

MINUTES

1. Call to Order

Mayor Nabours called the Flagstaff City Council Work Session of July 14, 2015, to order at 6:00 p.m.

2. Pledge of Allegiance

The Council and audience recited the Pledge of Allegiance.

3. Roll Call

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

PRESENT:

ABSENT:

MAYOR NABOURS
VICE MAYOR BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER EVANS
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

Others present: Interim City Manager Jeff Meilbeck and City Attorney Michelle D'Andrea

4. Preliminary Review of Draft Agenda for the July 21, 2015, 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.*

Vice Mayor Barotz commented on item 10-F regarding the retiree insurance; she stated that she would like to make sure that language is precise in the provision that the Council is reviewing. Councilmember Putzova requested a formal presentation on the item; she would like to know the options, have a summary of the program as well as understand what happens should the Council chose not to go forward with the program.

Councilmember Overton asked for additional information on item 9-D; he would like a sampling of what types of contracts would fall under the category versus a full procurement process.

Mayor Nabours asked Home Ownership Program Coordinator Justyna Costa to provide an overview of item 10-C in regards to Izabel Homes. Ms. Costa explained that construction and mortgage financing for the final six homes in the Izabel Homes project will be done by Habitat for Humanity. The homes will be phased based on Habitat for Humanity's availability but the final completion is estimated for 2020.

Mayor Nabours asked how the program is different from the past where the City has provided the funding and building of the homes. Ms. Costa stated that the model is different; in the past Loven Contracting was hired by the City to construct the first ten homes and the City provided the construction financing; once built, people had to go out on their own to obtain financing to purchase which became problematic when the market crashed. Habitat for Humanity will provide their own builder financing as well as provide mortgage financing so the individuals do not have to go out and find their own financing. Mayor Nabours stated that the homes in the past were on the market for quite a while and asked if that was because of the difficulty in getting financing. Ms. Costa stated that financing a home with a ground lease is difficult and that was the main issue with those homes being on the market for so long. There are individuals who are currently eligible and ready to purchase these homes and with Habitat for Humanity financing the mortgage the ground lease is no longer an issue.

Mayor Nabours asked if the new model will require any City funding. Ms. Costa stated that the only funds being requested from the City is a 10% contingency per phase from the housing funds. Councilmember Oravits asked for clarification on exactly where the 10% contingency will come from at the next meeting.

Councilmember Oravits asked for the price point on the homes. Habitat for Humanity Executive Director Erik Wolverton stated that the last home sold for \$135,000 and they are pushing for that price point again.

Mayor Nabours asked if Habitat for Humanity will utilize their usual model of having the future owners provide volunteer time on their home. Mr. Wolverton stated that the future owners are selected by a group of volunteers and any adult residing in the home must provide 200 sweat equity hours. Phase One of this project has received a grant for \$60,000 with a contingency of occupancy by the end of 2015 so most of the work will be subbed out for Phase One in order to meet the required timeline. Community volunteers will be fully utilized during the next phase when there is a full calendar year timeframe.

Councilmember Overton requested a brief presentation on item 9-G regarding the watershed protection project. He would like to understand the disparity between the two bids that were received to make sure there is an assurance of performance for the awarded bidder.

Andy Fernandez addressed Council with concerns about Habitat for Humanity and HUD causing an increase in the housing market prices.

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.

Andy Fernandez addressed Council with concerns about how Council meetings are run.

Charlie Silver addressed Council to commend staff for their outreach efforts to neighborhood residents. He stated that early, often, and partnership communication with residents can give a lot of information and ideas.

6. City of Flagstaff - Parking Management Program. (*Parking management options for Council's consideration*)

Community Design and Redevelopment Manager Karl Eberhard provided a PowerPoint presentation that covered the following:

POTENTIAL PARKING MANAGEMENT COMPONENTS
PARTNERS/STAKEHOLDERS
FOUNDATIONAL THOUGHTS
FIVE POTENTIAL COMPONENTS OUTLINED
RESIDENTIAL PERMIT PARKING PROGRAM
ADDITIONAL TIME-LIMITED PARKING
EMPLOYEE PERMIT PARKING PROGRAM
METERS/KIOSKS
PRIVATE/NON-CITY PARKING MANAGEMENT
IMPLEMENTATION
FINANCIAL IMPLICATIONS
QUESTIONS

Vice Mayor Barotz stated that it is hard to offer comments on a parking program without an understanding of the broader picture and other elements that will have an impact.

Councilmember Oravits asked for an explanation of time limited employee permit parking. Mr. Eberhard explained that there would be a two hour parking limit on all spots and then issue a certain number of unlimited access permits for employees.

Councilmember Oravits asked how many permits would be issued to residents based on water meters. Mr. Eberhard stated that the initial thought is one resident permit and one guest permit per water meter.

Councilmember Oravits stated that he would like to have more information on the history of the parking meters; they have been installed and removed two different times with the latest being in 1978. He would like to know if there have been studies about the effects of meters on the number of people who visit the downtown area.

Councilmember Overton stated that the issue is one of supply and demand and the effects to the neighborhoods. He would like to focus on resident concerns versus demand at this point. Mr. Eberhard stated that there are two different approaches; coming up with smaller solutions that are implementable now that will work until a more comprehensive discussion can be had or develop the comprehensive plan now and roll it out as one big plan.

Councilmember Evans stated that she would like to see a comprehensive parking solution sooner rather than later. In talking with businesses she has heard that three hour parking is more desirable than two hour parking. She is in favor of meters because people can adjust the use of them to their specific needs and the technology has come a long way. She feels that

NAU has pushed the parking burden onto the neighborhoods and it is unfair that property owners may have to pay for parking permits to park in front of their own home. If parking permits are issued in the neighborhoods for non-residents then the cost should be higher than the cost to park on campus.

Executive Director for the Flagstaff Downtown Business Improvement and Revitalization District (FDBIRD) Terry Medeksza addressed Council stating that the District has been working on taking a complete inventory of available parking in the downtown area. They are looking at what is vacant and the times of use. They are looking for night time and day time use and ways to partner with businesses to utilize their parking during their closed hours. She stated that until a parking garage is constructed surface lots are the only option.

Mayor Nabours stated that many people have asked why the City does not have a private contractor construct and operate a parking garage on a City parcel. Mr. Eberhard stated that over the years the City has looked into that option as well as operating a garage at the City level. The problem is that whoever runs the parking garage will lose money year after year as the income is not enough to cover the construction or operating costs.

Councilmember Putzova stated that she would like a more comprehensive look at the parking issue. She would like to see what kinds of solutions staff can come up with that takes into account the future needs of the area. She would like to have a more policy approach to the issue.

Vice Mayor Barotz stated that the cost of NAU parking permits is a big part of the issue the southside is facing. She asked if NAU has given any thought to restructuring the cost of their parking permits. Rick Brandel with NAU addressed Council stating that the parking permit costs pay for the net transportation services on campus such as the parking garages, parking enforcement and the bus transportation system. The NAU President recently made a comment that one consideration may be to identify a spot for low cost parking that may be some distance from campus. The new housing structures are intended to have quite a few parking spaces available to alleviate some of the center campus parking. It is true that there are people who have chosen to avoid paying for a parking permit and NAU has far less people purchasing permits than in the past. That has been attributed to the partnership with NAIPTA and the increased access to campus.

Mayor Nabours asked if there are empty spaces during a typical school day at NAU. Mr. Brandel stated that some parts of campus probably do have vacancies specifically on south campus and at the Skydome lot and there are probably some vacancies in the garages; they are not at 100% filled day to day.

Councilmember Oravits asked about the parking at the High Country Conference Center and if there is any ability to utilize that garage to alleviate the pressure in the southside neighborhood. Mr. Brandel explained that most of that parking is to serve the Drury and convention visitors. He stated that he does not have any specific information about that garage and suggested that NAU give a presentation to Council about the parking program at NAU.

Councilmember Brewster stated that the NAU permits cost \$397 for general parking and around \$500 for garage parking per academic year. Councilmember Evans stated that if NAU charges \$397 for a parking permit then the City should charge \$450 for a permit for southside to see if there is a reduction in student parking in that area.

Vice Mayor Barotz stated that she does not feel that the FDBIRD has created a comprehensive approach and more information is needed to understand all of the elements at play with the issue. Councilmember Oravits added that he does not want to see a situation where parking

meters are put in again only to have them fail and ripped out later. There are so many variables associated with parking and the Council needs more information.

Councilmember Evans stated that she lives in southside and is very familiar with the parking issues in that area. This issue has become a quality of life issue that has gone on for too long. She understands the need for a comprehensive solution but year after year the Council continues to ask for more information. She would like a solution that is implemented quickly especially for the neighborhoods so directly impacted.

Vice Mayor Barotz stated that the discussion is very different this time around because a district has been formed and there is a Director who is actively working on a solution. She would like to see a merge of the City perspective and the FDBIRD perspective as part of the comprehensive solution. Councilmember Evans agreed and stated that having the FDBIRD as part of the discussion is helpful but she encouraged them to include residents in the parking discussions and not just limit it to downtown businesses. Ms. Medeksza stated that the FDBIRD is committed to coming up with an approach that addresses multiple audiences. Because the issue is so divisive it is absolutely vital that the plan succeed; it is important to look at the issue in its entirety, develop a comprehensive solution and roll it out in phases if necessary. The District sees parking as more than a place for a car, it is an economic tool. Parking availability brings business. When looking at a comprehensive approach it is important to look at all modes of transportation. There needs to be education and outreach in advance of implementation to residents and businesses; it is important for the success of the program that buy-in is obtained from residents and businesses and those affected by the changes.

Mayor Nabours stated that he does not want to implement a piecemeal process and feels that staff can start building a plan with implementation down the road. He suggested looking at the elements separately, put them together and fine tune, and then implement at one time. Ms. Medeksza agreed and stated that all the elements need to be thought out so that there are no unintended consequences. She stated that she would be happy to present to Council after the break the presentation that has been given to the Downtown Business Alliance and the FDBIRD. There has been a lot of research done on other communities and college towns to evaluate what has been done and what is working and what is not working in terms of parking. A plan has been developed and they are happy to share the results.

Councilmember Evans stated that she would like to hear more about the resident and quality of life issues that have no direct impact on the business community. Ms. Medeksza agreed that residential parking is very important and must be considered as much as business and downtown parking.

Mayor Nabours asked if the plan will be dependent on a parking garage. Ms. Medeksza stated that a parking garage is a critical need to add to the parking inventory. There are private parties that are discussing how to accomplish that. Until then, there are tools available to deal with current on-street parking; she is working with how partnerships can be developed with private property owners to utilize their spaces during their hours of closure.

Shawn Browning addressed Council stating that NAU students are the sole problem with parking in the southside neighborhood. They are unwilling or unable to pay the parking fees that NAU charges and are looking for the closest place to park. NAU created the problem by not providing adequate parking for their students. He stated that as part of developing a comprehensive parking plan input should be received from the residents of southside and residents should not have to pay to park.

Charlotte Welch addressed Council with a parking proposal put together by residents. The plan consists of each property owner being issued two permits that are good for two marked spaces

at their property. All other spaces would be available to the downtown all day. She stated that residents would rather the City manage the parking program than the FDBIRD.

Rod Horn stated that having a permit or parking meter program would be difficult for his household to manage; there is no off-street parking and there are three cars for three drivers; having to manage two hour limits or metered parking would be terrible and would hinder his ability to leave on vacation or any extended period of time.

Joan Martini addressed Council and stated that she is in favor of parking permits and/or designated parking spots for residents but not two hour parking. The City should control or manage any parking permitted area. She also expressed concern about property values dropping because the area is designated for business parking.

Andy Fernandez addressed Council with various concerns.

Lou Smith addressed Council in support of the City working with the north side residents and creating a plan that will address everyone's needs. Downtown currently considers the parking spaces north of downtown as part of their inventory and a two or three hour shuffle will make things more dangerous and chaotic. Ultimately, a parking garage is needed. Residents should not be required to purchase parking permits to park in front of their own homes.

Karen Carswell addressed Council stating that she is seeing more long term NAU parking in her neighborhood; people will often park for weeks at a time instead of day to day, they obviously live on campus and park in the neighborhoods. She stated that she would support a residential assignment of two spaces so that people can park in front of their own houses. She added that tenants need to have access to information because many owners or property managers are not available.

The following individuals submitted written comment cards in favor of some kind of parking program:

Joe Guay
Ann Guay
Dorothy Dell'Orefice
Charlie Silver
Amy Horn
Ardis Easton

Councilmember Oravits stated that beginning down the path of developing a comprehensive plan is what he would like to see; they should get the various groups together and start putting ideas into a plan. He would like to see the first phases begin in the next three to six months.

Mayor Nabours asked for the position of the downtown merchants on meter parking. Ms. Medekza stated that she will have a firm position from the downtown on meters when she next presents to Council.

Councilmember Brewster thanked staff and the FDBIRD for the work that has been done so far. She is in favor of a comprehensive plan even if it is phased in. She stated that it is very important for the residents to be involved in developing the plan and providing input.

Councilmember Putzova stated that there are competing interests involved with parking. She would like to start addressing the concerns of the residents because they have been impacted for so long. Reserved spots for residents at no cost is a great path forward and the other components can be developed moving forward. She would also like more information on the

construction and operation of a parking garage.

Councilmember Evans stated that she likes the idea of assigned parking spaces for residential property owners. The issues in the neighborhoods have been going on for too long and need to be addressed now; she would like to see something done within the next six months.

Councilmember Overton stated that the City has done nothing to address the parking situation but the reality is that a full plan will not be ready for implementation in six months. Connections need to be made between the neighborhood residents and the FDBIRD. He requested strategies be brought to Council that can be implemented soon and that have buy-in from all stakeholders.

A break was held from 8:04 p.m. through 8:17 p.m.

7. Utilities Rate Adjustments - Overview of the Needs Assessment.

Utilities Director Brad Hill provided a PowerPoint Presentation that covered the following:

UTILITY RATE ADJUSTMENTS
OUTLINE
CITY COUNCIL POLICY
PURPOSE
OBJECTIVE
ACHIEVE COUNCIL GOALS
UPCOMING POLICY QUESTIONS
CLEAR & CONCISE
FISCAL STEWARDSHIP & EFFICIENCIES
UTILITY EFFICIENCY INITIATIVES
ENERGY EFFICIENCY INITIATIVES
STAFFING REDUCTIONS

Utilities Engineering Manager Ryan Roberts continued the presentation.

INFRASTRUCTURE ASSESSMENT – STATEWIDE
STATE OF OUR INFRASTRUCTURE – FLAGSTAFF
10-YEAR INFRASTRUCTURE ASSESSMENT – FLAGSTAFF WATER SYSTEM
AGING WATER INFRASTRUCTURE – FLAGSTAFF WATER SYSTEM
10-YEAR INFRASTRUCTURE RECOMMENDATIONS – FLAGSTAFF WATER SYSTEM

Councilmember Oravits asked if staff identifies project overlaps with the street improvement project so there is no tear out of work just completed. Mr. Roberts stated that they have as much overlap as possible and work to coordinate projects with other departments. He added that Utilities meets with Public Works and Community Development monthly to discuss upcoming projects and how other department work can be coordinated.

10-YEAR INFRASTRUCTURE ASSESSMENT – FLAGSTAFF WASTEWATER SYSTEM
10-YEAR INFRASTRUCTURE ASSESSMENT – WASTEWATER PLANTS IMPROVEMENTS
AGING SEWER INFRASTRUCTURE – FLAGSTAFF SEWER SYSTEM
10-YEAR INFRASTRUCTURE RECOMMENDATIONS
PROP 406 CASE STUDY
SUMMARY
NEXT STEPS
QUESTIONS

Mayor Nabours asked if the improvements discussed will require an increase in water bills. Mr. Roberts stated that an increase will be necessary in order to make the needed improvements.

Councilmember Oravits asked if Red Gap will be included in the rate study. Mr. Roberts stated that Red Gap planning and design will be included and there will be two options available to Council for levels of funding. The funding being requested is all soft costs and no construction. Mr. Hill explained that an option will be brought forward for consideration for additional funding of Red Gap.

8. Review of Draft Agenda Items for the July 21, 2015, City Council Meeting.*

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

None

9. Public Participation

None

10. Informational Items To/From Mayor, Council, and City Manager; future agenda item requests.

Councilmember Brewster requested an update on what is going on with Dew Downtown and if it will be happening or not happening this year. Mr. Meilbeck stated that he had asked staff to send out a CCR with general information on the Dew Downtown; that was recently sent out and the Council is scheduled to bring it back for discussion in August.

Councilmember Evans stated that she is getting a lot of positive feedback on the Fourth Street gateway; she asked if there are plans for a dedication ceremony. She also asked for an update on when the temporary crossings on Fourth Street are to become permanent.

Councilmember Overton requested a possible future agenda item on what it would look like for the City to meet its legal obligations and do a two year budget cycle. He would like to see if it is something that Council could do and what it would look like.

11. Adjournment

The Flagstaff City Council Work Session of July 14, 2015, adjourned at 8:52 p.m.

MAYOR

ATTEST:

CITY CLERK