsible Agency: Community Design and Redevelopment Program

Financial Implication: The magnitude of offset costs (incentive) needs to be set by the City Council. Meaningful incentives are likely expensive.

3. The City will have an “Empty Building Tax” for buildings that are not under construction and unoccupied for long periods of time.

Discussion: Empty buildings while not producing, still require municipal services such as police, fire, streets, and so forth. An empty building tax addresses recovery of such costs. This line of thought needs to consider “empty suites” as well for partially vacant structures.

Responsible Agency: Legal Department and Management Services

Financial Implication: Unknown – potentially yielding income.

City of Flagstaff
Community Reinvestment Policy
Subsidiary Decision Points
August 2013

The following is a presentation of several different policy discussions that are each “Subsidiary Decisions Points” for a broader *future* presentation on policies related to redevelopment and infill in Flagstaff¹.

This is not a presentation of the broader redevelopment and infill policy ideas, though a working list of the ideas is attached for reference². On this list, the various ideas have been grouped into six general categories including community planning, physical constraints, regulatory requirements, process requirements, financial mechanisms, and a catch-all group, “other”. Based on preliminary staff discussions, we have classified the various ideas as:

- Those that can be done more easily (short-term),
- Those that require more discussion and figuring out (long-term),
- Those that appear not so workable (bad ideas), and
- Those that have broader policy implications.

This last group, “those that have broader policy implications”, is the subject of this presentation. These ideas warrant an advance discussion with the City Council to determine which ones staff should pursue further and which ones are simply not of interest to the City Council and thus do not merit further staff resources.

This presentation is divided into three basic groups. The first group includes items that are “stage setting” and for which we are seeking consensus on the presented approach. The second group includes items that truly have broader policy implications - those that are interconnected with other city policies. Notably, some of these have been discussed previously, but independently of their role as incentives for redevelopment and infill. The final group, “Items Getting Less Attention” addresses ideas that have a limited potential as meaningful redevelopment incentives, but since people may be expecting them to be addressed, they merit discussion and consensus.

¹ The City Council has previously directed staff to prepare specific policy ideas that would implement the Regional Plan - promoting redevelopment and infill. As with earlier in-progress presentations on this subject, the merit or purpose of promoting redevelopment and infill are not addressed herein. These are addressed in both the current and pending Regional Plan.

² This presentation addresses items in the column with yellow boxes. The future presentation with policy recommendations will address the remainder of the ideas portrayed – more accurately, those that survive more study of effectiveness and feasibility.

STAGE SETTING

SPECIAL DISTRICTS vs OVERARCHING POLICY

Arizona law provides for the creation of a number of types of special districts for redevelopment, infill, revitalization, and other purposes. For all of the available options that address redevelopment, there are two very notable limitations in creating such districts. The construction of these laws, as altered through the years, makes some districts difficult to create and/or once formed, some are less constructive than originally intended. For example, some require a declaration of “slum and blight”. Public reaction to declarations like “slum and blight”, particularly for the affected property owners, is very negative, and does not accurately describe what is desired for Flagstaff. Other district types require one hundred percent support from the stakeholders which is a difficult, if not impossible task. Also, most of these districts have very narrow purposes such that multiple districts would be necessary to achieve broad goals. Finally, as “districts”, they have boundaries and are thus not “broad”.

Our understanding is that the intent of the City Council is not to address a “slum and blight” area, or one subject or another, but rather to promote the various forms of new development that can occur in areas of the city that are already developed – those areas that are already largely served by existing infrastructure and services. Without drawing any tight boundaries, this might include several neighborhoods and corridors within the city, as well as many less known or less obvious opportunities.

Please note that in spite of this general observation, the use of districts should remain a tool for consideration by the City. If for example the City Council believed that providing parking relief in downtown was desirable, an Infill Incentive District³ would be a good tool because this district is easy to form, it does allow for relief of development requirements, and it does allow the Council to specify an area in which the relief would apply. If the City Council wished, this tool could also be used to limit the application of new incentives or policies to only commercial districts and corridors, or only to select commercial districts and corridors.

With this understanding, the difficulty of “districts” and the broader intent, we propose to focus our efforts on over-arching policies, goals, and actions.

If the City Council prefers instead to limit the forthcoming policies to specific districts, what districts would you like to see addressed?

³ This district can be used to offer expedited zoning or rezoning procedures, expedited processing of plans and proposals, waivers of municipal fees (with notable limitations), or relief from development standards.

Chandler Infill Incentive Program

The Flagstaff City Council has previously referenced the Chandler redevelopment and infill incentive programs as a model that Flagstaff may want to investigate. Both CD&R staff and Legal staff have reviewed their programs and CD&R staff briefly discussed them with Chandler's Economic Development Director. Please find following some information in that regard:

For residential projects the City of Chandler offers impact fee reimbursements for Energy Star and LEED certified projects. Waiving development impact fees is a very a useful and workable incentive. As a reinvestment incentive for Flagstaff, waiving development fees is addressed in the main body of this paper.

For commercial projects the City of Chandler offers a reimbursement for construction expenses "such as the demolition of existing commercial space and/or for providing the public infrastructure necessary to accommodate new uses on the site". The program is managed by the Economic Development Department and the exact nature of the reimbursement is negotiated during the development approval process. A 2009 case study project was paid 50% of the total construction expenses (\$650,000) for "façade improvements". Program changes in 2009 shifted the focus of the program to projects that redevelop all or a significant portion of an existing commercial center in order to introduce new and/or additional uses such as residential and/or office components.

The funding appears in their Capital Improvements Plan, general government, funded by the General Fund. The program has maintained a carry-forward (fund balance) of just under \$2.8M in the last three fiscal years and while the CIP has shown future funding at \$500,000 per year, the program has been unfunded after FY 2010-11.

The construction of the program, the legal basis, and the relief offered, resemble the Infill Incentive District described in ARS with some very notable differences. While the residential component of their program offers incentives straight out of ARS, it appears to be applicable anywhere in the City. It is really a broadly applied incentive and not a district.

The Infill Incentive District described in ARS does not allow for reimbursement of construction expenses as Chandler provides for commercial projects but they limit the application of these incentives to a specific district and to specific business types ("older existing retail centers"). Our research has not found any mechanism in ARS whereby a City can reimburse construction expenses in this way. The 2010 City North case stated that "cities can use incentives for economic development but have to show the city is getting a measurable, contracted benefit that at least equals the city's expenditure (sic)". With this in mind, using the 2009 case study project, the City of Chandler would have to realize a \$325,000 benefit to offset the expense.

COMMERCIAL vs OVERARCHING POLICY

Please note that little distinction has been included herein between policies that would benefit commercial or residential infill and redevelopment.

Does the City Council prefer that we focus our efforts on one or the other?

If “commercial only” is desired, would incentives include mixed-use development in a commercial zone? Would we want to define “mixed-use” – to specify a ratio of one use to the other (currently not defined)?

REINVESTMENT

Continuing with setting the stage, the term “redevelopment”, in addition to having adverse social implications, is a term of art in the field of law. Use of the term can be mistaken to imply that there is some sort of “district” and thus that all of the connotations and limitations of districts are applicable. Furthermore, the term “redevelopment”, when not being used as a legal term, includes other forms of development that we specifically want to include in our policies such as intensification, infill, adaptive re-use, historic preservation, and so forth. The term “reinvestment” is a synonym for the non-legal meaning of “redevelopment” and accurately describes what is desired for Flagstaff.

With this understanding, we propose to focus our efforts on “reinvestment” policies rather than “redevelopment and infill policies”.

CREATING DIFFERENCES (CREATING OR CLOSING A GAP)

At present, and seemingly fair, all of the rules, requirements, and opportunities of our development environment are equally applied regardless of whether or not a particular project is a reinvestment or green field site. From that perspective, creating different rules for reinvestment opportunities seems unfair. However, reinvestment sites are already disadvantaged, having features such as being established parcels, being smaller, having existing development including infrastructure (typically aging), newly applied development standards, and many other factors. When reinvestment sites and green field sites are treated the same, many of these features become disadvantages, and the “equal application of rules” is in fact a difference in and of itself that causes developers to prefer green field development. From that perspective, creating different rules for reinvestment opportunities levels the playing field.

Regardless of the preferred perspective, if the goal is to cause a developer to choose reinvestment, we must create a difference (a gap) between the two in our development environment. And, while this gap can be accomplished by making reinvestment projects easier, or by making green field development harder, or any combination of the two, it is the difference that will make reinvestment attractive.

With this understanding, our efforts intentionally focus on creating differences (a gap) between green field and reinvestment opportunities and requirements.

PREREQUISITE POLICIES

CAPITAL PLANNING, CONSTRUCTION, and MAINTENANCE, and PRIORITIES

One of the biggest physical constraints of many reinvestment sites is the existing infrastructure. It seems backwards, but no infrastructure is actually better than inadequate infrastructure. “No infrastructure” is predictable – you know where the point of connection is. And, this situation usually occurs on larger sites with developers that fully expect to install infrastructure as part of their work. Inadequate infrastructure means not only an unpredictable tie-in point, but the cost of removing old infrastructure and the cost of working in a developed area is added to the infrastructure costs.

One way to address this is through building and maintaining infrastructure so that reinvestment opportunity sites are as “plug and play” as possible. Think of it like creating a business park where all the needed utilities are stubbed out at the back of the sidewalk, ready to go. And, this concept needs to include more than just water and sewer lines, or roads, it needs to include sidewalks, street lights, fire hydrants, trails, and all of the other urban amenities that Flagstaff currently expects of a completed project. “Soft” infrastructure like parks, libraries, police services, and similar amenities must also be included along with private infrastructure like electrical power, communications, and gas.

The City of Tucson recognizes the connection between infrastructure and redevelopment, stated as follows:

Perhaps the single most important issue that will ensure successful downtown redevelopment is the provision of adequate infrastructure to support future uses. (*sic*) Infrastructure investment must be targeted to projects that make Downtown “Development Ready”. To solve this problem, the City of Tucson, Pima County, utility agencies and private sector representatives have jointly developed recommendations for infrastructure improvements. These recommendations identify the location and capacity of current infrastructure and provide a blueprint for improvements necessary to support downtown development over the next twenty years.

This is a strategy that we understand. At the site at the northeast corner of Route 66 and Enterprise (formerly owned by Laurie Nemic), the City of Flagstaff built the turn pockets and other frontage improvements. While not comprehensive, these improvements did serve to make the site more “plug and play”.

The first aspect of achieving this “plug and play” state involves significant City investment in planning, capital improvements, and maintenance. The necessary planning has been previously discussed in terms of infrastructure master planning but needs to also include neighborhood and corridor planning. To understand the magnitude of these enterprises, consider that the concept planning for a re-vamp of Fourth Street, one mile of corridor, cost the City \$250,000 and proposes \$18M of work.

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And, Fourth Street is a small fraction of our need. Requiring fifty percent plus one property owner agreement, Capital Improvement Districts can be an effective tool for financing capital improvements, particularly for specific projects or neighborhoods.

The second aspect involves prioritizing the needs of reinvestment - replacing and maintaining the existing infrastructure has to be more important than accommodating the needs of new development⁴. We prioritize our capital improvement projects by various factors. In that process, one of the factors must be the ability of the project to serve reinvestment and furthermore, weight needs to be given to the “reinvestment service” factor⁵. To be clear, in doing so, projects like re-vamping the north part of the Fourth Street Corridor would come before constructing new segments of Fourth Street south of Butler Avenue. Without increasing the City’s total expenditures, this would mean that thousands of new homes and hundreds of thousands of square feet of new commercial development would not be served using City funds for some time.

Here are the key subject areas of the Town of Gilbert Capital Improvement Plan and Infrastructure Improvement Plan:

- Streets
- Traffic Control
- Municipal Facilities
- **Redevelopment** *(Emphasis added)*
- Fire Protection
- Storm Water
- Water
- Waste Water
- Parks, Recreation, and Open Space

Are we willing to make such substantial investments?

Are we willing to prioritize reinvestment needs - To NOT serve a new tax base (green field development) in order to serve reinvestment opportunities? Or alternatively, are we willing to invest even more in order to serve both?

⁴ Keep in mind that a project may fully mitigate its impacts but may still only be partially responsible for certain system upgrades. In that case, the City has to provide for the remainder of the system upgrade.

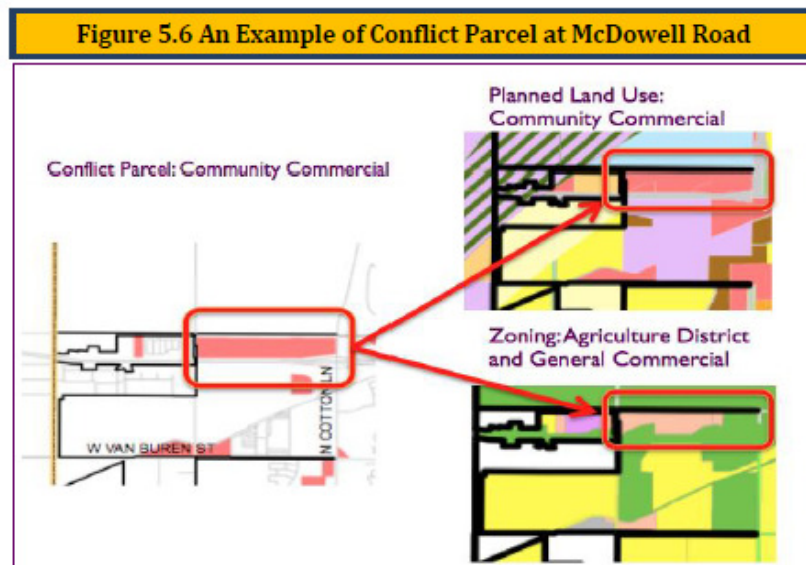
⁵ Notably, prioritizing commercial and mixed-use neighborhoods and corridors over residential areas, or urban areas, can also be accomplished by prioritizing within that capital planning process. Notably, the “color of money” and ongoing funding for maintenance both have tremendous influence on prioritizing capital work.

MORE PLANNING

As with constructing infrastructure, investors in green fields, usually larger developments, expect to carry out certain planning efforts in order to perfect their development. This often includes proposing changes in land-uses and/or zoning. And, it's not just that they expect it, but being larger investments, the cost of this work can be reasonably spread over the product created. For example, if 1,200 home sites are created as the result of a \$100,000 rezoning case, the cost per site is \$83 each.

We know that the City has created a lesser process for smaller rezoning cases (and this conversation continues). If we assume the smaller rezoning case is one quarter of the cost, here's some example math for a typical reinvestment opportunity: If two home sites are created as the result of a \$25,000 rezoning case, then the cost per site is \$12,500. This is one of the major impediments to reinvestment – how can the reinvestment opportunity compete when there is a difference (a gap) of over \$12,000 per site in favor of green field development?

There is a way to eliminate this difference – at least in part – and at the same time strengthen the outcome of our general planning effort. Last year, we completed a substantial and high quality re-write of the City's Zoning Ordinance. At present, we are in the process of a substantial and high quality re-write of the City's general plan (Regional Plan). As painful as it might seem in light of these recent works, the next step to address the differences between green field and reinvestment development is an investment by the City in yet another planning effort.



"Parcels like this need to be reconciled to reflect the correct land use and zoning correlation (*sic*)."- City of Goodyear, Existing Conditions Study (a part of their General Plan Update)

Community Reinvestment Policy - Prerequisite Decision Points
City of Flagstaff - August 2013

This effort needs to change the zoning of parcels where the Zoning Map is not in agreement with the Regional Plan⁶. Second, this effort needs to add detail, a finer grain. For example the Regional Plan identifies “activity centers” but actually creating one requires some fine grain application of zoning to parcels that are currently zoned differently. This type of planning effort has been discussed as a “correction” of the Zoning Map and would not only complete our community planning, getting the community the outcome it wants (as described in the Regional Plan), but also takes away the current difference that favors green field development.

The first push back from the public regarding this recommendation is that this corrective rezoning activity is “speculative zoning”. Not so. Speculative zoning means that the zoning of a parcel is changed for the purpose of adding value and/or attracting a buyer, and literally, in anticipation of a profit being made through the sale of the then “value added” property. The problem with speculative zoning is that what has value for the purpose of a sale does not necessarily have value for the community or have a place in sound community planning. However, if the work is performed by the City based on the Regional Plan and sound planning principles, and is NOT based on any sales intentions, it is NOT speculative. Not only is it “just planning”, its good planning.

The second push back is that the community has no opportunity to “see the development” - to see the site plans and building elevations before the zoning is changed. The implication of this concern is that if the design is unacceptable, it can be improved as a result of the City’s discretion in a rezoning case. There is a degree of truth in this. However, changing the zoning through planning creates a circumstance no different than any other “by right” development case. If the planning has been correctly done, if the design regulations are correctly done, and if they are applied, the end product of a “by right” case should meet community expectations. If it doesn’t, the planning and regulations are the issue, not the act of changing the zoning.

The third push back is that a rezoning case is the opportunity for the City to exact improvements from the developer - typically infrastructure improvements – traffic improvements, utility system components, and even parks and trails. However, if we created “plug and play” infrastructure systems, the need for such exactions decreases significantly. And, reducing “exactions” for reinvestment opportunities is itself a mechanism to create a difference between green field development and reinvestment.

Are we willing to invest in more community and neighborhood planning?

Are we willing to defend these planning activities in light of spirited and reasoned push back?

Or, are we willing to expand these planning activities to include visuals for community evaluation? And, are we willing to impose such visuals as regulations?

Are we willing to accept less exaction powers on reinvestment developments?

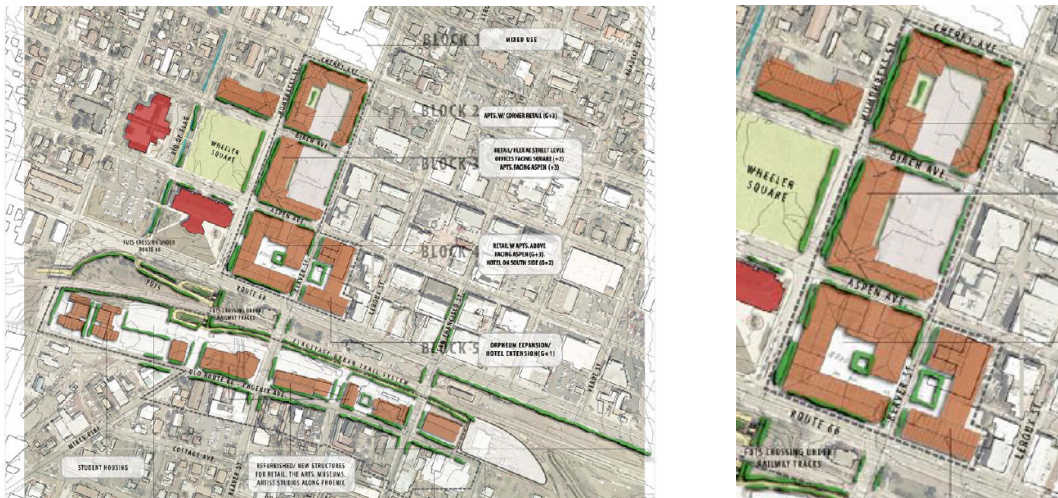
⁶ This effort needs to be performed with consideration given to Arizona Proposition 207 - The willingness of property owners would be required to avoid liability on the part of the City.

SPECIAL STUDIES

Part of the development approval process requires the developer to produce various special studies to determine the impacts of the proposed development on our resources and infrastructure. These special studies then guide the development requirements and the exaction process. As with the discussion above, planning activities such as these are expected and economically reasonable for larger projects, but are problematic – disproportionate - for smaller projects. And, the outcomes are even more disproportionate in the context of inadequate existing infrastructure systems.

Even worse, in some cases these studies provide recommended actions that the City is not willing to implement. For example, in the downtown, we are probably not willing to install turn lanes, more driving lanes, and other traffic features that would change the character of the district. And, even when we do want such features, in a developed area, the costs are exponentially greater. So, someone who wants to invest in downtown is stuck in between the requirements and the cost or desired design. From their perspective, it's an unsolvable problem and thus reinvestment does not occur.

Case Study



Conceptual Downtown Redevelopment
Field Paoli Study 2002 - Commissioned by the City of Flagstaff

This plan envisions the construction of 160,000 square feet of retail, office, and cultural and entertainment uses, 200 dwelling units, and 200 hotel rooms in just the three and half blocks east of Wheeler Park and City Hall. The envisioned project also provides garage and surface parking for itself and some additional spaces to serve downtown. Developed through a community outreach process, this is high density, mixed-use, urban infill and redevelopment that would serve as a downtown gateway, add connectivity, and add significantly to the vibrancy of downtown.

Case Study - Continued

If proposed, this project alone would increase traffic by roughly 10,000 average daily trips (ADT) – a little more than a Walmart store. The required Traffic Impact Analysis would likely recommend widening Humphries to four lanes, widening portions of Beaver Street, a complete re-design and re-build of the Humphries and Route 66 intersection, possibly adding signalization to the Humphries and Cherry intersection, modifications to the Aspen and Birch intersections, and various other operational improvements in and about downtown. Access points on Route 66 and Humphries are likely to be limited or prohibited and acquisition of right-of-way is likely necessary.

Looking at just the traffic impacts, this level of re-building public infrastructure is a significant financial burden - sufficient to prevent redevelopment. Supposing that the pro forma could withstand these costs, would we want to make these kinds of changes to the downtown streetscape? And, if we did for this single project, how about the changes necessary for the next downtown infill and redevelopment project? And the next? At some point the changes to the street to accommodate highway and suburban traffic standards obliterates the character of downtown.

To get this kind of redevelopment, there are three choices: Obliterate the character of downtown; accept lower levels of service; or accept lower levels of service and try to offset only some of the impacts through systemic improvements. Accepting lower levels of service would mean recognizing that in a downtown environment, congestion is good and the free-flow of cars through downtown is not. Systemic improvements might include creating a “park once” downtown and/or using in-lieu-of fees and impact fees to make changes to the transportation system that preserve the downtown character while fixing only some of the traffic issues.

Then, knowing that individual projects, or several individual projects, can't address the traffic impacts and supposing that we wouldn't want the resulting recommendations built, why ask the developers to prepare traffic impact studies costing tens of thousands of dollars? Such studies could be used to set the amount of the impact fee, but a prescriptive assessment methodology would work just as well.



Streets that give priority to the free-flow of cars look like this ...



... and not like this.
The Character of Downtown ...

Community Reinvestment Policy - Prerequisite Decision Points
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There are three potential alternate mechanisms to address resources and infrastructure without requiring the production of special studies.

One mechanism is to recognize the “plug and play” infrastructure goal, assuming it is implemented, and simply not concern ourselves with the impacts of individual reinvestment projects. At first glance this may seem reckless, but if the impacts of development are accounted for in the overall infrastructure planning, then they are addressed and the action is not reckless. If the impacts are addressed on a per project basis or as part of a community infrastructure planning process, the outcome is the same either way. In fact, looking at and solving the impacts of multiple developments comprehensively is better community planning and more efficient problem solving.

Another mechanism worthy of exploration is to simply have prescriptive requirements for certain systems. This concept could be an extension of, or mitigation of, implementing the first mechanism. Recognizing that we don’t want certain features in an urban environment, like detention basins, we could alternatively require other run-off reducing features. These prescriptive requirements likely would not fully address the impacts of individual projects, but they would foster reinvestment, and at the same time reduce the demand on comprehensively planned drainage systems.

Finally, and again as a possible extension of the first two mechanisms, individual projects would be better designed, and incentivized, if a complete “in-lieu-of” fee system were in place. Such a system is established for parking by the newly adopted Zoning Code but is not yet implemented in terms of developing a fee schedule or a process, and also does not include other infrastructure systems. Notably, this mechanism needs to be coupled with an infrastructure planning, capital investment, and maintenance program.

To be clear, this idea does not in any way suggest that all special studies should be eliminated. They provide important information for City decision makers. Instead the recommendation is that under certain circumstances, to foster reinvestment and/or in the context of the impacts being addressed as a part of comprehensive infrastructure planning and development, possibly mitigated, some special studies would not be required for individual projects.

For individual projects, are we willing to accept less in the way of special studies?

Do we want to develop prescriptive alternative measures?

Do we want to complete the in-lieu-of fee system?

DEVELOPMENT IMPACT FEES

One of the redevelopment incentive offerings readily available under Arizona law is a waiver⁷ of impact fees.

“Exactions” and “impact fees” are both methods used to shift the cost of new public facilities (infrastructure) from the general taxpayer to the beneficiaries of those new facilities – to mitigate development impacts. Common impact mitigations address traffic and streets, sewer and water facilities, storm water and drainage, public safety, parks and recreation, trail systems, and libraries. They can also be found to support schools, affordable housing, and job training, as well as criminal justice, health services, and social services. Some communities have used them to address needed facilities as specific as city halls and public works yards, and services as specific as animal control.

While both are “exactions” by definition, here in Flagstaff, and herein, we use the term “exaction” to refer to our current method of asking the developer to physically build various improvements. While this system usually exhibits a pretty direct tie between physical improvements and the impacts of a specific project, what actually gets built is negotiated during the development review process. This scenario works well for physically connected systems like utilities and roads, but is less effective for general non-physical impacts such as public safety. Under this scenario, generally, the risk of added expense, delays, and so forth is the responsibility of the developer.

Under an impact fee scenario, the developer would pay the City a fee instead of building improvements and the City would then use those monies to make various infrastructure improvements and to build public facilities. In response to a development application, the outcome is prescribed instead of negotiated, and there is an opportunity to plan improvements more comprehensively with a greater emphasis on “system” improvements, and it can better capture all impacts. On the other hand, this approach puts the construction risks on the City and caution needs to be taken to legally connect the improvements made to impacts realized (for which fees were paid).

Looking at just “traffic and streets” as an example, we see that the extraction process works pretty well for connected physical improvements. The streets and edge improvements (sidewalks, street trees, and street lights) necessary for a specific project are typically built by the developer. Reasonable nearby system improvements are typically captured too. For example Walmart constructed certain improvements at the Lucky Lane / Butler Avenue intersection. However, part of the capital cost of traffic and street facilities are things like the trucks, snowplows, office space, and the public works yard that are all used to support and service these facilities. And, every street in Flagstaff is incrementally impacted by new development which on a case-by-case basis may be negligible, but cumulatively it is quite a problem. The exaction process does not capture support needs or cumulative impacts and these expenses thus become a municipal burden, currently absorbed elsewhere in our budgeting.

⁷ Per ARS, “... as long as the waivers are not funded by other development fees.”

Community Reinvestment Policy - Prerequisite Decision Points
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Looking at other impact areas, beyond this example, the same can be said of other costly impacts such as the water system or trails – support needs and cumulative impacts are not well addressed by the exaction methodology. And, in some impact areas, such as parks and libraries, most development projects make no contribution of any kind to required new public expenditures. The only impact fee currently used in Flagstaff covers public safety in the amount of \$705 per residential unit⁸.

All development, including reinvestment, would benefit from the predictability of impacts fees. For reinvestment specifically, and for reinvestment policy, waiving a paid fee is certainly simpler, more predictable, and more codifiable than “waiving” negotiated improvements.

Further, if the fee structure recognized the true impacts and all of the impacts of green field development versus reinvestment, that action alone would go a long way toward leveling the playing field. A project built in the urbanized part of the city can often be served by the existing infrastructure – for example the truck that runs around reading water meters. On the other hand, a project built south of I-40 is likely to necessitate another route and truck for reading the water meters.

Are we willing to reconsider the use of impact fees? And if so, are we willing to waive them in whole or in part as a reinvestment incentive?

San Antonio developed an Incentive Scorecard System to determine the amount of their impact fee waiver. Points are given for the project size, infrastructure upgrades, quality design, and for the use of certain planning strategies (like Traditional Neighborhood Design). But most of the categories are for redevelopment goals such as infill housing, restoration or rehabilitation of a historic property, and for development in certain target areas. Various Arizona programs are using the Arizona Smart Growth Scorecard to award incentives.

AGING INFRASTRUCTURE CREDIT

Whether we use the exaction methodology or the impact fee methodology, giving development a credit for aging infrastructure would promote reinvestment. For example, if a project needs to install a new sidewalk, because it's too narrow or maybe broken up, the entire expense is the obligation of the developer. On the other hand, if there was no project, the City would eventually have to replace the sidewalk. To foster reinvestment, the City could acknowledge this and essentially pro rate the cost and credit the development in the prorated amount. So, if a sidewalk lasts 50 years, and it is 25 years old, the developer would be responsible for half of the cost and the City would be responsible for the other half.

Are we interested in an aging infrastructure credit?

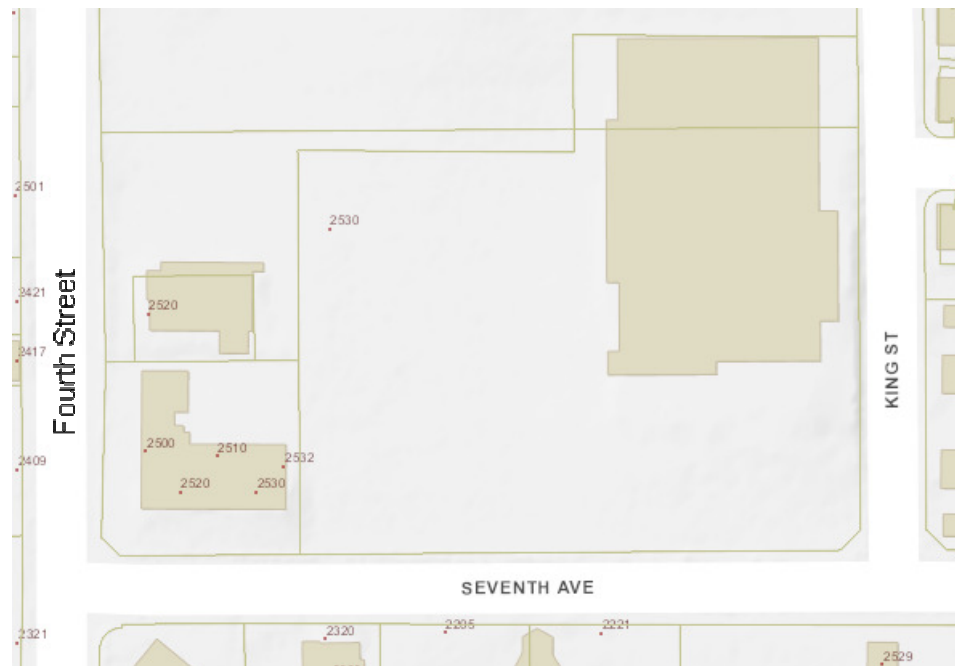
⁸ This is not enough to meaningfully incentivize reinvestment.

PARCEL ASSEMBLAGE

The viability of reinvestment sites is often jeopardized by parcel size, ownership, and other issues. For example, older parcels are smaller and modern needs are larger than they used to be. A site that easily held a grocery store fifty years ago is unsuitable today because stores are bigger, but also because of parking needs. Retailers and restaurants, once forced to install off-street parking, now demand it as a critical success factor in site selection. Even single family residential sites are faced with a demand for larger homes. Some cities and counties address these issues by buying parcels, as they become available, and assembling them into larger parcels which are then resold for reinvestment. This is often accomplished through a land trust mechanism.

Do we want to invest in parcel assemblage? Are we “in that business”?

Case Study



Former K-mart – Now Cal Ranch Property

This property is an example where acquisition and assemblage of the parcels could have been beneficial. Underlying the building are two separate parcels with separate owners. The building is owned by a third party and the lessee is the fourth party. Redevelopment required reaching agreement with all four parties. This did happen without government influence, but it took over twenty years. The shelf life of this arrangement is unknown and could revert back.

ITEMS GETTING LESS ATTENTION

DEVELOPMENT REQUIREMENTS

Another redevelopment incentive offering readily available under Arizona law is a waiver of development standards. This subject, being a popular concern, has been revisited in Flagstaff every two to four years and the requirements have been fine tuned through the years to address various concerns. The recently adopted new Zoning Code was another occasion where requirements were fine tuned, notably including changes that promote reinvestment. From the perspective of seeking meaningful enticements for reinvestment, other than looking at the thresholds for special studies and infrastructure requirements, there is not a lot that can be accomplished in this arena.

That being said, there are some fine tuning ideas we should explore. In regard to the Zoning Code, these might include parking and landscaping requirements in the most urbanized areas, and similar small-scale changes. In regard to the Engineering and other standards, some fine tuning to consider are the detention and LID thresholds and requirements in the most urbanized areas. It is likely that these would be beneficial and appropriate in limited areas (the most urbanized areas) and would appropriately be addressed by the use of the Infill Incentive District tool.

With this understanding, that there's not much to gain in this pursuit, further consideration of development requirements relative to community reinvestment policies would be less than might be expected by some segments of the community.

EXPEDITED REVIEW

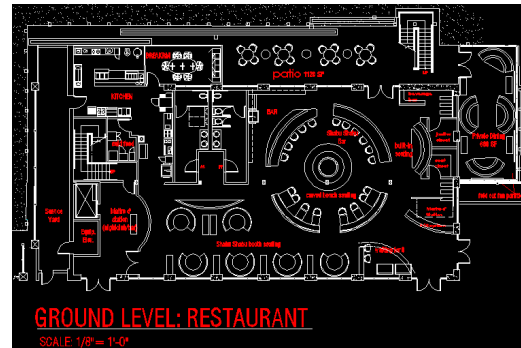
Expedited review of redevelopment plans is also one of the few offerings readily available under Arizona law. Like development requirements, this is a subject that Flagstaff has explored and fine tuned every two to four years. When we compare our permit processing timeframes with those of other Arizona cities, our timeframes are among the lowest. Most often an untimely review is the result of a non-compliant design or an unclear or incomplete development application. Again, seeking meaningful enticements for reinvestment, adjustments measured in weeks are not significant enough to influence the choices of developers.

With this understanding, that with quality applications expedited reviews are already readily achievable, further consideration is not included in our continuing efforts to develop community reinvestment policies.

Community Reinvestment Policy - Prerequisite Decision Points
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One restaurant plan ...



And another ...

When considering the review timeframes for a development application, consider that there are two necessary parts for success. The first part is the preparation of a compliant design. The second part is communicating the design to the reviewer. Almost always when a development application is lingering, one of these two pieces is missing. As demonstrated by the Innovation Mesa application, and many others, when allowed to prepare a compliant design, a knowledgeable and skilled preparer of development applications can get projects approved quickly.

PERMIT FEES

One of the redevelopment incentive offerings readily available under Arizona law is a waiver of permit fees. Unfortunately, our fees have been relatively nominal and thus do not make a meaningful incentive. However, recent City Council direction was for us to move toward 100% cost recovery so this may require re-evaluation.

We will re-evaluate the possible incentive of waiving permit fees.

CONCLUSION

Many resources acknowledge that developers consider the maintenance of surrounding property as a critical factor in site selection – a factor that has limited application on a green field site. Scaling the permitting requirements of a zoning case also aids smaller projects – a typical characteristic of infill and redevelopment opportunities. Your current considerations in both of these areas have a direct bearing on fostering reinvestment.

Working Draft of Possible Reinvestment Policies

| | Subsidiary | Short | Long | Bad Idea | Notes |
|---|------------|-------|------|----------|-------------------------------------|
| POLICY 1 The City will perform <u>planning</u> tasks to facilitate Revelopment, and will change various plans accordingly. | | | | | |
| Planning Efforts | | | | | |
| Infrastructure Deficiencies | ■ | | | | |
| Capital Improvements | | | | | Water, Stormwater underway |
| Neighborhood and Corridor Planning | | | | | Specific Plans |
| Add and Prioritize Reinvestment Criteria | | | | | |
| Zoning Districts | ■ | | | | |
| Reconcile with Land Use Designations (General Plan) | | | | | |
| Do Obvious Changes | | | | | |
| Economic Development Plan | | | ■ | | |
| Prioritize Reinvestment over New Development | | | | | |
| ED Incentives | | | | | |
| Target Areas | | | | | |
| Land-use / Land Development Policy | | | | | |
| Prioritize Reinvestment Land-use over Transportation | ■ | | | | Will come up w/ Fourth Street Study |
| Prioritize Complete / Walkable Streets | | | | | |
| Enhance Design Guidelines | | | ■ | | |
| Clarity and Predictability | | | | | |
| Property Certifications | | ■ | | | |
| Limit Annexations (Islands and Peninsulas) | ■ | | | | |
| Special Taxing Districts | | | | ■ | Formation / Function Issues |
| Revitalization Districts | | | | | |
| Infill Incentive Districts | | | | | |
| Redevelopment Districts | | | | | |
| Tax Increment Financing Districts | | | ■ | ■ | Illegal in AZ |
| Capital Improvement Districts | | | ■ | | |
| POLICY 2: The City will address the <u>physical constraints</u> of existing urban properties. | | | | | |
| Infrastructure Deficiencies | ■ | | | | |
| Capital Improvements | | | | | Capital Opportunity Fund |
| Urban (Downtown) Parking | | | | | |
| Maintenance | | | | | |
| Property Maintenance and Enforcement | | | ■ | | Roger working on it. |
| Parcel Assemblage (remnant, odd, or non-conforming) | ■ | | | | Land Banking / Real Estate Fund |
| Brownfeilds Land Recycling | | | ■ | | In place already |

Working Draft of Possible Reinvestment Policies

POLICY 3: The City will change regulatory requirements and add provisions that favor redevelopment projects.







| | | |
|--|---|--------------------------------------|
| Zoning Code / Engineering Standards | | Little "meat on the bone" |
| Alternate Reinvestment Thresholds/Standards | | |
| Driveway Access | | |
| Infrastructure Replacement / Upgrades | | |
| Parking | | |
| Resources | | |
| Storm Water & LID | | Prescriptive "In lieu of" / 5,000 SF |
| Trash | | Unexplored |
| Utilities | | |
| Obtain ROW for street changes w/o improvements | | |
| Transfer of Obligations / Development Rights | | |
| In Lieu Of Fees (Finish Development) | | Need w/o time limits |
| Environmental Review | | Add and relieve like Impacts Fees |
| Property Maintenance - Code Gaps | X | Roger working on it. |

POLICY 4: The City will change development process requirements to favor redevelopment projects.




| Expedited Project Review | | | Not real |
|--|---|--|---------------------------------|
| Calibrate processes to project scale/type | | | |
| Documentation | X | | In progress |
| Plans | | | |
| Special Studies | | | |
| Processes | | | |
| Public outreach | | | |
| Allow obvious Land-use / Zoning Designations (See above) | X | | In progress |
| Preliminary / Final Approvals | | | Fatal vs Math / More commitment |
| Increase minor modification authority | | | Legal Issues? |

Working Draft of Possible Reinvestment Policies

POLICY 5: The City will provide beneficial financial mechanisms that would be applied to redevelopment projects.

| | | |
|---|---|---|
| Impact Fees |  | <div>Cronk working on study update ...</div> |
| Fees (Waive / Reimburse) | | |
| Permit fees |  | <div>Maybe now with 100% recovery</div> |
| Utility Capacity Fees |  | <div>UP for new, DN for reinvestment</div> |
| Incentives | | |
| Grants - Out | | <div>Not so real - see City budget</div> |
| Historic Preservation work | <div>X</div> | <div>In place already / Minor</div> |
| Grants - In | | |
| Property Taxes | <div>X</div> | <div>EPA ACA Monies? Ongoing?</div> |
| GPLET | | <div>Illegal in AZ</div> |
| Historic Preservation work | <div>X</div> | <div>In place already</div> |
| Other Cash | | <div>Not so real - see City budget</div> |
| Land Recycling Loan Program |  | <div>E.D. Revolving Loan Fund?</div> |
| Redirect CDBG funds | | <div>Minimal, well allocated</div> |
| Utility Credits |  | <div>Private incentives to reinvestment</div> |
| Tax Penalty - Abandoned Buildings and Parcels |  | <div>Illegal in AZ</div> |

POLICY 6: The City will provide other services and take other actions that promote redevelopment.

| | | |
|---|---|---|
| Economic Development |  | |
| BR&E and attraction emphasis | | |
| Reinvestment site marketing | | |
| Site specific visioning | | <div>In place already (limited)</div> |
| Catalyst projects | | |
| Ombudsman | | <div>CD&R doing this / ML working on?</div> |
| Social barriers |  | |
| NIMBY / BANNANA | | <div>Stop seeking 100% approval ...</div> |
| Legal barriers |  | |
| Redevelopment lobbying | | |
| Redevelopment Authority | | <div>What would they do?</div> |
| Declare "redevelopment project" to get relief | | |

Memorandum

10.

CITY OF FLAGSTAFF

To: The Honorable Mayor and Council
From: Stephanie Smith, Assistant to City Manager
Date: 11/19/2014
Meeting Date: 11/25/2014



TITLE:

Council Accomplishments 2012 - 2014

DESIRED OUTCOME:

Informational Only

INFORMATION:

In September 2012, City Council adopted ten goals. These goals provide staff direction to plan and organize resources during the two year term. Enclosed is a summary and full report of how well the City did with respect to implementing these goals during the past two fiscal years. The City Manager will review these accomplishments at the November 25th Council Work Session.

Attachments: Goals.Accomplishments

Report on City Council Goals FY 2013 & FY 2014



Mayor Jerry Nabours

Vice Mayor Coral Evans

Councilmember Celia Barotz

Councilmember Karla Brewster

Councilmember Jeff Oravits

Councilmember Scott Overton

Councilmember Mark Woodson



City Council Mission Statement

To protect and enhance the quality of life of its citizens

City Council Vision Statement

The City of Flagstaff is a safe, diverse, vibrant, and innovative community with a unique character and high quality of life. The City fosters and supports a balance of economic, environmental, educational and cultural opportunities.

City Council Guiding Principles

Things to consider when making decisions:

- Should the City be providing this service? Can someone else do it?
- Is it the appropriate use of tax dollars?
- Does this best leverage city dollars, labor and commodities (in kind)?
- How will this affect fees and taxes?
- Can we use existing before creating new?
- Is this Council's role?
- Is this the appropriate time for this issue (political capital)?
- Are we planning for the future?
- Is this an issue we should be looking at in detail or big picture?
- Has there been appropriate public input?
- Is it equitable?
- What is the effect on predictability?
- Is this an appropriate regulation?
- Have we been provided enough information to make a decision?
- Does it empower employees?
- Will it improve the livability or quality of life for the community?
- How does it maintain small town charm?
- Is this an appropriate balance of economic, environmental and social considerations?
- Is it consistent with the Regional Plan?



Executive Summary

Repair, Replace and Maintain Infrastructure (Streets & Utilities)

- Streets and Utilities Bond Program
 - 13 road projects totaling \$15.13 million
 - 8 waterline and sewerline projects totaling \$8.5 million
 - 6 Water capital projects totaling \$2 million
 - 3 Wastewater projects including the new Temporary Solids Handling System \$2.3 million
- Increased ongoing pavement preservation by \$1 million starting in FY 2014
- Increased one-time pavement preservation dollars by \$1M in FY 2014 and \$600,000 in FY 2015
- Increased ongoing Fleet replacement funding in FY 2013
- Increased ongoing and one-time Facilities and IT funding in FY 2015
- !!!Adoption of the Road Repair and Street Safety Sales Tax increase to address backlog!!!

Fund Existing, and Consider Expanded Recreational Services

- Increased BBB Park maintenance from a level 4 to a level 2
- Increased General Fund Park Maintenance from level 4 to level 3
- Aquaplex and Flag Rec Center hours reduced by 1 hour starting in FY14
- Added Adult Coed Hockey League, Children's Health and Wellness Fair, and Dew Festival
- Approved Parks Master Plan in 2013
- Funded \$1.5 million worth of Parks and recreation Facility Improvements
- !!!Funded Phase 1 and Phase 2 of Bushmaster Park Expansion!!!

Address Core Services Maintenance Facility

- !!!Successful passage of a bond to finance the facility in 2012!!!
- Completed 2 procurement processes to identify location of the facility
- Selected McAllister ranch as the location
- Initiated design of new facility
- Conducted initial neighborhood meeting regarding sale of current location

Complete Rio de Flag Flood Control Project

- Completed construction of Thorpe Bridge in December 2012

- Limited Reevaluation Report (LRR) completed and submitted to HQ and ASA for Review (2014)
- Acquired \$1.6 million in Federal funding as a result of 2014 lobbying trip
- Clay Avenue Detention Basin substantially complete
- !!!FEMA Design concept report completed and presented to Council!!!

Retain, Expand, and Diversify Economic Base

- Increased passenger enplanements to same volume as when there were two airlines
- Increased BBB revenues 6.25% in FY 2013 and 6.5% in FY 2014
- Added six new and expanding retailers in FY 2014 leading to 225 jobs and 70,000 sq. ft. of retail
- Added three new non-retail businesses
- Facilitated the sale of 3 Auto-Park Lots
- Secured \$100,000 grant for Joy Cone expansion
- NACET created 40 high wage/low impact jobs in FY 2013 and another 46 in FY 2014
- Secured \$800,000 in grants and donations for Community Design and Redevelopment programming
- Secured site, design, easement approval and construction funding for new APS Substation
- !!!Broke Ground on Innovation Mesa Business Accelerator with a \$4 million EDA Grant!!!

Complete Comprehensive Water Policy

- !!!Completed the Principles of Sound Water management Policy document after 2 years of work!!!
- In July 2014 ADOT agreed to enter an IGA enabling the Red Gap Pipeline placement in I-40 ROW
- In FY 2013 City Manager established an Advisory Panel on Compounds of Emerging Concern with world-renown scientists; determined risk and research parameters on reclaimed water and secured approximately \$900,000 in research funding.

Review Financial Viability of Pensions

- Economist and consultant Alan Maguire presented financial viability of pensions December 2012
- City Manager created a joint Pension Reform Task Force with GFOAZ and AZ League of Cities and Towns through his role on the ACMA Board
- !!!Barbara Goodrich serves as a member of the Pension Reform Task Force!!!

Review All Commissions

- May 2013, April 2014, and September of 2014 held work sessions to review all commissions
- !!!Adopted Board and Commission Handbook with various policy directives!!!

- !!!Adopted Comprehensive Ordinance revising structure, membership and commissions!!!

Zoning Code Check In and Analysis of the Process and Implementation

- Conducted three work sessions in 2013 and divided amendments into “technical” and “policy”
- Council later prioritized Zoning Map Amendments and Signage out of the Policy list
- !!!Revised code concerning Zoning Map Amendment process!!!
- !!!Adopted a new Sign Code amendment!!!

Develop and Ongoing Budget Process

- All budget work sessions are video recorded and posted
- Revised April budget materials to be more focused and meaningful
- Showed connectivity between Council goals and budget actions
- Conducted a variety of mini budget retreats to review service levels and purposes of programs
- Identified Budget goals of compensation, staffing and infrastructure in FY 2015
- !!!FY 2015 Budget increased compensation 3.2%, infrastructure funding, and addressed Police staffing!!!

Other Non-Goal Accomplishments

- Passed a Civil Rights Ordinance
- Adopted and implemented the Forest Health/Flagstaff Watershed Protection Project
- Conducted Property Inventory and established policy intentions in a Resolution.
- Implemented Four Photovoltaic Projects
- Unanimous adoption of proposed Regional Plan and then 75% voter approval
- Developed and implemented a Navajo Cultural Sensitivity Training for Police Department

Council Goal: Repair, Replace, and Maintain Infrastructure

Evaluate Condition of Critical City Infrastructure

In FY 2013, staff completed an analysis on the condition of critical City infrastructure. Through this effort, the current and targeted conditions of infrastructure (including facilities, parks, fleet, streets, stormwater and utilities) were assessed. The purpose of this assessment was to help fully understand how to maintain the City's critical infrastructure and projected infrastructure needs in three distinct ways:

1. Maintain the Current Condition of our Critical Infrastructure

To better understand the current condition of infrastructure, staff assessed, "If we keep funding this component of infrastructure at the FY 2013 level, will the condition of the infrastructure get better, worse or remain the same?" In no instance would the condition of the infrastructure get better. In most instances, the condition would get worse. So we then asked, "What will it cost to stop the bleeding and maintain the current condition of our infrastructure?" The answer is \$1.6 million in ongoing dollars across all funds including \$390,000 from the General Fund. However, this number did not include pavement preservation which would require an additional \$26 million in ongoing dollars.

2. Upgrade the Condition of our Critical Infrastructure

To better understand targets for infrastructure, staff assessed, "Once we stop the bleeding and maintain the current condition, what will it cost to upgrade the City's critical infrastructure to the generally accepted standard?" Combining both one-time and ongoing dollars, the answer was an intimidating \$135 million, including almost \$52 million in street maintenance and \$9 million from the General Fund.

3. Maintain the Upgraded Condition of our Critical Infrastructure

To better understand the projected need to maintain the desired condition of City infrastructure, staff assessed, "If we were to achieve the generally accepted standard, what will it cost annually to maintain the infrastructure component at that target condition while also stopping it from failing back into disrepair?" That answer was \$8 million City-wide including approximately \$4.3 million in street construction and \$750,000 per year from the General Fund.

Highlights for FY 2014 and FY 2015 Budget

Infrastructure in the FY 2013 Budget was most pronounced in the area of funding Fleet replacement. In the FY 2014 Budget, it was most pronounced in the area of road repair (more specifically pavement preservation). This included an increase in on-going pavement preservation from \$1.2 million to \$2.2 million. FY 2014 also included an increase to one time pavement preservation funding from \$0 to \$1 million. The same budget included funding for maintenance of General Funded Parks, Facilities and Fleet quality infrastructure in the amount of \$390,000.

The FY 2015 budget saw a continuation of the \$1 million on-going commitment to pavement preservation, and \$600,000 in one time dollars was added, the focus is principally upon facilities in the FY 2015 budget.

Approximately \$831,000 in one time dollars and operating capital budgets are dedicated to infrastructure including significant increases for facilities and information technology (IT). The main public library will be a significant recipient as we look to replace the roof, the boiler and begin saving to modify the public rest room and entry ramp to be ADA compliant. IT will replace its network core-switches as well as accelerate some computer replacement due to Microsoft's discontinuation of support and future security enhancements for the vulnerable Windows XP operating software.

Other proposed infrastructure expenditures that involve various funds include \$108,000 for increased maintenance costs on street lights, the replacement of a fire engine, 4 police sedans, the Zamboni and 3 motor graders, 2 street sweepers and other fleet equipment in solid waste and utilities. The trade-in of equipment helped offset some of these expenses.

Additionally, there is \$1.58 million available in one-time BBB-Recreation funds. These funds will go toward Parks and Recreation facilities.

Street and Utilities Bond Program

The Capital Improvements Program has coordinated with Public Works and Utilities to identify, develop and implement specific pavement rehabilitation and utility replacement projects to be funded by the authorized bonds. Project prioritization has been based on a combination of pavement condition rating, age and condition of water and sewer infrastructure, relative visibility within the community and ability to complete the projects within a short timeframe.

Projects completed in FY 2013:

- Franklin Avenue / Mohawk Drive – Improvements included replacement of water and sewer mains, new curb-gutter, sidewalk and pavement on Franklin Avenue between Beaver Street and Lone Tree Road, and on Mohawk Dr. between Walapai Drive and Lake Mary Road. (Cost \$1,508,214)

- Fourth Street Overlay – Improvements included re-paving the roadway and miscellaneous replacements between Route 66 and Cedar Ave. and between Butler Ave. and Interstate I-40. (Cost: \$ 1,371,292)
- Dodge Avenue – Improvements included water service replacements, miscellaneous curb-gutter and sidewalk replacements and pavement resurfacing from Empire Ave. north to Trails End Dr. (Cost: \$1,101,396)
- Cherry Avenue – Improvements included sewer main replacement, miscellaneous curb-gutter and sidewalk replacements and re-paving between Thorpe Rd. and Humphreys St. (Cost: \$1,217,942)

Projects completed in FY 2014:

- Coconino/Elden/Humphreys/Cottage (Cost: \$2,001,671)
 - The project on Coconino Avenue (Walnut St. to Park St.) includes new sanitary sewer main, water main, asphalt pavement and sidewalk replacement and new sanitary sewer services.
 - The project on Coconino Avenue (Wilson Street – West end) includes new sanitary sewer main, water main, curb-gutter, sanitary sewer and water services, and asphalt pavement replacement.
 - The project on Elden Street (Route 66 to Cherry Ave.) includes new water main, water services, sanitary sewer services, new curb-gutter and sidewalk, and asphalt pavement replacement.
 - The project on Humphreys Street (Cottage Ave. to Butler Ave.) includes new water main, new sanitary sewer services, water services, curb-gutter, and asphalt pavement replacement.
 - The project on Cottage includes replacement of water and sewer infrastructure along the north side of the street and repaving the north half of the roadway.
- Beaver Street, South / Leroux Street, South – Improvements include sewer main replacement and pavement resurfacing on Beaver Street between Butler Avenue and Franklin Avenue. Leroux Street improvements, between Benton Avenue and Franklin Avenue include water/sewer main replacement and pavement reconstruction. (Cost: \$2,755,645)
- La Plaza Vieja – The project in the La Plaza Vieja Neighborhood includes new water and sewer mains with new services to the ROW line, new ADA handicap ramps at the intersections, asphalt mill and overlay, full depth street reconstruction and chipseal of the streets within the neighborhood. (Cost: \$2,381,497)
- Cedar Avenue Overlay – Improvements include asphalt mill and overlay, infill and repair of sidewalk/curb/gutter, ADA related curb return modifications, replacement of water and sewer services, a minor waterline connection and two new sections of sanitary sewer mains from West St. to Fourth St. (Cost: \$1,189,169)
- Rose Avenue – Improvements include water and sanitary sewer main replacements, fire hydrant replacements, sanitary service line replacements, ADA compliant access

ramps and sidewalks, driveways and new pavement structure. Construction is scheduled to be completed in fall 2014. (Cost: \$ 1,606,525)

Annual Water and Sewerline Replacement Program

The Annual Water and Sewerline Replacement Program is managed and delivered by Community Development department. All water and sewer utility replacement projects are funded by Utility rates. Project prioritization has been based on a combination of age, material, and condition of water and sewer infrastructure, break history, criticality to system, and pavement condition rating.

- Switzer Canyon Transmission Line phase 2 – Plans were prepared and construction contract awarded. Phase 2 improvements include replacement of water transmission main from Turquoise Drive to Oak street and repaving the west half of the roadway. Project is currently in construction and all work is scheduled to be completed in November 2014. (Cost \$1,217,213)
- Walapai Dr. Alley Waterline – The project on Walapai includes replacement of water main and water services, and T-top asphalt pavement replacement. Construction is scheduled to be completed in November 2014. (Cost: \$212,709)
- San Francisco Alley Waterline – Improvements included includes new sanitary sewer main, water main, sanitary sewer and water services, and asphalt pavement replacement. Construction is scheduled to be completed in November 2014. (Cost: \$162,157)

Projects scheduled to be completed in FY 2015:

- West and Arrowhead Waterline – Improvement includes new water main, sanitary sewer and water services, and asphalt pavement reconstruction. Construction is scheduled to be completed in August 2015. (Cost: \$330,000)
- Bonito Street – Design scope includes replacement of all utility lines on Bonito from Sante Fe to Elm Street. Improvements include water, stormwater and sanitary sewer main replacements, fire hydrant replacements, service line replacements, ADA compliant access ramps and sidewalks, driveways and new pavement structure. (Estimated Cost: \$1,200,000)
- Leroux Street – Design scope includes replacement of all utility lines on Leroux from Route 66 to Hunt Avenue. Improvements include water main replacements, fire hydrant replacements, water and sanitary sewer service line replacements, ADA compliant access ramps and sidewalks, driveways and new pavement structure. (Estimated Cost: \$1,800,000)
- Brannen Neighborhood Southside – Design scope includes replacement of all utility lines in Brannen subdivision from San Francisco (western border) to Colorado Street (eastern border), and from Phoenix (northern border) to Butler avenue (southern border). Improvements include water, stormwater and sanitary sewer main

replacements, fire hydrant replacements, service line replacements, ADA compliant access ramps and sidewalks, driveways and pavement reconstruction. Due to the size, this project will be split into two phases for construction. (Estimated Cost: \$2,700,000)

- Grand Canyon Street – Improvement includes new water main, sanitary sewer and water services, ADA compliant access ramps and sidewalks, driveways and asphalt pavement reconstruction. (Estimated Cost: \$950,000)

FY 2014 Water Capital Projects

- McCallister Ranch Pump House – Improvements include construction of a new pump house building, clearwell and waterline connection to the existing water distribution system. The well site was drilled and capped in 2008. Project is in design and scheduled to be bid and awarded in spring 2015. Construction is scheduled for summer 2015. (Cost \$800,000)
- Lake Mary Well Field LM#2 12" DI Pipeline – City has received 100% plans and Forest Service approval. The project includes replacement of 12" water pipeline from Lake Mary Well#2 to the raw water pump station. . Project is scheduled to be bid and awarded in fall 2014 with Construction scheduled for spring 2015. (Estimated cost \$321,000)
- Cheshire Tank Repair – Improvements include rehabilitation and structural repair, and painting of the existing 1.3 MG steel water tank. Project is scheduled to be bid and awarded in fall 2014 with repairs scheduled for spring 2015. (Cost\$ 300,000)
- Radio Read Meter Replacements – Improvements include the replacement of outdated water meters to new style radio read meters. The current funding allows for replacement of approximately 1020 meters out of a total of 19,800 meters. Meter replacement is based on a 15 year asset life and is a key component in the “lost and unaccounted for” water usage. (Cost \$300,000)
- Water Meter Vault Replacement Program – Improvements include rehabilitation and replacement of Little America’s water meter vault, replacement of water main and water service, and asphalt pavement replacement surrounding the vault. Woodson Engineering has completed the design . large aging water meter vaults. structural repair, and painting of the existing 1.3 MG steel water tank. Project is scheduled to be bid and awarded in fall 2014 with repairs scheduled for spring 2015. (Cost \$300,000)

FY 2014 Wastewater Treatment Projects

- Temporary Solids Handling – Improvements included adding new digested sludge piping, polymer building, electrical service panel, undergrounded electrical lines, centrate piping with manholes, grading and new pavement structure. Construction on the Wildcat Solids dewatering project began in May 2014 and is scheduled to start

up in September 2014. All work is scheduled to be completed by October 2014. (Cost: \$1,217,942)

- Wildcat Blower Replacement – This project is being broken up into two phases, equipment purchase and installation. Completed engineering and equipment bid package for the purchase of three new high efficiency turbo blowers at the Wildcat Hill WWTP facility. C. Replacing these blowers with new high efficiency blowers will result in annual electrical savings of \$161,820 per year at Wildcat Hill WWTP. Arizona Public Service will rebate \$167,400 for replacement of this equipment. Equipment has been purchased and is scheduled to be delivered in April 2015. The second phase of the project is installation of the blowers and that work is scheduled to be bid in spring 2015. Blowers are scheduled to be installed in summer/fall 2015. (Cost: \$692,562)
- Wildcat Barscreens – Improvements included replacement of 2 Barscreens and associated electrical and controls wiring at Wildcat Hill WWTP. Construction of this project is in progress and all work is scheduled to be completed by November 2014. (Cost: \$320,700)

Road Repair and Street Safety Initiative

On November 4 2014, Flagstaff voters approved the Road Repair and Street Safety 0.33% sales tax increase that would be used exclusively to pay for street improvements, the ongoing preservation of street condition inside the City limits, and related costs such as pedestrian safety projects and repairs to underlying water utility infrastructure.

The approved 20 year sales tax increase follows several efforts related to funding road repairs on City streets. Since 2009 the City has cut costs for streets by eliminating staff positions, reducing the frequency of equipment purchases, re-evaluating service levels, and utilizing contract labor when cost effective. In addition, the City Council has reallocated general fund dollars in recent years to invest in pavement preservation. In 2010 the City tackled some of the road repair backlog with a property tax and each year the City's Legislative Priorities continues to include restoration of state-shared Highway User revenues. All of these efforts were important investments in the City's street infrastructure; however, greater investment will be made and the backlog of road repairs will be addressed with the recently approved sales tax increase.



Council Goal: Fund Existing and Consider Expanded Recreational Services

Fund Existing and Expand Recreation Services

The City funded Phase I and II of the Bushmaster Park Improvements. This budget also included funding in the amount of \$1.5 million for parks and recreation facility improvements. All service levels of Recreation Services have been maintained with the exception of the Aquaplex and Flagstaff Recreation Center which saw a reduction in hours in FY 2014 by 1 hour a day Monday through Friday. Recreation Services has been able to maintain all other service levels. Additionally the City was able to expand in several areas including:

- The addition of an Adult Coed Hockey league.
- Expansion of the Dew Downtown Event with the festival component on San Francisco Street.
- Added a Children's Health and Wellness Fair to the Aquaplex Special Events.
- Expanded our special event offerings during Parks and Recreation month in July.

User fees were adopted and level of service was maintained at current levels with some areas of expansion.

All Parks to Level 2 in 2 years

Beginning in FY 2014, BBB – Recreation funded parks will be funded at a service level 2. The General Funded parks are currently at a service level 3. To increase these parks to service level 2 would take an estimated \$108,000 in ongoing funding.

Review and Approve Parks Master Plan

The Master Plan was approved by City Council in June 2013 and is now being used as guide to park upgrades (Bushmaster Park) and used as a foundation document to the Recreations Services Strategic Plan. Additionally, the Plan is helping the Parks and Recreation Commission focus on community priorities.



Council Goal: Address Core Services Maintenance Facility

The following are accomplishments for the Council's goals for building a new Core Services Maintenance Facility:

- Successful passage of the bond for a new facility in November 2012.
- Ongoing public outreach and bidding outreach for this facility.
- Completed environmental assessments of the current Public Works Yard.
- RFP drafted, distributed and resulted in 9 proposals.
- Selection of McAllister Ranch Property.
- Initiation of neighborhood engagement process to identify future uses of existing yard property.



Council Goal: Complete Rio de Flag

Significant project elements have been completed:

- Feasibility study completed and project cooperation agreement executed.
- Completed construction of Butler Ave. Tunneling in September 2010.
- Thorpe Bridge completed in December 2012.
- Reconstruction of the Clay Avenue Basin failures is scheduled to be complete in fall 2014.
- Draft LLR (Limited Re-evaluation Report) was submitted by South Pacific Division to USACE Headquarters.
- FEMA Design Concept Report (DCR) completed and presentation made to Council in June 2014.

The following project elements are ongoing:

- Corps will contract remainder of 100% design plans to outside consultant.
- Coordination with BNSF Railway for environmental cleanup at the Paramount Petroleum site.
- Acquired \$1.6 million in Federal funding resulting from February 2014 lobbying trip.

The project currently has \$2,158,534 from the FY 2014 work plan. The funds are planned to be used for the following project elements:

- Complete Clay Avenue Wash Detention Basin in fall 2014 - \$937,800
- Clay Avenue Wash Detention Basin Closeout (O&M Manual, training, inspection) - \$260,000
- Final Design Contract - \$689,900
- Final Design Support Labor (technical reviews, QC) - \$150,000
- Balance Contingency - \$120,834

In March 2014, Mayor and Council travelled to Washington, DC and met with representatives of the Office of Management and Budget and the Army Corps of Engineers to lobby for the completion of the Clay Avenue Wash Detention Basin and the completion of the 100% plans as well as continued funding.

City staff met with the USACE staff and Colonel on March 13, 2014 to discuss the status of the project and the next steps. Discussion topics included:

- Status of Clay Avenue Wash Detention Basin reconstruction, contractor relations/obligations and amount of FY 13 work program funds that will be spent
- If there are leftover funds from CWDB, how will they be prioritized
- Finalizing the LRR
- Strategies for funding and completing the project

Mayor, Council and members of the US Senate continue to engage the USACE for support of the project:

- On August 19, 2013 Mayor Nabours wrote to Senator McCain asking for support on Corps reform, the pilot project in the 2013 WRDA bill and more local control.
- On September 20, 2013 Senator McCain wrote to Jo-Ellen Darcy asking why the LRR had been delayed an additional two years and outlining the funding delays and other project concerns.
- On November 25, 2013 Jo-Ellen Darcy responded to Senator McCain on a number of issues, including the delivery of the LRR. In this letter Ms. Darcy indicated that the LRR would be submitted to Headquarters late February 2014 and Administration clearance through the Office of the Assistant Secretary for the Army (Civil Works) and the Office of Management and Budget by mid-summer 2014

On July 9, 2013 Council gave direction to staff to hire an engineering firm to prepare a preliminary design with a cost estimate for the project based upon Federal Emergency Management Agency (FEMA) design criteria. The intent would be to deliver as a City funded and administered project. Staff then began the process to procure the services of an engineering firm capable of developing a Design Concept Report (DCR). On December 3, 2013 Council awarded the design contract to Michael Baker Jr. Inc to prepare the DCR. Baker has since completed the DCR effort and on June 3, 2014, City staff and Baker engineers presented the findings to Mayor and Council. At that meeting, Mayor and Council directed City staff to develop funding options and report back the findings at a later council date.



Council Goal: Retain, Expand, and Diversify Economic Base

- Increased passenger enplanements by 3% in FY 2013 and 1.2% in FY 2014 as compared to previous fiscal year. Enplanements for 2014 calendar year to date are up 17%.
- Completed three Federal Aviation Administration/Arizona Department of Transportation grant funded projects (Westplex taxiway project, joint seal replacement, and seal coated taxiway); and, obtained FAA grant funding for FY 2015 for the Airport Sustainability Master Plan which is currently underway.
- Increased BBB revenues by 6.25% in FY 2013 and 6.5% in FY 2014.
- Secured multiple national and international conferences that generated more than \$1.5 million in FY 2013 and \$1.6 million in FY 2014 in economic impact to our community, an 11% increase in bookings.
- Increased travel trade/group tour bookings by nearly 700%, including 33 referrals which generated 6,337 room nights.
- Increased public relations presence nationally and internationally, generating over \$1.1 million in FY 2013 and \$2.2 million in FY 2014 in advertising equivalency value; and, assisted with more than 65 pieces of editorial coverage and met with a total of 209 journalists during FY 2014.
- Implemented highly successful re-imaged branding campaign, including new CVB website, innovative marketing programs such as light rail wraps and the “Cool Zone” in downtown Phoenix entertainment district; received seven awards for new campaign.
- Assisted 89,320 visitors in FY 2013 and 84,958 visitors in FY 2014 at the Flagstaff Visitor Center. Trip Advisor reviews at a 97.64 percentile rating.
- Increased outbound business attraction efforts by promoting Flagstaff, efforts included outreach and marketing engagements, expanded Buxton data and analytics, increased business connectivity, and successful positioning of Flagstaff’s competitive advantages to various retailers. Added six new and expanding retailers in FY 2014 which attributed to 225 jobs created and more than 70,000 square feet of retail space; and, added three new non-retail businesses to the community and responded to eight PIF’s from the Arizona Commerce Authority for new business relocation. Facilitated the sale of three lots at the Flagstaff Autopark.

- Created a strong business environment that retains and expands local businesses through grant facilitation (submitted two grant applications on behalf of local businesses and secured a \$100,000 award from Arizona Commerce Authority for Joy Cone). Continued staff support of Northern Arizona Center for Entrepreneurship and Technology creating 40 high wage/low impact jobs in FY 2013 and another 46 in FY 2014; created Business Assistance Kiosk at City Hall, executed pre-annexation, development and over-sizing agreement with W.L. Gore; sponsored five students through the Manufacturing Certification Program; and, funded eight loans to local businesses totaling \$145,000 through the Northern Arizona Capital Loan Program consortium.
- Received \$4 million Economic Development Agency grant for development and construction of the Business Accelerator and Secondary/Alternate Emergency Operations Center on Innovation Mesa. Completed design, awarded construction contract, and began construction of the Business Accelerator on Innovation Mesa.
- Downtown district formed following a successful tax election.
- Secured more than \$800,000 in grants and donations to supplement Community Design and Redevelopment programs.
- Awarded \$270,000 in arts and sciences grants to 30 recipients through partnership with Flagstaff Arts Council.
- Multiple photo exhibits and murals completed; Route 66 FUTS Rest Stop interpretive signs installed; and, Hitching Post bike racks developed and prototypes installed.
- Fourth Street Plan brought to Council and interim plans initiated; and Fourth Street Gateway design completed.

Flag 40 STEM (Science, Technology, Engineering, & Math) Initiative

Founding members and contributors to STEM consortium, facilitated Council adopted STEM resolution, established STEM gateway signage with ADOT (three signs installed), provided support for STEM coordinator position, advancing workforce development through enhanced curriculums with public, private, and educational agencies, and currently working with numerous local STEM related businesses on expansion opportunities, collaborative initiatives and relocating a science based center in Flagstaff.

Economic Development Collaborative of Northern Arizona (ECoNA)

Continued staff participation and leadership support for ECoNA in the areas of Business Retention and Expansion, Business Attraction, and Redevelopment, as well as participation on Executive Committee which also includes Council representation; staff facilitated numerous outreach and marketing engagements as part of Collaborative.

Secure 2nd Airline

Participated in five airline networking conferences over the past two years, establishing strong relationships with airline route planners, utilized video that showcases the airport and region in an effort to better showcase the business and visitor markets, as well as community “buy-in” for a second airline, continued with marketing and outreach efforts in support of the SCASDP grant and anticipated new service in FY15.

Increase arts and culture tourism

Continued with financial and staff support for Flagstaff Arts Council (formerly Flagstaff Cultural Partners) and the development of new educational programming and curriculum based certification(s) through Art Box.

Development of adequate infrastructure to support current and expanding economic base

Advanced the development of an APS Substation to provide additional power to the Airport Business Park to support commercial and industrial business expansion; determined site location, completed design, easement approval, and anticipate construction to be completed and substation online by October 2015.



Council Goal: Complete Water Policy

Principles of Sound Water Management

Staff started working with City Council in December 2012 regarding the Principles of Sound Water Management. City Council adopted a comprehensive set of Water Policies on April 1, 2014 by Resolution after two years and 10 meetings to consider language for each topic.

Red Gap Right of Way

Staff has met with Arizona Department of Water Resources Director, Arizona State Land Department Commissioner, Arizona Department of Transportation Director and the Governor's Office over the past year in an attempt to move the I-40 Right-of-Way issue forward. On July 9, 2014 ADOT agreed to enter into a Joint Project Agreement (JPA) with the City in order to allow the City to evaluate and secure some form of a right-of-way along I-40. Staff is working with ADOT on the components of this JPA. In accordance with the City's Designation of Adequate Water Supply issued in April 2013, water supply from Red Gap needs to be operational no later than 2038. This operational date is based on assumptions related to growth rates, climate change, water usage, etc. Staff plans to focus on the funding topic once the Right-of-Way is secured.

Reclaimed Water

In FY 2013 the City Manager established an Advisory Panel on Compounds of Emerging Concern to address a variety of topics. The topics include but are not limited to; sampling of the reclaimed water quality within the distribution system as well as issues surrounding future additional treatment options. The City partnered with the University of Arizona, Virginia Tech University and TGen on three grant proposals and two have been approved for funding; National Science Foundation (\$330,000) will research the Relative Abundance and Diversity of Antibiotic Resistance Genes and Pathogens in Reclaimed Water and TGen funding will research Community Pathogen Profiling. An Update Report was issued in May 2014.

Coordination with Regional Partners

Utilities staff have been actively engaged with the Northern Arizona Water Users Association (NAMWUA) and the Coconino Plateau Water Advisory Council (CPWAC). Staff was also involved in the Arizona Department of Environmental Quality's (ADEQ's) state-wide Advisory Panel on Emerging Contaminants and the Arizona Department of Water Resources (ADWR) Water Resources Development Commission sub-committee and their state-wide Strategic Vision Committee.



Council Goal: Review Financial Viability of Pensions

Council adopted a pilot project for FY 2014 to fill a vacancy in the Fire Department with 2 part-time employees rather than full-time in order to reduce pension costs. Also in FY 2014, the City Manager initiated a state-wide task for on pension reform. The Task Force will provide recommendations on changes to the public safety retirement system that make the expenditures more predictable and affordable. The City Treasure sits on this task force along with other city, county and state representatives.

Council Goal: Review all Commissions

In FY 2014, the City Council held a Special Work Session to review all Boards and Commissions' scope. Many of the issues addressed during those discussions are addressed in the Board and Commission Members' Handbook, which was adopted via Resolution No. 2013-01. The Handbook is distributed to every Board/Commission member when appointed and is reviewed during Board and Commission training which has been held at least twice a year. They issues raised that are already incorporated into the handbook include: Term Limits, Service to More than one Commission, Process for bringing forward recommendations and Minority report.

The City Clerk brought forward the following possible changes to the Handbook based on the previously held City Council discussions at a Work Session in Fall 2014:

- Consider reducing BPAC from 9 to 7 members (reconsider classifications)
- Consider how we may reframe Commission on Diversity Awareness to encourage participation; better defined
- Transfer Land Trust Commission responsibilities to staff
- Consider a uniform set of bylaws or rules of procedure regarding: Terms, Term limits. Chair selection and Enabling Ordinances
- Board and Commission training – including a consequence for not completing the training
- Recognition at end of term for Commission members



Council Goal: Zoning Code Check-in and Analysis of the Process and Implementation

Since the adoption of the Flagstaff Zoning Code in November 2011, staff continues to receive ideas for amendments to the Code based on suggestions offered by Flagstaff residents, design professionals, and City staff. Early in 2013, the City Council held three work sessions to discuss the process for adopting amendments to the Zoning Code. In the final work session the Council agreed on what amendments were “policy” and what were “technical” in nature, and provided direction to staff on a path forward. Later that year staff worked on amendments to the City’s zone change process (Division 10-20.50) of the Zoning Code, as well as amendments to the sign standards (Division 10-50.100) to allow for the installation of a sign for the Flagstaff Mall and Marketplace. These amendments were completed, reviewed by the Planning and Zoning Commission, and ultimately adopted by the Council in November 2013.

Staff received ideas for Zoning Code amendments which were compiled into a comprehensive document. Outreach to such groups as Northern Arizona Builders Association (NABA), Northern Arizona Association of Realtors (NAAR), Friends of Flagstaff’s Future (F3), etc. was completed during this period.

Following a work session in April 2014, in which the Council prioritized amendments to the Sign Standards of the Zoning Code over all other amendments to the document, staff completed significant amendments consistent with the Council policy direction on these standards. A simpler, more streamlined, and easier to read and interpret sign standards document will be presented to the Planning and Zoning Commission on August 27, 2014 for their review and a recommendation which will be forwarded to the Council. Council consideration of the proposed amendments is scheduled in October and November 2014.

In the months ahead, staff will also be working on the remaining amendments to the Zoning Code so that they may be presented for public review, Planning and Zoning Commission consideration, and ultimately Council review and approval in early 2015. These amendments will also reflect any needed changes resulting from the recent adoption and ratification of Flagstaff Regional Plan 2030.



Council Goal: Develop an Ongoing Budget Process

Highlights from FY 2014 Budget Development

Council identified objectives to ensure the adequate frequency and agenda topics necessary for the development of the FY 2014 Budget. These objectives were achieved by an ongoing process that incorporated full budget context at key decision points.

- All budget retreats were recorded and posted on the website.
- Several mini retreats were conducted between the November and April Budget Retreats. Topics discussed during several mini budget retreats included: Graffiti, Library, FUTS Signage, Consultants, Fire Administration, Environmental Management Fee, Contribution and Contracts for Services, Economic Vitality, General Administration, Stormwater Management, Recreation Fees, Community Development – Cost Recovery and Housing.
- Targets and priorities for the FY 2014 Budget were determined by Council at February retreat and executed as part of the City Manager's Recommended Budget presented at the April retreat.

Highlights from FY 2015 Budget Development

In FY 2014 staff debriefed the budget development process with City Council. The feedback received was incorporated into an ongoing budget process for the development of the FY 2015 budget.

In addition, the Budget Team implemented a “straightening the pipes” effort as it relates to the budget. This effort included realigning the timing of budget deadlines and improving the process which resulted in a more user friendly process for divisions. This internal effort streamlined the budget development process by removing unnecessary steps. All budget retreats were recorded and posted on the website. Targets and priorities for the FY 2015 Budget were determined by Council at December and February retreats and executed as part of the City Manager's Recommended Budget presented at the April retreat. The priorities for the FY 2015 budget included compensation, staffing and infrastructure.