

## **SPECIAL COUNCIL MEETING AGENDA**

**CITY COUNCIL SPECIAL MEETING  
TUESDAY  
AUGUST 7, 2018**

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

**1. Call to Order**

### **NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION**

*Pursuant to A.R.S. §38-431.02, notice is hereby given to the members of the City Council and to the general public that, at this work session, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).*

**2. Pledge of Allegiance and Mission Statement**

### **MISSION STATEMENT**

*The mission of the City of Flagstaff is to protect and enhance the quality of life for all.*

**3. Roll Call**

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

MAYOR EVANS  
VICE MAYOR WHELAN  
COUNCILMEMBER BAROTZ  
COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD  
COUNCILMEMBER OVERTON  
COUNCILMEMBER PUTZOVA

**4. Public Participation**

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

**5. Presentation on Education Outreach for Prop 419 (Transportation), Prop 420 (Lone Tree Railroad Overpass), Prop 421 (Transit) and Prop 422 (Housing Affordability).**

6.        **2018 Resolutions of the League of Arizona Cities and Towns**
7.        **Public Participation**
8.        **Informational Items To/From Mayor, Council, and City Manager; future agenda item requests.**
9.        **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 \_\_\_\_\_, 2018.

\_\_\_\_\_  
Stacy Saltzburg, MMC, Acting City Clerk

## **CITY OF FLAGSTAFF**

### **STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Stacy Saltzburg, Acting City Clerk  
**Co-Submitter:** Jeff Meilbeck, NAIPTA CEO and General Manager  
and Sarah Darr, Housing Director  
**Date:** 08/02/2018  
**Meeting Date:** 08/07/2018



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#### **TITLE:**

**Presentation on Education Outreach for Prop 419 (Transportation), Prop 420 (Lone Tree Railroad Overpass), Prop 421 (Transit) and Prop 422 (Housing Affordability).**

#### **DESIRED OUTCOME:**

This presentation is informational only.

#### **EXECUTIVE SUMMARY:**

The following is an update on the City's community outreach to educate Flagstaff voters about Proposition 419 - Transportation, Proposition 420 - Lone Tree Railroad Overpass, Proposition 421 - Transit, and Proposition 422 - Housing Affordability.

**Proposition 419 - Transportation Tax:** Consideration of the continuation of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle and safety improvements, and authorizing the incurrence of debt to accelerate such purposes.

**Proposition 420 - Lone Tree Railroad Overpass:** Consideration of a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years commencing July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66, and authorizing the incurrence of debt to accelerate such purposes.

**Proposition 421 - Transit:** Consideration of a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2020, for increasing transit services within the City of Flagstaff.

**Proposition 422 - Housing Affordability:** Consideration of the sale and issuance of general obligation bonds in a principal amount up to \$25,000,000 for the purpose of increasing the number of housing units affordable for more residents in the City by construction, rehabilitation, redevelopment and acquisition of land for housing units; and the related infrastructure; for the purpose of assisting more Flagstaff residents to afford housing by making loans and grants for the construction, rehabilitation, redevelopment and acquisition of housing units; and the related infrastructure; to pay all costs and expenses properly incidental thereto and to the issuance and sale of bonds.

#### **INFORMATION:**

The City's outreach is focused entirely on education and does not advocate a position on the propositions. The City is working closely with the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) to combine our educational outreach efforts as much as possible. This joint coordination is an effective strategy which will enhance and streamline presentations and outreach.

Attached you will find:

- Final Publicity Pamphlet: the pamphlet has been submitted to the printer; there will be no further content modifications, but the overall formatting of the final pamphlet that voters receive may look slightly different.
- Outreach Calendar
- Proposition Logos

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**Attachments:**    [Publicity Pamphlet](#)  
                          [Outreach Schedule](#)  
                          [Transportation Logos](#)  
                          [Housing Logo](#)

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#### Form Review

Inbox	Reviewed By	Date
Acting City Manager	Barbara Goodrich	08/02/2018 10:05 AM
Legal Assistant	Vicki Baker	08/02/2018 10:06 AM
Deputy City Attorney	Kevin Fincel	08/02/2018 03:32 PM
Form Started By: Stacy Saltzburg		Started On: 08/02/2018 07:42 AM
Final Approval Date: 08/02/2018		



**INFORMATION PAMPHLET  
FOR THE  
CITY OF FLAGSTAFF, ARIZONA  
GENERAL / SPECIAL ELECTION  
NOVEMBER 6, 2018**

Compiled and issued by the  
**CITY OF FLAGSTAFF, ARIZONA**



**FOLLETO DE INFORMACIÓN  
DE LA  
CIUDAD DE FLAGSTAFF, ARIZONA  
GENERAL / ELECCIÓN ESPECIAL  
6 DE NOVIEMBRE 2018**

Compilado y publicado por  
**CIUDAD DE FLAGSTAFF, ARIZONA**

**FOR A SPANISH VERSION OF THIS PUBLICITY PAMPHLET CALL 928-213-2076 OR VISIT  
[WWW.FLAGSTAFF.AZ.GOV/ELECTIONS](http://WWW.FLAGSTAFF.AZ.GOV/ELECTIONS)**

**PARA UNA VERSIÓN EN ESPAÑOL DE ESTE FOLLETO PUBLICITARIO LLAME AL  
NÚMERO DE LARGA DISTANCIA GRATUITA 928-213-2076.**



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To the Voters of the City of Flagstaff:

*This information pamphlet provides you with information regarding the City of Flagstaff's General Election of November 6, 2018, in which voters will select a mayor and three councilmembers, as well as a Special Election to consider propositions proposed by either the Flagstaff City Council or by initiative. The pamphlet has been printed in both English and Spanish. To request a Spanish version, contact the City Clerk's Office at (928) 213-2076.*

*This election will be held in conjunction with the statewide election. You may vote prior to the election date using early voting procedures or in person on the day of the election at your polling place. To cast your vote in person, make sure that you go to the address of the precinct in which you are registered or one of the three Vote Centers in Coconino County. Vote Centers are an alternative to the traditional precinct-assigned polling place. Voters from any precinct in the County may vote at one of the Vote Centers regardless of their residential address. The mailing label on this pamphlet will tell you your precinct-assigned polling place. The polls will open at 6:00 a.m. and close at 7:00 p.m.*

*In order to be prepared to fully exercise your right to vote on November 6, 2018, you are urged to thoroughly read all the material contained within the pamphlet. Please keep in mind that questions may be printed on both sides of the actual ballot and candidate names may appear in a different order.*

*The information provided in this document reflects the best information available to the City of Flagstaff at the time of its preparation. The descriptions of future programs and expenditures are based on currently available information and expectations. All such programs and expenditures are subject to future decisions and actions of the City Council. As such, the actual future programs and expenditures may vary from the descriptions herein. **The actual ballot language, of any ballot proposition that is approved, is legally binding on the future actions of the City Council, and no monies may be expended except for the purposes described in such ballot.***

Stacy Saltzburg, MMC, Acting City Clerk  
211 W. Aspen Avenue, Flagstaff, Arizona  
(928) 213-2076 - [ssaltzburg@flagstaffaz.gov](mailto:ssaltzburg@flagstaffaz.gov)

#### **Vote Centers for the November 6, 2018 General Election**

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**Flagstaff Mall**

4650 N US Highway 89  
Flagstaff, AZ

**NAU Walkup Skydome**

1705 S San Francisco Street  
Flagstaff, AZ

**Tuba City High School**

Warrior Pavilion  
67 Warrior Drive  
Tuba City, AZ

#### **Early Voting Sites for the November 6, 2018 General Election**

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**Coconino County Elections Office**

110 E Cherry Ave  
Flagstaff, AZ  
(Monday - Friday 8:00 am - 5:00 pm)

**Coconino County Elections  
Eastside Office - Flagstaff Mall**

4650 N. US Highway 89  
Next to JCPenney  
Flagstaff, AZ 86004  
(Monday – Friday 10:00 am – 5:00 pm)

## PRECINCTS AND POLLING PLACES – NOVEMBER 6, 2018

Precinct Name	Polling Place Location (Facility)	Room	Physical Address
Flagstaff 1	Harvest Bible Church (formerly Kingdomheirs Church)	Café/Fellowship Room	520 N Switzer Canyon Rd
Flagstaff 2	Shepherd of the Hills Lutheran Church		1601 N San Francisco St
Flagstaff 3	Federated Community Church	Rees Hall	400 W Aspen Ave
Flagstaff 4	Episcopal Church of the Epiphany	Parish Hall	423 N Beaver St
Flagstaff 5	Shepard of the Hills Lutheran Church		1601 N San Francisco St
Flagstaff 6	DoubleTree by Hilton, Flagstaff		1175 W Route 66
Flagstaff 7	Northland Christian Assembly	Main Sanctuary	1715 W University Ave
Flagstaff 8	Breath of Life Church		3500 N Fourth St
Flagstaff 9	College America		399 S Malpais Ln
Flagstaff 10	NAU Walkup Skydome & <b>VOTE CENTER</b>		1705 S San Francisco St
Flagstaff 11	Northern AZ Church of Christ	Back Meeting Room	2203 N East St
Flagstaff 12	Murdoch Community Center		203 E Brannen Ave
Flagstaff 13	NAU Walkup Skydome & <b>VOTE CENTER</b>		1705 S San Francisco St
Flagstaff 14	NAU Walkup Skydome & <b>VOTE CENTER</b>		1705 S San Francisco St
Flagstaff 15	Coconino County Health & Community Services Bldg.		2625 N King St
Flagstaff 16	Breath of Life Church		3500 N Fourth St
Flagstaff 17	Family Resource Center		4000 N Cummings St
Flagstaff 18	Flagstaff Mall & <b>VOTE CENTER</b>		4650 US Highway 89
Flagstaff 19	Christ's Church of Flagstaff		3475 E Soliere Ave
Flagstaff 20	NAU Walkup Skydome & <b>VOTE CENTER</b>		1705 S San Francisco St
Flagstaff 21	Church of the Resurrection		740 W University Heights Dr S
Flagstaff 22	Covenant Church		3926 S Walapai Dr
Flagstaff 23	Coconino Community College	Board Room	2800 S Lonetree Rd
Flagstaff 24	Country Club Terrace Apartment Homes	Clubhouse	5404 E Cortland Blvd
Flagstaff 25	Knoles Elementary School	Activity Room	4005 E Butler Ave
Flagstaff 26	Flagstaff Mall & <b>VOTE CENTER</b>		4650 US Highway 89


**Vote Centers** are an alternative to the traditional precinct-assigned polling place. Voters from any precinct in the County may vote at one of the Vote Centers regardless of their residential address.

Last Day to Register to Vote	10/09/2018
Early Voting Begins	10/10/2018
Last Day to Request an Early Ballot by Mail	10/26/2018
Last Day to Vote Early	11/02/2018

TO OBTAIN FURTHER INFORMATION, CONTACT:

Coconino County Elections Office  
110 East Cherry Avenue  
Flagstaff, Arizona 86001  
Telephone: (928) 679-7860

**NOTICE TO VOTERS:** The candidates listed below may not appear on your ballot in the same order as shown.

To vote, fill in the oval next to your choices. To vote for an official write-in candidate, print the name in the space provided and fill in the oval. Do not exceed the number to elect. **VOTE LIKE THIS:**  No other marks will be valid or counted.

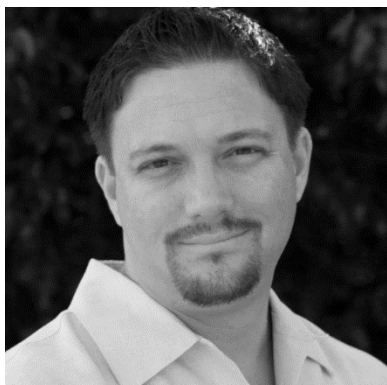
<b>MAYOR</b> VOTE FOR NOT MORE THAN 1	
<input type="radio"/>	EVANS, CORAL J.
<input type="radio"/>	_____ Write-in

<b>COUNCILMEMBER</b> VOTE FOR NOT MORE THAN 3	
<input type="radio"/>	ASLAN, AUSTIN
<input type="radio"/>	DEASY, PAUL
<input type="radio"/>	LAVIN, DENNIS
<input type="radio"/>	MARTINEZ, ALEX
<input type="radio"/>	SALAS, REGINA
<input type="radio"/>	SHIMONI, ADAM
<input type="radio"/>	_____ Write-in
<input type="radio"/>	_____ Write-in
<input type="radio"/>	_____ Write-in

# CANDIDATE STATEMENTS

*"The statements in this candidate pamphlet were reproduced as submitted and were not edited for spelling, grammar, or punctuation. These statements represent the opinions of the candidates and have not been checked for accuracy of content."*



**Name:** Austin Aslan

**Age:** 42

**Education:** University of Arizona, BS Wildlife Management  
University of Hawaii, Masters Conservation Biology  
National Science Foundation Graduate Research Fellow

**Occupation:** Author

**Website:** [www.austinaslanforflagstaff.com](http://www.austinaslanforflagstaff.com)

**E-mail:** [austin@austinaslanforflagstaff.com](mailto:austin@austinaslanforflagstaff.com)

Dear Flagstaff resident,

I'm honored to seek your vote for a seat on Flagstaff's City Council. I'm a homegrown Northern Arizona local with 20 years of deep ties to Flagstaff. I hold a Masters degree in biology and my wife is an NAU professor in the School of Earth and Sustainability.

I'm running to maintain Flagstaff's community character and its thriving, small town vibe. Flagstaff faces accelerating threats to its DNA. Thanks to rising housing costs, the greed of outside developers, NAU's top-down directive to expand, and a lack of forward thinking, locals are feeling abandoned. From police officers to firefighters, from teachers to hospitality staff—our workforce is struggling to make a living here. Change is always inevitable and often positive, but who should dictate the shape and speed of Flagstaff's growth? Big Phoenix developers? ABOR (which governs NAU)? Or local residents?

I believe that if you grew up in Flagstaff, you should feel welcome and able to stay. We must improve housing affordability, and more adequately fund at present levels our worthy public safety personnel, including our police officers and firefighters and other city employees.

We shouldn't have to whittle away at our forests and dark skies and neighborhood diversity to achieve economic vitality. I envision Flagstaff becoming a national leader in sustainability, while simultaneously increasing opportunities for local businesses and top-notch job-providers.

I'm attracted to the non-partisan nature of the job. While others shout past each other at the national level, we are positioned locally to hash out solutions to problems we all share by listening to great ideas from all sides.

Your vote will help me to lead a new council toward delivering smarter, more sustainable solutions to our current problems and those we can already see on the horizon. Thank you for your consideration.

## CANDIDATE FOR COUNCIL



**Name:** Paul Deasy

**Age:** 32

**Education:** MA Economics, MA Political Science, BA Economics, BS Political Science

**Occupation:** Data Scientist/Policy Analyst

**Website:** [www.deasyforflagstaff.com](http://www.deasyforflagstaff.com)

**Email:** [pideasy1@gmail.com](mailto:pideasy1@gmail.com)

I moved to Flagstaff when I was 12 years old. My wife and I are now raising our 4 children here. Over time I came to realize that it is not enough to read to my children every night and go to every soccer game. To ensure my children can prosper in life, I have to directly influence the environment and community they grow up in, and I have a unique skillset to offer.

As a data scientist specializing in policy analysis I have indirectly influenced government policies, providing the evidence and data to encourage evidence-based decision making. It has become clear though that empirical evidence is not at the forefront of many political decisions. We need elected officials who rely more on evidence than emotion, who rely on proof not preconception, and are proactive not reactive. It is through evidence-based decisions that we build a better future for our children, and I intend to do just that.

Flagstaff has the highest educational attainment of any city in Arizona, yet our economy continues to rely on minimum wage jobs. We need middle class careers, particularly in science and technology, and we have the skills here already to do it. Additive manufacturing, app development, informatics and cybersecurity are among them. Not only should we foster more careers in these fields, we need to instill more science and technology into our basic government operations.

Other local governments are doing just that, mixing recycled plastic in asphalt to double the longevity of roads, building biofuel generators that create industry demand for forest restoration efforts, and using smart technology, artificial intelligence and advanced road sensors to improve traffic conditions. Government resources should be used more efficiently, and the path to efficiency is paved in innovative technology.



## CANDIDATE FOR COUNCIL



**Name:** Dennis K. Lavin

**Age:** 67

**Marriage status:** Married with two (2) children

**Occupation:** Audit and Assurance Partner with an International Firm of Certified Public Accountants – retired status.

Affiliated with Flagstaff and Arizona:  
Flagstaff - Full or part time since 1997.  
Arizona – Full or part time since 1976.

I have no prior elected or appointed public positions

I currently I serve as Chairman of the Audit Committee for a local credit union. This is a volunteer position.

Over the years I have volunteered with a service organization; contributed to several community clean up events; and volunteered with youth organizations.

I enjoy reading, to include a range of topics. Those topics include history, fiction, and current events. In addition, my wife and I enjoy the museums and theatre scene in our Community. We are blessed to have so much culture available in our Community.

I am running for City Council to maintain our financial strength, support smart economic growth and job creation, and focus upon our infrastructure. Our current Flagstaff representatives have provided the community with a solid financial platform. I would offer my experience and skills with corporate governance, strategic planning, budgeting, and mentoring to grow Flagstaff's financial strength over the next four years. Given the opportunity, I will strive to continue securing our financial stability and working collaboratively with our partners.

These partners include federal, state, and county agencies; educational institutions; businesses; health providers; and our community and service organizations.

Many of our residents are concerned with our infrastructure and how continued community growth will affect their daily lives. I will try to enhance how the Council's message and goals are communicated to our community constituencies.

Our talented City employees take pride in their contributions to our greater Flagstaff community. I will continue to support their efforts.

Finally, I am a strong supporter of our public safety personnel. We as a community must support their vital role.

## CANDIDATE FOR COUNCIL



My name is Alex H Martinez and I am 70 years old. My current position is Executive Vice President for Research and Development at Hyper-Edge Corporation. I am a serving commissioner on the Flagstaff Planning and Zoning Commission. I am a retired Public School Superintendent and retired US Navy Reserve Captain with 36 years of service. My 36 years of military service did not stop with active duty but has let me to volunteer in obtaining services for needy veterans.

I am a 7<sup>th</sup> generation Arizonan whose family has deep roots in the state of Arizona and a strong sense of commitment to its future. I am a product of the Arizona Public Schools and University system. Our family has a strong belief in supporting the public educational system which directed me into the profession of public education. Our daughter and son have their Bachelor of Science Degrees and Master's Degrees from Northern Arizona University and the University of Arizona.

I have earned by Bachelor of Science, Master's Degree and Doctoral Degree from the University of Arizona in Educational Administration.

I am running for Flagstaff City Council as a citizen who want to address issues that cross over from partisan politics and develop comprehensive solutions that effect the safety and quality of life for all of us. It will be my responsibility to be focused on results while using a balanced approach to principles that will give out community peace of mind. The skills that I bring to the table would add to the council leadership. Our council needs to be outwardly focused and committed to issues that are clear and understandable using accurate data that is dedicated to our American culture and relevant to our city.

My email is [ahlamart38@gmail.com](mailto:ahlamart38@gmail.com) and my website is alexmartinezforflagstaffcitycouncil.

## CANDIDATE FOR COUNCIL



**Name:** Regina Salas

**Age:** 44

**Website:** <https://www.reginasalasforflg.com/>

**Email:** [ReginaSalasforFLG@gmail.com](mailto:ReginaSalasforFLG@gmail.com)

**Occupation:** Local business owner, I own ConnectEdge, a local consulting company helping small business and local nonprofits with business development, revenue development, capacity building and development.

**Education:** NC State University - National Recreation & Park Association: **Revenue Development and Management School**, A two-year comprehensive professional development program on proven revenue management and development strategies and techniques, emphasis on marketing and events/program development

ASU Lodestar Center for Philanthropy and Nonprofit Innovation: **Nonprofit Development and Management** training, workshop, and conference

University of the Philippines School of Labor & Industrial Relations: **Master of Industrial Relations**, Thesis: "Industrial Relations Transformation: Philippine Airlines' Flight to Industrial Peace and Profitability"

St. Scholastica's College, Manila, Philippines: **Bachelor of Arts in English**, Thesis: "Tolstoy's Images of Women", Campus Journalism Award of the Year Recipient

I'm the only female and an independent candidate for City Council. I'm a mother, a businesswoman and an immigrant living and thriving in Flagstaff for the last 12 years.

I'm running for office to offer my whole being to serve Flagstaff citizens and diverse communities. Born and raised in the Philippines, I bring diverse perspectives and wide worldview to the City leadership. My extensive background and experience in government (Philippine Congress, City of San Fernando and Coconino County), business sector, academe, and nonprofits are uniquely valuable capabilities: community and economic development, policy research and analysis, legislative development, budgeting, fiscal management, resource mobilization, labor dispute mediation, fundraising and friend-raising.

Through pragmatic leadership with focus on local issues, I pursue LIVE THRIVE FLAGSTAFF. We live, thrive, grow, and evolve in Flagstaff in spite of the challenges we experience, whether we have lived here since birth, for 2 years or for over 20 years. I have the energy and ability to bring people together, discover, develop and seize opportunities that serve us and our communities.

I bring forward the following priorities:

- BUSINESS RETENTION & EXPANSION: LOCAL SMALL BUSINESS, TOURISM, DIVERSIFY ECONOMIC SECTORS
- PLAN, MANAGE SUSTAINABLE GROWTH
- FOSTER SYNERGY AND COOPERATION WITH PUBLIC AGENCIES AND PRIVATE ENTITIES
- SUPPORT LOCAL NONPROFITS
- PROTECT NATURAL AREAS, OPEN SPACE AND DARK SKIES
- PURSUE QUALITY EDUCATION FOR CAREER/ENTREPRENEURSHIP READINESS AND WORKFORCE DEVELOPMENT
- IMPROVE EFFICIENCY, TRANSPARENCY AND FISCAL MANAGEMENT OF THE CITY

My passion for community advancement involves: Flagstaff Lodging & Restaurant Assoc., Flagstaff Chamber of Commerce, Flagstaff Independent Business Alliance, Local First Arizona, Flagstaff Communicators, Flagstaff CVB Marketing, Flagstaff Women's Leadership Network, COCONUTS Robotics Team, United Way VITA, Victim Witness Services.

I helped build, organize, fundraise and mobilize volunteers for the nonprofit Friends of Coconino County Parks supporting the County's efforts on land conservation, park development, volunteerism and recreation.

## CANDIDATE FOR COUNCIL



**Name:** Adam Shimoni

**Age:** 31

**Education:** Bachelors in High School Special Education & Career Tech Education with a minor in Business from NAU

**Occupation:** Business Owner, Teacher, Real Estate Agent, Community Organizer

**Website:** [www.ShimoniforCouncil.com](http://www.ShimoniforCouncil.com)

**E-Mail:** [ShimoniCampaign@gmail.com](mailto:ShimoniCampaign@gmail.com)

Flagstaff is a wonderful place to call home. The outdoors, diverse community, and quality of life are what makes our city so special. As Flagstaff grows, we face an increasing number of issues. I hear locals speak to the need for attainable housing, future water resources, economic development, and traffic congestion. I share these concerns, and I look forward to implementing long term solutions to these issues. My website, [shimoniforcouncil.com](http://shimoniforcouncil.com), describes my top priorities and outlines action steps. We need leadership to address these subjects head on, and to plan for the future, collaborating to implement models for sustainable growth.

To address our housing crisis, I hope to adjust the zoning code to ensure appropriate development, to negotiate with developers to construct affordable housing, and to advocate for building small homes. I will collaborate with NAU to find a better plan to accommodate their continued growth. To ease traffic congestion, I would support more road connections and a stronger public transit system. Future water resources is a strong concern of mine and one I hope to address through greater education and investment in conservation and re-use techniques.

We are strongest when we engage and address these issues together. One of my goals as a candidate is to encourage a culture of political engagement. My years leading "Speak Up: Bridging the Gap between Local People and Local Politics," and serving on the board of Friends of Flagstaff's Future have developed my passion for community involvement. My first bid for City Council in 2016, while only 59 votes shy from a win, furthered my understanding of engaging local communities and government. Check out my page, [facebook.com/ShimoniForCouncil](https://facebook.com/ShimoniForCouncil) for community events and ways of sharing your voice. I look forward to the opportunity to serve and represent the people of Flagstaff.

# PROPOSITION NO. 418

## INITIATIVE – SUSTAINABLE WAGES ACT

### COMPLETE TEXT OF PROPOSED ORDINANCE

AMENDING TITLE 15, CHAPTER 15-01 OF THE FLAGSTAFF CITY CODE  
RELATING TO MINIMUM WAGE LAWS

#### TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the City of Flagstaff, Arizona:

##### **15-01-001-0001 Short Title**

This act may be cited as the "The ~~Minimum~~ SUSTAINABLE Wages Act."

##### **15-01-001-0002 Definitions**

- A. "City" is the City of Flagstaff.
- B. "Office" is the department, division or office that the City shall establish, create or designate to enforce this chapter.
- C. "Employ" includes to suffer or permit to work; WHETHER A PERSON IS AN INDEPENDENT CONTRACTOR OR AN EMPLOYEE SHALL BE DETERMINED ACCORDING TO THE STANDARDS OF THE FEDERAL FAIR LABOR STANDARDS ACT, BUT THE BURDEN OF PROOF SHALL BE UPON THE PARTY FOR WHOM THE WORK IS PERFORMED TO SHOW INDEPENDENT CONTRACTOR STATUS BY CLEAR AND CONVINCING EVIDENCE.
- D. "Employee" is any individual who (1) works or is expected to work twenty-five (25) hours or more in any given calendar year within the geographic boundaries of the City for an employer and (2) is or was employed by an employer; BUT DOES NOT INCLUDE ANY PERSON WHO IS EMPLOYED BY A PARENT OR A SIBLING, OR WHO IS EMPLOYED PERFORMING BABYSITTING SERVICES IN THE EMPLOYER'S HOME ON A CASUAL BASIS.
- E. "Employer" includes any corporation, proprietorship, partnership, joint venture, limited liability company, trust, association, political subdivision of the state, individual or other entity acting directly or indirectly in the interest of an employer in relation to an employee, and shall include the City, but does not include the state of Arizona or the United States.
- F. "Minimum Wage" is the minimum wage rate as set under Section 15-01-001-0003 of this chapter.
- G. "Tip" means a verifiable sum presented by a customer as a gift or voluntary gratuity in recognition of some service performed for the customer by the employee receiving the tip.
- ~~H. "Tipped Employee" means an employee who customarily and regularly receives more than \$30 a month in tips, has been informed by the employer in writing about the tip notice provisions required by this chapter, and retains all tips that he or she receives.~~

##### **15-01-001-0003 Minimum Wage**

- A. Employers shall pay employees no less than the minimum wage, which shall be not less than:

1. ~~BEFORE JANUARY 1, 2021, \$10 an hour or \$2 above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, OR ITS SUCCESSOR STATUTE whichever is greater, on and after July 1, 2017;~~
  2. ~~ON AND AFTER JANUARY 1, 2021, \$11 an hour or \$2 FIFTY CENTS PER HOUR above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, OR ITS SUCCESSOR STATUTE. whichever is greater, on and after January 1, 2018;~~
  3. ~~\$12 an hour or \$2 above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, whichever is greater, on and after January 1, 2019;~~
  4. ~~\$13 an hour or \$2 above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, whichever is greater, on and after January 1, 2020;~~
  5. ~~\$15 an hour or \$2 above the state minimum wage as provided for under Section 23-363, Arizona Revised Statutes, whichever is greater, on and after January 1, 2021.~~
- B. The minimum wage shall be increased on January 1, 2022 and on January 1 of successive years, by the increase in the cost of living. The increase in the cost of living shall be measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index (all urban consumers, U.S. city average for all items) or its successor index as published by the U.S. department of labor or its successor agency, with the amount of the minimum wage increase rounded to the nearest multiple of five cents.
- C. ~~In the event that the federal minimum wage is increased above the level of the minimum wage that is in force under this section, the minimum wage under this section shall be increased to match the higher federal wage, effective on the same date as the increase in the federal minimum wage, and shall become the new minimum wage in effect under this section.~~
- D. ~~Employees entitled to overtime pay under the federal Fair Labor Standards Act, 29 U.S.C. §§ 206, 207, 213 are entitled to overtime pay under this chapter in accordance with federal law and regulations concerning overtime compensation under 29 U.S.C. §206, 207, 213. Such overtime pay shall be calculated based on the employee's regular rate of pay or the minimum wage rate set forth in this section, whichever is higher.~~
- EC. For any tipped employee who customarily and regularly receives tips or gratuities from patrons or others, the employer may pay a cash wage up to: \$3 per hour less than the minimum wage rate set forth in this section on or after July 1, 2017.
2. ~~\$2.50 per hour less than the minimum wage rate set forth in this section on or after January 1, 2022;~~
  3. ~~\$2 per hour less than the minimum wage set forth in this section OR on after January 1, 2023;~~
  4. ~~\$1.50 per hour less than the minimum wage set forth in this section on or after January 1, 2024;~~
  5. ~~\$1 per hour less than the minimum wage set forth in this section on or after January 1, 2025.~~

Provided, however, that the employer may only pay this lower cash wage if the employer can establish BY ITS RECORDS OF CHARGED TIPS OR BY THE EMPLOYEE'S DECLARATION FOR FEDERAL INSURANCE CONTRIBUTIONS ACT (FICA) PURPOSES that when adding tips received and retained to wages paid, the employee received not less than the minimum wage for all hours worked. ~~and the employee has been informed in writing by the employer of the provisions of this Section. All tips received by tipped employees are the sole property of the tipped employee and shall be retained by the tipped employee, except that nothing in this section shall prohibit a valid tip pool under which tips are pooled and distributed among tipped employees, provided that only the amount actually retained by each employee shall be considered part of that employee's wages for~~

~~purposes of this Section. On after January 1, 2026, an employer shall pay a tipped employee not less than the minimum wage set forth in this section for all hours worked.~~

#### **15-01-001-0004 Notice and Recordkeeping Requirements**

- A. The Office shall publish and make available to employers all of the following, in English, Spanish and any language spoken by more than 5% of the workforce in the City: (1) a bulletin announcing the adjusted minimum wage rate for the upcoming year and its effective date no less than two months before its effective date; (2) a template bulletin for employers to post in the workplace informing employees of the current minimum wage rate and their rights to the minimum wage, including information about the right to be free from retaliation and the right to file a complaint and the contact information for the Office; and (3) a template notice suitable for use by employers in complying with subsections B and C of this section.
- B. Every employer shall post the bulletin referred to in subsection A in a conspicuous place at any workplace or job site in English, Spanish and any language spoken by at least 5% of the employees at the workplace or job site.
- C. Every employer shall also provide each employee, at the time of hire or by July 1, 2017 whichever is later, written notice of: the employer's business name, address, and telephone number; the employee's right to earn the minimum wage and the current minimum wage rate; the employee's right to be free from retaliation; AND the employee's right to file a complaint; ~~and the contact information for the Office where questions about rights and responsibilities under this chapter can be answered.~~ If the employee's primary language is one spoken by at least 5% of the employees at the workplace or jobsite, the notice required by this subsection shall be provided in English and in the employee's primary language.
- D. Every employer shall maintain payroll records showing the hours worked for each day worked, and the wages paid to all employees for a period of four years ~~and shall allow the Office access to such records to monitor compliance.~~ Failure to maintain such records ~~and/or allow the Office reasonable access to such records~~ shall raise a rebuttable presumption that the employer did not pay the required minimum wage ~~and the employee's reasonable estimate regarding hours worked and wages paid shall be relied on, absent clear and convincing evidence otherwise.~~ THE RIGHTS OF PERSONS TO INSPECT AND COPY THE RECORDS REQUIRED BY THIS CHAPTER SHALL BE AS PROVIDED IN SECTION 23-364(D) OF THE ARIZONA REVISED STATUTES OR ITS SUCCESSOR STATUTE.

#### **15-01-001-0005 Retaliation Prohibited**

- A. No employer or other person shall discharge or take any other adverse action against any person in retaliation for asserting any claim or right under this chapter, for assisting any other person in doing so, or for informing any person about their rights. Taking adverse action against a person within ninety days of a person's engaging in the foregoing activities shall raise a presumption that such action was retaliation, which may be rebutted by clear and convincing evidence that such action was taken for other permissible reasons.

#### **15-01-001-0006 Implementation, Investigation and Enforcement**

- ~~A. Administrative Hearing Process. To the extent allowable under state law, the City shall have the authority to coordinate implementation and enforcement of this chapter, including but not limited to establishing a civil administrative hearing process, including procedural rules; whereby the city shall receive employee complaints in writing and by telephone, investigate and prosecute complaints it deems meritorious and keep complainants notified regarding the status of the investigation. An administrative hearing judge shall hear and adjudicate the case and enter appropriate rulings pursuant to this chapter.~~
- A.B. ~~The Office may investigate any possible violations of this chapter by an employer or other person. Any person or organization may file an administrative complaint with the Office charging that an employer has violated this chapter as to any employee or other person. When the Office receives a complaint, it may review records regarding all employees at the employer's worksite in order to protect the identity of any~~

~~employee identified in the complaint and to determine whether a pattern of violations has occurred. The name of any employee identified in the complaint shall be kept confidential as long as possible. Where the Office determines that an employee's name must be disclosed in order to investigate a complaint further, it may do so only with the employee's consent.~~ SHALL FORWARD THE COMPLAINT TO THE ARIZONA INDUSTRIAL COMMISSION FOR INVESTIGATION AND ENFORCEMENT PROCEEDINGS AS PROVIDED IN SECTION 23-364 OF THE ARIZONA REVISED STATUTES OR ITS SUCCESSOR STATUTE. THE OFFICE SHALL NOT HAVE AUTHORITY TO INVESTIGATE OR PURSUE ENFORCEMENT PROCEEDINGS IN CONNECTION WITH ANY COMPLAINT THAT ALLEGES CONDUCT IN VIOLATION OF TITLE 23, CHAPTER 2, ARTICLE 8 OF THE ARIZONA REVISED STATUTES, OR THEIR SUCCESSOR STATUTES, IRRESPECTIVE OF WHETHER SUCH CONDUCT ALSO WOULD VIOLATE THIS CHAPTER.

- B. IF, AFTER INVESTIGATING A COMPLAINT FILED PURSUANT TO THIS CHAPTER OR STATE LAW, THE ARIZONA INDUSTRIAL COMMISSION FINDS THAT THE EMPLOYER HAS ENGAGED IN CONDUCT THAT VIOLATES TITLE 23, CHAPTER 2, ARTICLE 8 OF THE ARIZONA REVISED STATUTES, OR THEIR SUCCESSOR STATUTES, THE OFFICE MAY NOT ASSESS OR IMPOSE ADDITIONAL CIVIL PENALTIES OR REMEDIES UNDER THIS CHAPTER FOR THE SAME CONDUCT.
- C. IF, AFTER INVESTIGATING A COMPLAINT FILED PURSUANT TO THIS CHAPTER OR STATE LAW, THE ARIZONA INDUSTRIAL COMMISSION FINDS THAT THE EMPLOYER HAS ENGAGED IN CONDUCT THAT DOES NOT VIOLATE TITLE 23, CHAPTER 2, ARTICLE 8 OF THE ARIZONA REVISED STATUTES, OR THEIR SUCCESSOR STATUTES, BUT THAT DOES VIOLATE THIS CHAPTER, THE OFFICE MAY ASSESS OR IMPOSE CIVIL PENALTIES OR REMEDIES UNDER THIS CHAPTER.
- G.D. To the extent allowable by law, a civil action to enforce this chapter may be maintained in the Flagstaff Municipal Court or in any court of competent jurisdiction by the City or by any private party injured by a violation of this chapter.

#### **15-01-001-0007 Civil Penalties and Remedies**

- A. Any employer who fails to pay the wages required under this chapter shall be required to pay the employee the balance of wages owed, including interest thereon, and an additional amount equal to twice the underpaid wages as liquidated damages.
- B. Any employer who retaliates against an employee or other person in violation of this chapter shall be required to pay the employee a penalty set by THE ARIZONA INDUSTRIAL COMMISSION, the Office or a court sufficient to compensate the employee and deter future violations, but not less than \$250 for each day that the violation continued or until legal judgment is final. ~~In any case where an Employee has been discharged in retaliation for exercising rights under this ordinance, the period of violation extends from the day of discharge until the day the Employee is reinstated, the day the Employee agrees to waive reinstatement or in the case of an Employee who may not be rehired, from the day of discharge until the day legal judgment is final.~~
- C. SUBJECT TO SECTION 15-01-001-006, Any employer who violates the recordkeeping, posting or other requirements that the Office may establish under this chapter shall be subject to CIVIL PENALTIES AS PROVIDED IN SECTION 23-364(F) OF THE ARIZONA REVISED STATUTES, OR ITS SUCCESSOR STATUTE. CIVIL PENALTIES SHALL BE RETAINED BY THE AGENCY THAT RECOVERED THEM. ~~a civil penalty payable to the City of at least \$250 for a first violation, and least \$1,000 for each subsequent or willful violation and may, if the Office or Court determines appropriate, be subject to special monitoring and inspections. In order to compensate the City for the costs of investigating and remedying violations under this chapter, the Office may also order a violating employer or person to pay to the City a civil penalty of not more than fifty dollars (\$50.00) for each day and for each employee or person as to whom a violation of this chapter occurred or continued. To the extent allowable by law, such funds shall be allocated to the Office and shall be used to offset the costs of implementing and enforcing this chapter. Not less than fifty percent (50%) of such funds, and of any other civil penalties assessed and retained by the City pursuant to this chapter, shall be earmarked for the funding of the community based outreach program provided for in this Section.~~



- D. ~~The Office and the courts~~ AND, SUBJECT TO SECTION 15-01-001-006, THE OFFICE, shall have the authority to order payment of such unpaid wages, liquidated damages, and civil penalties and to order any other appropriate legal or equitable relief for violations of this chapter. To the extent allowable by law, civil penalties paid to the City shall be retained by the Office and used to finance activities to enforce this chapter. A prevailing plaintiff shall be entitled to reasonable attorneys' fees and costs of suit from a violating employer.
- E. A civil action to enforce this chapter may be commenced no later than two years after a violation last occurs, or three years in the case of a willful violation, and may encompass all violations that occurred as part of a continuing course of employer conduct regardless of their date. The statute of limitations for bringing a civil action shall be tolled during any investigation of an employer by the ~~Office~~ ARIZONA INDUSTRIAL COMMISSION or other law enforcement officer, but such investigation shall not bar a person from bringing a civil action under this chapter. ~~The requirements of this chapter may also be enforced by the City Attorney. In such case, unpaid wages and damages recovered shall be payable to the individual Employee as to whom the violation occurred.~~ No verbal or written agreement or employment contract may waive any rights under this chapter.
- F. ~~The Office shall establish an education and outreach program in partnership with community based organizations to conduct education and outreach to employees and employers of their rights and obligations under this chapter.~~

#### **15-01-001-0008 Other Legal Requirements**

- A. Nothing in this chapter shall be interpreted or applied so as to create a conflict with Federal or State Law.
- B. This chapter provides minimum requirements and shall not be construed to preempt, limit, or otherwise affect the applicability of any other law, regulation, rule, requirement, policy, or standard that provides for greater protections to employees.

#### **15-01-001-0009 No Effect on More Generous Policies**

- A. Nothing in this chapter shall be construed to discourage or prohibit the adoption or retention of a wage policy more generous than that which is required herein.
- B. Nothing in this chapter shall be construed as diminishing the obligation of an employer to comply with any contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous wages to an employee than required herein.

#### **15-01-001-0010 Savings Clause**

This act does not affect rights and duties that matured, penalties that were incurred and proceedings that were begun before the effective date of this act.

#### **15-01-001-0011 Severability**

If a provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

OFFICIAL BALLOT

PROPOSITION NO. 418

OFFICIAL TITLE: SUSTAINABLE WAGES ACT

**DESCRIPTIVE TITLE:** Amendment to the Flagstaff City Code Chapter 15-01, Minimum Wage, reducing the current minimum wage in Flagstaff to at least the minimum hourly wage imposed by state law and eventually an additional fifty cents per hour; and making other provisions similar to parallel provisions in state law.

A **YES** vote shall have the effect of amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code by reducing the current minimum wage to the state minimum wage until January 1, 2021, after which the minimum wage will be fifty cents per hour above the state minimum wage; and amending other provisions making Chapter 15-01 similar to state law.

**YES**

A **NO** vote shall have the effect of not amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code and retaining the existing current minimum hourly wage and provisions approved by the voters in 2016.

**NO**

AS IT WILL APPEAR ON BALLOT

PROPOSITION NO. 418

**Proposed by initiative petition, amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code**

A **YES** vote shall have the effect of amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code by reducing the current minimum wage to the state minimum wage until January 1, 2021, after which the minimum wage will be fifty cents per hour above the state minimum wage; and amending other provisions making Chapter 15-01 similar to state law.

A **NO** vote shall have the effect of not amending Chapter 15-01, Minimum Wage, of the Flagstaff City Code and retaining the existing current minimum hourly wage and provisions approved by the voters in 2016.

☐ YES

☐ NO

**ARGUMENTS FOR PROPOSITION NO. 418**

The "for" and "against" arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

**ARGUMENTS AGAINST PROPOSITION NO. 418**

The “for” and “against” arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

DRAFT

# PROPOSITION NO. 419



## CONTINUATION OF SALES TAXES – ROADWAY, PEDESTRIAN, BICYCLE, AND SAFETY IMPROVEMENTS

### SUMMARY ANALYSIS

(For more information see Frequently Asked Questions below)

Since 2000, the Flagstaff City Council has collected City Transportation Sales Taxes for roads, pedestrian, bicycle, and safety improvements at a combined rate of 0.426% or 42.6 cents on a \$100 retail purchase. That combined sales tax is scheduled to end on June 30, 2020.

#### History of City Road Funding

Historically, the City of Flagstaff funded all road projects with state-shared monies from the Highway User Revenue Fund (HURF). These state-shared revenues, as well as federal transportation revenues are generated primarily from taxes on gas and diesel fuel. The buying power of these taxes has been declining for several decades. At the same time, transportation project construction and repair costs have been increasing. Additionally, cars and trucks have become more fuel efficient, so fuel tax revenues have not kept pace with the increasing overall miles of travel on the roads. The State has also diverted some highway monies from road projects to pay for other state services that have directly reduced the City's annual revenues from HURF.

- Adjusted for inflation, the buying power of a dollar in fuel taxes today is only 54% of what it was worth in 1990. The steady decline of these major funding sources is straining street and road budgets for all levels of government (city, county and state), including the City of Flagstaff.
- Arizona ranks among the lowest states in combined federal and state gasoline tax rates.
- Over that last 15 years, the State has diverted over \$4 million in state-shared highway revenues that would otherwise come to Flagstaff due to transfers to other state purposes.
- The City is not authorized to collect its own gas tax.

Recognizing the importance of a good transportation system to City residents and the pending expiration of the current City Transportation Sales Taxes, the City Council voted to place a question on the November 6, 2018 election ballot seeking authority to continue the current City Transportation Sales Taxes, at the existing rate of 0.426% (42.6 cents on a \$100 purchase), for roadway, pedestrian, bicycle, and safety improvements. The estimated costs of these improvements and more-detailed descriptions of the proposed projects are as follows:

#### Project Description:

If Proposition 419 is approved by the voters, the City Transportation Sales Tax will fund new streets, widened streets, pedestrian and bicycle projects, safety improvements, and street operations, including but not limited to, traffic signal technology. To accommodate vehicles, pedestrians, bicycles, and buses, new and widened streets will be proposed to be built as “complete streets” that incorporate:

- Adjacent curbs, gutters, sidewalks, bicycle paths;
- Pedestrian safety projects, transit facilities; and
- Utilities under or near streets being constructed or repaired using City utility program funding. This ensures efficiency so that the City's Water Services Division (water, wastewater, and storm water) does not have to cut into recently improved streets.

The costs listed below are estimates only, based on City staff projections. Spending priorities for all transportation projects are established annually by the City Council based on regular public input, debate, and consideration as a part of the City's annual budget process.

### **New Streets Projects**

Several new streets will be added, if Proposition 419 is approved. These new streets will allow traffic to balance across the city to help improve circulation and manage congestion. They will also provide alternate routes for many reasons, such as accidents, major events, and construction. Pedestrian, bicycle, and transit movements will be provided for on or along the new streets.

Some of the new streets will include John Wesley Powell Boulevard from I-17 to Lake Mary Road and John Wesley Powell Boulevard from Lone Tree Road to Fourth Street at Butler Avenue. These streets have been identified as needed in the City's and region's major plans and by various City commissions.

This alternate route allowing east-west travel south of I-40 and connecting I-17 to Lone Tree Road and Fourth Street will support access to employment at the airport. Travelers to and from downtown, including winter tourists, will be able to better access Lone Tree Road. Long distance bicyclists may access Lake Mary Road and US Highway 89A. Traffic from residential and commercial development south of I-40 and east of I-17 can be distributed to multiple north-south routes.

If Proposition 419 is approved, approximately \$61 million is proposed to be spent on new streets. Private funding is expected to pay a significant portion of the cost of John Wesley Powell Boulevard and Fourth Street between Lone Tree Road and Butler Avenue. It is also expected that the City will negotiate with private partners along these corridors for partial funding of other public improvements along and near those corridors, such as parks, fire stations, and police stations.

### **Street Widening Projects**

A number of possible street widening projects will add two new lanes to several current two-lane roadways. Many locations will be landscaped with center medians and parkways between the street curb and sidewalk. Some intersections will be improved to be more efficient. Some streets that are part of the permanent transit network, will have transit related improvements.

Some of the streets that will be widened include Lone Tree Road, Butler Avenue between I-40 and Fourth Street, and West Route 66. The street widenings will correct some existing bottlenecks and challenging or unpredictable traffic merges. Capacity will be added at intersections to improve efficiency and operational improvements like traffic signals added where warranted.

If Proposition 419 is approved by the voters, approximately \$96 million is proposed to be spent on street widening projects. Additional funding through public-private partnerships is expected to help complete some of the projects. Partnerships with adjacent land owners, Arizona Department of Transportation, and Northern Arizona University will be pursued where appropriate.

### **Pedestrian & Bicycle Projects**

Improvements to bicycle and pedestrian pathways are important to make Flagstaff a more livable community. Various sidewalks, bike lanes, and Flagstaff Urban Trails System (FUTS) trails may be built where there are currently gaps in these systems and additional, enhanced street-level street crossings will be added for safety. Some pedestrian/bicycle bridges and tunnels will be added to improve travel times and safety. These projects will occur across the city.

Continuous, uninterrupted, and safe travel encourages more pedestrians and bicyclist travel. The improvements will also make it easier to get to some bus stops.

If Proposition 419 is approved by the voters, approximately \$54 million is proposed to be spent directly on pedestrian and bicycles facilities. This is beyond the new sidewalks, bike lanes, and crossings that will also be built in conjunction with new and widened streets.

## Street Operations

Safe and efficient street operations require constant monitoring and technology upgrades. If Proposition 419 is approved by the voters, funds may be used to partner with agencies like the Arizona Department of Transportation and Northern Arizona Intergovernmental Public Transportation Authority, the transit authority, on mutually beneficial projects. Developers building new subdivisions and commercial buildings will contribute their fair share to nearby transportation improvements like traffic signals and the City will use these monies to complete street improvements. Traffic signals will be added, older signals will be enhanced with new technology, and new street lights will be installed to maintain the City's commitment to maintaining Flagstaff's "Dark Skies". Improved traffic light technology allows better traffic management at intersections and quickly identifies problems in the signal system. Neighborhood and corridor plans will be developed with public input on new or improved facilities.

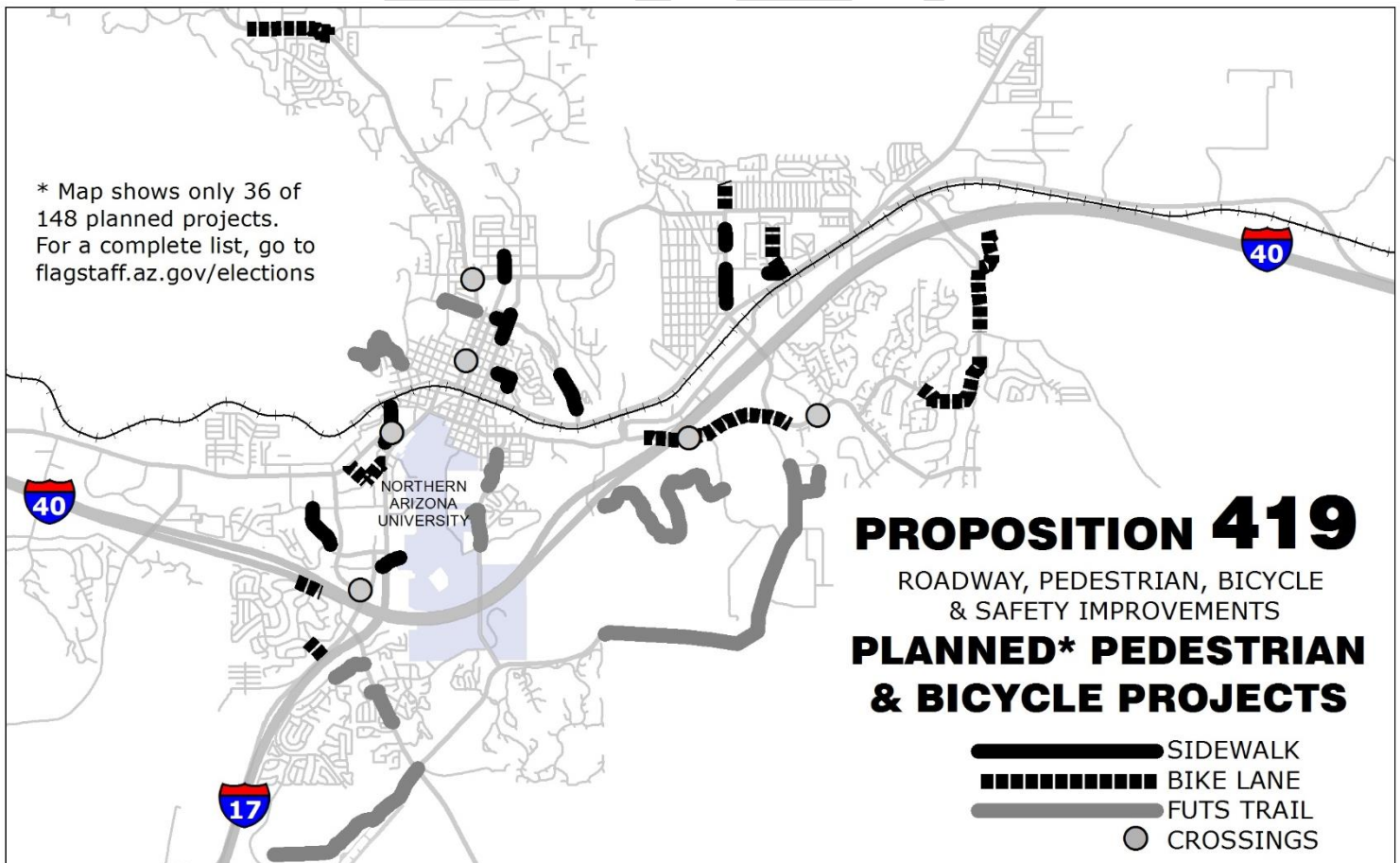
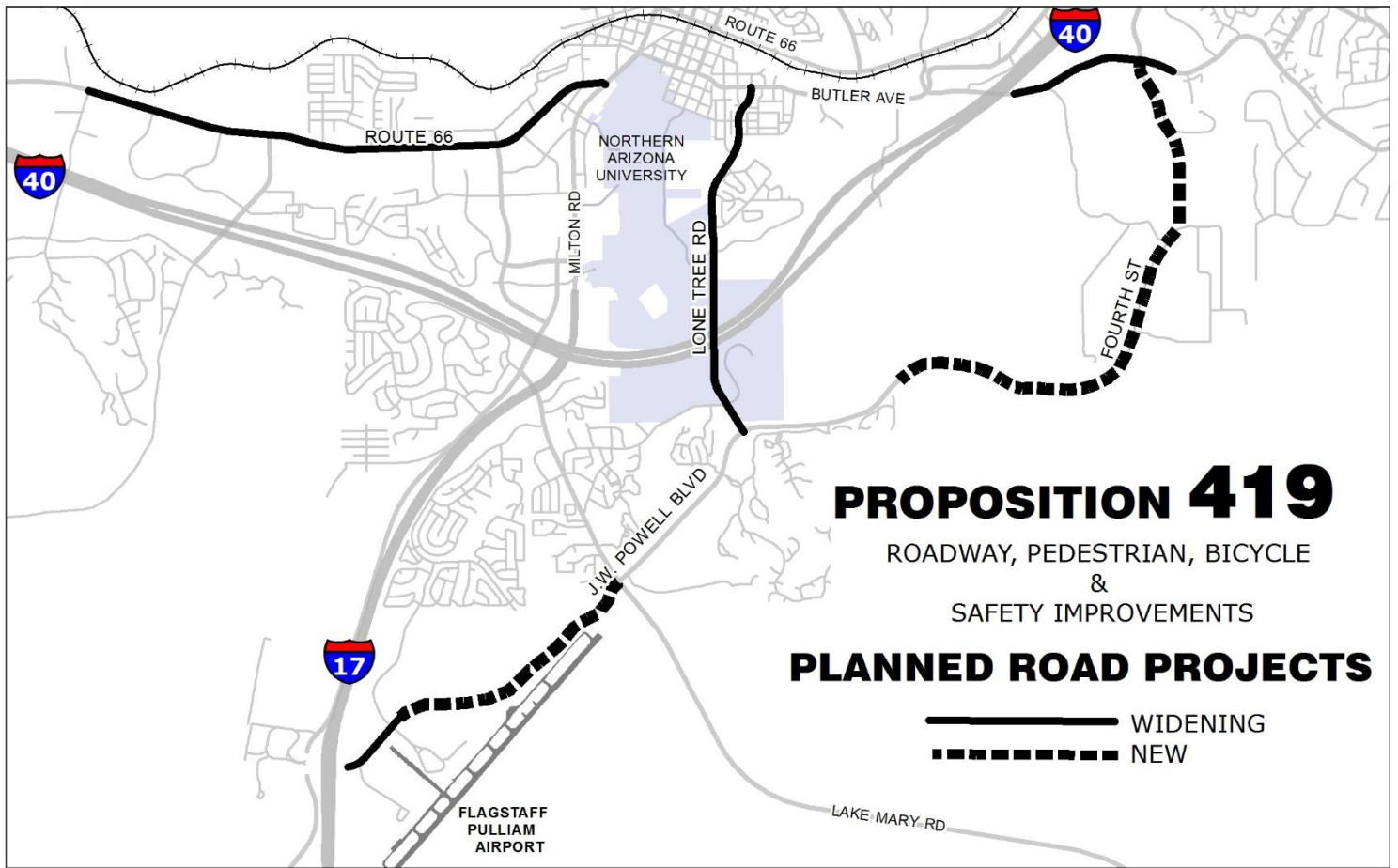
The City's Street Section will respond to the changing needs and pressures over the life of the City Transportation Sales Tax. Having funding available for partnership opportunities allows the City to respond immediately to opportunities when they occur and allows local tax dollars to do more.

If Proposition 419 is approved by the voters, approximately \$55 million will be spent on street operations.

The information provided in this document reflects the best information available to the City of Flagstaff at the time of its preparation. The descriptions of future programs and expenditures are based on currently available information and expectations. All such programs and expenditures are subject to future decisions and actions of the City Council. As such, the actual future programs and expenditures may vary from the descriptions herein. **The actual ballot language, of any ballot proposition that is approved, is legally binding on the future actions of the City Council, and no monies may be expended except for the purposes described in such ballot question.**

## City Transportation Sales Tax Facts

- **Rate** – If approved, the City Transportation Sales Tax rate will remain 0.426%, which is the equivalent of 42.6 cents on a \$100 purchase. Because the City Transportation Sales Tax will be a continuation of the existing tax at the existing rate, the City's total sales tax rate for general and transportation purposes will not increase.
- **Length** – If approved, the continuation of the City Transportation Sales Tax will be for a period of 21 years from July 1, 2020 until June 30, 2041, if approved.
- **Revenue generation** – The City Transportation Sales Tax is projected to generate approximately \$266 million over the 21-year period, including anticipated inflation. The amount actually generated will be dependent on economic conditions during the period.
- **Borrowing** – If approved, the City may borrow to fund some projects secured by the City Transportation Sales Tax revenues. The financing proceeds will be used to expedite some of the larger projects. This way, critical projects can be completed sooner and will cost less.



## Frequently Asked Questions

(For more information see Summary Analysis above)

### Questions about Proposition 419 – Continuation of Sales Taxes – Roadway, Pedestrian, Bicycle, and Safety Improvements

#### 1. Why is the City of Flagstaff sending this proposition to the voters?

Flagstaff's City Transportation Sales Taxes, first approved by voters in 2000, expires on June 30, 2020. These taxes provide most of the funding for roadway, bicycle, pedestrian, and safety projects in the City as well as general transportation system operations. If the taxes are not continued, most transportation projects in the City will stop. Additionally, the proposed projects that will be funded, if determined by the City Council, have been identified in the Flagstaff's voter approved General Plan, *Flagstaff Regional Plan 2030: Place Matters*.

The City Charter requires voter approval to levy a city sales tax, such as the City Transportation Sales Tax.

#### 2. What is the City Transportation Sales Tax?

The City of Flagstaff imposes a dedicated sales tax rate for general transportation purposes. This tax rate is referred to as the City Transportation Sales Tax. First approved by City voters in 2000, it has funded a significant number of roadway, bicycle, and pedestrian projects, including the Fourth Street Railroad Overpass, the connection of Soliere Avenue to Fourth Street, and the improvements to West Street.

The City Transportation Sales Taxes originated when City voters passed three separate transportation sales tax ballot questions in 2000. The three ballot questions concerned *Safe to School and Pedestrian and Bike Projects*, the *Fourth Street Railroad Overpass*, and *Traffic Flow and Safety Projects*. The combined sales tax rate for the three ballot questions was 0.426%, or 42.6 cents on a \$100 purchase. If approved, Proposition 419 would continue the City Transportation Sales Tax at that same rate through 2041. The City's sales tax is a transaction privilege tax on the gross revenues generated by retail sales and other taxable activities.

If approved, Proposition 419 would continue the City Transportation Sales Tax at the existing rate of 0.426% or 42.6 cents on a \$100 purchase.

#### 3. Why is the City sending this proposition to the voters now?

The City Transportation Sales Taxes, first approved by voters in 2000, expires on June 30, 2020.

The Flagstaff Citizens' Transportation Tax Commission met through the last winter and spring and recommended to the Flagstaff City Council that a question to continue the City Transportation Sales Tax at the current tax rate level be placed on the November 6, 2018 election ballot. The Commission met numerous times and

- Received public comment;
- Reviewed, analyzed, and discussed the existing conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed, analyzed, and discussed the anticipated future conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed and discussed the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan*;
- Reviewed a wide range of proposed transportation projects and needs in the city;
- Reviewed and discussed plans and policies frequently used in transportation planning;
- Reviewed and discussed the funding and financing of the City's transportation systems and projects;
- Reviewed, discussed, and initially prioritized a range of transportation needs within the city and possible transportation solutions; and
- Discussed and prioritized specific alternative solutions to meet the transportation challenges confronting the City.

The work of the Flagstaff Citizens' Transportation Tax Commission relied on the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan* that was an extensive transportation planning effort



over 24 months. The *Blueprint 2040 Regional Transportation Plan* was supported by a steering committee of community leaders, presentations to numerous City and County commissions, and several surveys.

**4. Who will pay for the proposed transportation projects and what will they cost?**

If Proposition 419 is approved by the voters, any person, resident or non-resident, purchasing taxable goods within the city limits would continue to pay the City Transportation Sales Tax during the life of the tax extension. It has been estimated, that as much as fifty percent (50%) of City sales tax collections are on purchases made by non-residents.

**5. Why is the City considering issuing bonds for these proposed transportation projects?**

Bonds will allow the City to accelerate some of the larger projects, so they can be completed sooner, rather than later. Without the bonds, it could mean waiting up to 15 to 20 years for the completion of some projects.

**6. Has the City considered raising the gas tax to pay for proposed roadway, pedestrian, bicycle, and safety improvements?**

State law prohibits cities from levying a gas tax; only state and federal governments can do that in Arizona.

**7. Isn't there State funding for transportation projects like these?**

There has not been a significant increase in state highway user taxes in over 25 years and over that time the "buying power" of state shared highway revenues has significantly declined. That is one of the reasons that the original City Transportation Sales Taxes were submitted to Flagstaff voters in 2000.

**8. Why is the City considering continuing to use a sales tax to fund transportation?**

If Proposition 419 is approved, every person and business purchasing taxable goods or engaging in taxable activities within the city would continue to pay the sales tax. This includes visitors to Flagstaff as well as people who live outside the city limits and come into Flagstaff to work, shop, and socialize and who all use city streets. Many Arizona cities rely on sales taxes to pay for a portion of their transportation costs.

**9. How much will City sales taxes increase if Proposition 419 is approved?**

Proposition 419 is to continue the existing City Transportation Sales Tax, so the sales tax rate will not increase if Proposition 419 is approved. The current total City retail sales tax is now 2.051%. It will remain 2.051% if Proposition 419 is approved and no other sales tax increases are approved.

**10. How much will City sales tax total if Propositions 419, 420, and 421 are all approved?**

If only Proposition 419 – *Continuation of Transportation Sales Tax* is approved, the overall City sales tax will remain 2.051%. If Proposition 420 – *Lone Tree Overpass Sales Tax* is also approved, the overall City sales tax will increase to 2.281%. If both Proposition 420 – *Lone Tree Overpass Sales Tax* and Proposition 421 – *Increasing Transit Services* are also approved, the overall City sales tax will increase to 2.431%.

The City also levies a dedicated Bed, Board, and Beverage sales tax of 2.0%. If Proposition 419 is approved the total City tax on lodging, restaurants, and bars will remain 4.051%.

**11. What would the total state, county, and city sales tax rate on lodging, restaurants, and bars be, if Propositions 419, 420, and 421 are all approved?**

If Propositions 419, 420, and 421 are all approved, the total state, county, and city sales tax rate (with the City's 2% BBB tax) in Flagstaff on lodging, restaurants, and bars will increase from 10.951% to 11.331%.

**12. Why can city residents only vote on this increased tax when county residents will also pay?**

State law does not allow citizens who reside outside city limits to vote in city elections. County residents will only pay this tax on goods purchased within the city limits.

**13. What will ensure that the new tax money is being spent on these proposed transportation projects?**

The ballot language is legally binding. By law, the City may only spend the voter-authorized revenues for the improvements stated in the ballot question.

If Proposition 419 is approved, future City Councils will review, consider, and determine which projects proposed by City staff and commissions will be approved and receive necessary allocations for completion. This process will occur both at regular City Council meetings where public comment will be received, as well as through the budget process which includes a public hearing and City Council consideration/debate. Ultimately it will be future City Councils that determine which proposed projects will be approved, which real estate will be acquired, and how the money from the continuing sales tax will be spent.

**14. How can we be sure there is enough money to complete these proposed projects?**

In its projections, City staff has used conservative estimates of future revenue collections and inflation. The City has also been conservative in their proposed project cost estimation. The City will report to the public regularly to discuss transportation spending priorities. Any differences between expected revenue and actual revenues will be discussed by the Council and with the public regularly when reports are given at City Council meetings.

**15. Does a “yes” vote on one proposition require a “no” vote on the other propositions?**

No, each ballot item is a separate question. Voters may vote either “yes” or “no” on each proposition. The several potential projects and programs described in Propositions 419, 420, and 421 are designed to work together to improve the overall transportation system. But each proposed project that would be funded by Propositions 419, 420, and 421 is also designed to stand on its own. In this election, voters have the opportunity to decide whether it is important to undertake all, some, or none of these projects at this time.

**16. Have City voters previously supported additional expenditures for transportation?**

Yes. In 1988, City of Flagstaff voters approved bonds for several transportation improvements.

In 2000, City voters approved several sales tax increases to fund general street improvements, pedestrian and bicycle improvements, safety projects, the Fourth Street Railroad Overpass, and the start of the City’s transit system.

In 2008 and 2016 voters approved an expansion and then extension of transit sales tax.

In 2014, voters approved a sales tax for road repair and street safety improvements.

The City Transportation Sales Taxes, approved by voters in 2000, for general street improvements, pedestrian and bicycle improvements, safety projects, and the Fourth Street Railroad Overpass expire in less than two years.

**17. What is the purpose of the proposed projects?**

The roadway, pedestrian, bicycle and safety improvements projects are designed to address bottlenecks, needed connections, and facilities for pedestrians, and bicycles. If approved, Proposition 419 will also fund for a number of smaller projects designed to improve traffic flow and safety citywide.

**18. The City is asking for an extension, what do these taxes currently fund?**

The 0.426% City Transportation Sales Tax, approved in 2000 that ends in 2020, funded the *Fourth Street Railroad Overpass*, *Traffic Flow & Safety* improvements, *Safe-to-School* improvements, and other *Pedestrian and Bike Projects*.

**19. Which proposed projects will be built first?**

That will ultimately be a decision made by the City Council. If Proposition 419 is approved, those proposed projects for which engineering has been completed and that are already identified in City-adopted plans will likely be started first. A possible example of this is the Butler Avenue widening project between I-40 and Fourth

Street. Smaller projects like new traffic signals and safety improvements will likely be built on an as-needed basis.

**OFFICIAL BALLOT**

**PROPOSITION NO. 419**

**Purpose: Continuation of Sales Taxes for Roadway, Pedestrian, Bicycle, and Safety Improvements**

Shall the City Council have the authority to amend the Tax Code of the City to continue the levy of three existing transaction privilege/sales taxes expiring in 2020 as a single “transportation” transaction privilege/sales tax rate of 0.426% (\$0.00426), to be in effect for a period of 21 years beginning July 1, 2020, to be used for the following purposes:

- design, construction, reconstruction, improvement, and maintenance of roadways;
- construction, reconstruction, and maintenance of walkways, bike paths, pedestrian and bicycle crossings;
- technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs;
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes?

A **YES** vote shall have the effect of approving the continuation of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle, and safety improvements, and authorizing the incurrence of debt to accelerate such purposes.

**CONTINUATION OF  
SALES TAXES, YES**

A **NO** vote shall have the effect of disapproving a levy and allowing the existing transportation sales taxes to expire on July 1, 2020.

**CONTINUATION OF  
SALES TAXES, NO**

AS IT WILL APPEAR ON BALLOT

**PROPOSITION NO. 419**

**A measure referred to the people by the Flagstaff City Council relating to continuation of a Sales Tax for Roadway, Pedestrian, Bicycle, and Safety Improvements**

A **YES** vote shall have the effect of approving the continuation of a levy of a transportation sales tax at the same cumulative rate of 0.426% as the current taxes to be in effect for a period of 21 years beginning July 1, 2020, for roadway, pedestrian, bicycle, and safety improvements, and authorizing the incurrence of debt to accelerate such purposes

A **NO** vote shall have the effect of disapproving a levy and allowing the existing transportation sales taxes to expire on July 1, 2020

☐ **YES**

☐ **NO**

**ARGUMENTS FOR PROPOSITION NO. 419**

The "for" and "against" arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

**ARGUMENTS AGAINST PROPOSITION NO. 419**

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In chronological order of submission

# PROPOSITION NO. 420



## SALES TAX – LONE TREE RAILROAD OVERPASS FROM BUTLER AVENUE TO ROUTE 66

### SUMMARY ANALYSIS

(For more information see Frequently Asked Questions below)

Since 2000, the Flagstaff City Council has collected City Transportation Sales Taxes for a range of transportation purposes, including the construction of the Fourth Street Railroad Overpass that connects East Route 66 and Fourth Street to Butler Avenue. Those City Transportation Sales Taxes are scheduled to end on June 30, 2020.

Recognizing the importance of a good transportation system to City residents, the City Council voted to place a question on the November 6, 2018 election ballot seeking authority to increase the City sales tax by 0.23%, or 23 cents on a \$100 purchase and authorize the issuance of bonds to finance the completion of the Lone Tree Railroad Overpass. If approved, the 0.23% sales tax would be referred to as the Lone Tree Overpass Sales Tax. The estimated costs of these improvements and more detailed descriptions of the projects are as follows:

#### **Project Description:**

If Proposition 420 is approved by the voters, the Lone Tree Railroad Overpass – a bridge connecting Butler Avenue to East Route 66 over the railroad tracks at Lone Tree Road – will be constructed. A new traffic signal will be located at the connection with East Route 66. The Overpass will have multiple lanes, sidewalks, bike lanes, and a Flagstaff Urban Trail System (FUTS) trail. Connections to the pedestrian and bicycle Santa Fe Trail along East Route 66 will also be made. Local street connections under the Overpass will also be completed.

The City is proposing to issue bonds to be repaid with the dedicated 0.23% City Lone Tree Overpass Sales Tax. By issuing bonds, the City will be able to complete the Overpass in six to eight years rather than possibly more than 18 to 20 years.

The Lone Tree Railroad Overpass would connect Lone Tree Road to East Route 66 over the railroad tracks starting from Butler Avenue. The connection at East Route 66 would be at the top of the hill between Downtown and Switzer Canyon Drive.

The Lone Tree Railroad Overpass will help traffic flow better throughout the city. Significant amounts of traffic are expected to shift from South Beaver Street and South San Francisco Street to Lone Tree Road and the new Overpass. Travelers will be able to use Lone Tree Road instead of Milton Road to access Downtown or medical facilities via nearby Switzer Canyon Drive. If John Wesley Powell Boulevard is extended to the Flagstaff Airport, peak traffic may be redirected to I-17 via the Overpass, Lone Tree Road, and John Wesley Powell Boulevard.

If Proposition 420 is approved by the voters, all monies generated by the 0.23% sales tax rate will be dedicated for the Lone Tree Railroad Overpass design, construction, right of way acquisition, and financing.

#### **Description of the proposed City Lone Tree Overpass Sales Tax and specific restrictions on use of proceeds**

If Proposition 420 is approved by the voters, the City Lone Tree Overpass Sales Tax will be restricted to specific uses related to the construction of the Overpass. Further, if approved, the City Council through policy establishment in the regular course of regular City Council meetings, public comment, and City Council consideration and determination, will ensure that these dedicated, City sales tax revenues are applied to the purposes set forth in the ballot question through annual monitoring by the City Council as a part of the City's existing budget process that

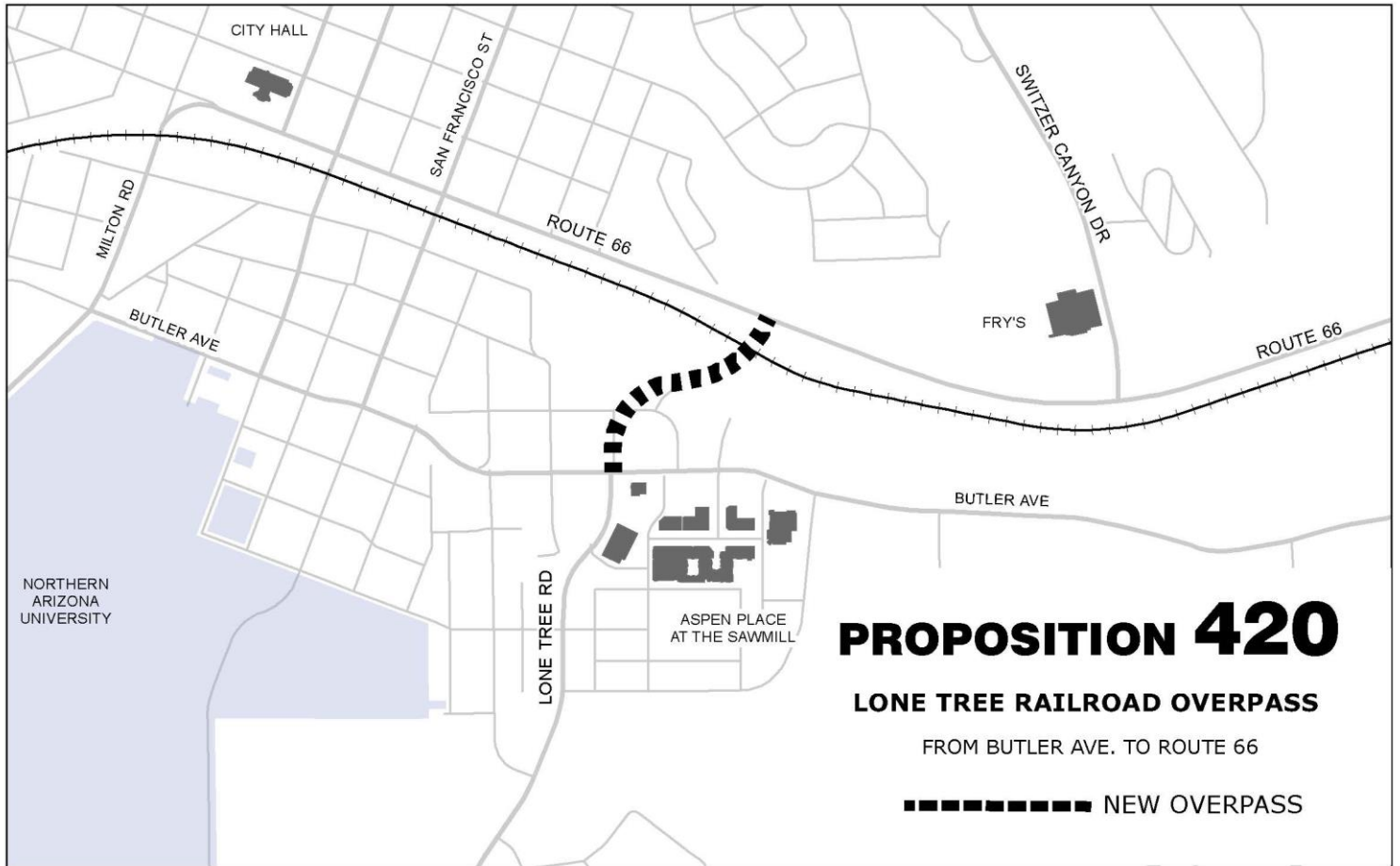
requires a public hearing and annual City Council approval. The City Lone Tree Overpass Sales Tax will fund the development and construction of the Lone Tree Railroad Overpass, related right of way acquisition, relocation costs, and other project related costs.

In addition, proceeds from the dedicated City Lone Tree Overpass Sales Tax may also be used for financing-related costs, including interest and borrowing related costs.

The information provided in this document reflects the best information available to the City of Flagstaff at the time of its preparation. The descriptions of future programs and expenditures are based on currently available information and expectations. All such programs and expenditures are subject to future decisions and actions of the City Council. As such, the actual future programs and expenditures may vary from the descriptions herein. **The actual ballot language, of any ballot proposition that is approved, is legally binding on the future actions of the City Council, and no monies may be expended except for the purposes described in such ballot question.**

#### **City Lone Tree Overpass Sales Tax Facts**

- **Rate** – If approved, the Lone Tree Overpass Sales Tax rate will be 0.23%, which is equivalent of 23 cents on a \$100 purchase. The current City retail sales tax is 2.051%. If Proposition 420 is approved, the City retail sales tax will increase to 2.281%.
- **Length** – If approved, the City Lone Tree Overpass Sales Tax will be for a period of 20 years from July 1, 2019.
- **Revenue generation** – If approved, the City Lone Tree Overpass Sales Tax is projected to generate approximately \$131.5 million over the 20-year period, including anticipated inflation. The amount actually generated will be dependent on economic conditions during the period.
- **Borrowing** – If approved, the City may borrow funds secured by the dedicated City Lone Tree Overpass Sales Tax revenues. The financing proceeds will be used to expedite the construction of the Overpass. This way, the project can be completed sooner and will cost less by avoiding years of inflation. It is estimated that the project cost saving, by avoiding future inflation, will largely offset the borrowing costs.



DRY

## Frequently Asked Questions

(For more information see Summary Analysis above)

### Questions about Proposition 420 – Sales Tax – Lone Tree Railroad Overpass

#### 1. **Why is the City of Flagstaff sending this proposition to the voters?**

The City Charter requires voter approval to levy a city sales tax, such as the dedicated City Lone Tree Overpass Sales Tax.

#### 2. **What is the City Lone Tree Overpass Sales Tax?**

The City of Flagstaff has imposed dedicated sales taxes for transportation purposes since 2000. The City Transportation Sales Tax, was first approved by City voters in 2000, and funded a variety of projects including the Fourth Street Railroad Overpass. Since 2000, City voters have approved additional dedicated sales taxes for specific transportation purposes. If approved, the Lone Tree Overpass Sales Tax would be another dedicated City sales tax for a specific transportation purpose. The City's sales tax is a transaction privilege tax on the gross revenues generated by retail sales and other taxable activities.

If approved by voters, Proposition 420 would increase the overall City Sales Tax by 0.23% or 23 cents on a \$100 purchase and dedicate the revenues from the increase to completing the Lone Tree Railroad Overpass.

#### 3. **Why is the City sending this proposition to the voters now?**

The Flagstaff Citizens' Transportation Tax Commission met through the last winter and spring and recommended to the Flagstaff City Council that a question to approve constructing a Railroad Overpass connecting East Route 66 and Butler Avenue at Lone Tree Road be placed on the November 6, 2018 election ballot. The Commission met numerous times and

- Received public comment;
- Reviewed, analyzed, and discussed the existing conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed, analyzed, and discussed the anticipated future conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed and discussed the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan*;
- Reviewed a wide range of proposed transportation projects and needs in the city;
- Reviewed and discussed plans and policies frequently used in transportation planning;
- Reviewed and discussed the funding and financing of City's transportation systems and projects;
- Reviewed, discussed, and initially prioritized a range of transportation needs within the city and possible transportation solutions;
- Discussed and prioritized specific alternative solutions to meet the transportation challenges confronting the City; and
- Identified the Lone Tree Railroad Overpass as an integral part of the City's overall transportation plan.

The work of the Flagstaff Citizens' Transportation Tax Commission relied on the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan* that was an extensive transportation planning effort over 24 months. The *Blueprint 2040 Regional Transportation Plan* was supported by a steering committee of community leaders, presentations to numerous City and County commissions, and several surveys.

#### 4. **How does Proposition 420 – the proposed Lone Tree Railroad Overpass – work with Proposition 419 – Roadway, Pedestrian, Bicycle, and Safety Improvements?**

The projects that will be funded by both propositions are intended to work together seamlessly to improve the City's overall transportation system. Some of the road improvement projects that will be funded by Proposition 419, such as widening Lone Tree Road from Butler Avenue to John Wesley Powell Boulevard, extending John Wesley Powell Boulevard west to the Airport and I-17 and east to Fourth Street (with significant expected developer funding), directly connect to the Lone Tree Railroad Overpass. These connections would provide important alternate routes to congested areas and help residents get to and from places to work, shop, and play.



**5. Who will pay for the proposed Lone Tree Overpass and what will it cost?**

If Proposition 420 is approved by the voters, any person, resident or non-resident, purchasing taxable goods within the City limits would pay the additional sales tax during the life of the tax increase. It has been estimated, that as much as fifty percent (50%) of City sales tax collections are on purchases by non-residents.

**6. Why is the City considering issuing bonds for the Lone Tree Railroad Overpass?**

Bonds will allow the City to accelerate the construction of the Overpass so that it could possibly be completed within six to eight years, rather than possibly more than 18 to 20 years. By issuing bonds for the Lone Tree Railroad Overpass there will be interest expense associated with the borrowing. There could be approximately \$41 million in interest expense over the life of the bonds. However, by constructing the Overpass sooner the City will avoid significant construction cost inflation that likely exceeds the cost of interest expense.

**7. Has the City considered raising the gas tax to pay for the proposed Lone Tree Railroad Overpass?**

State law prohibits cities from levying a gas tax; only state and federal governments can do that in Arizona.

**8. Isn't there state funding for transportation projects like these?**

There has not been a significant increase in state highway user taxes in over 25 years and over that time the "buying power" of state-shared highway revenues has significantly declined. That is one of the reasons that the original City Transportation Sales Taxes were submitted to Flagstaff voters in 2000.

**9. Why is the City considering using a sales tax to fund transportation?**

Every person and business purchasing taxable goods or engaging in taxable activities within the City will pay the sales tax. This includes visitors to Flagstaff as well as people who live outside the city limits and come into Flagstaff to work, shop, and socialize and who all use city streets. Many Arizona cities rely on sales taxes to pay for a portion of their transportation costs.

**10. How much will City sales taxes increase if Proposition 420 is approved?**

The current City retail sales tax is 2.051%. If Proposition 420 is approved, the City retail sales tax will increase by 0.23% to 2.281%, if no other sales tax increases are approved.

**11. How much will City sales taxes total if Propositions 419, 420, and 421 are all approved?**

If only Proposition 419 – *Continuation of Transportation Sales Tax* is approved, the overall City sales tax will remain 2.051%. If Proposition 420 – *Lone Tree Overpass Sales Tax* is also approved, the overall City sales tax will increase to 2.281%. If Proposition 419 – *Continuation of Transportation Sales Tax* is approved, Proposition 420 – *Lone Tree Overpass Sales Tax* is approved, and Proposition 421 – *Increasing Transit Services* is approved, the overall City sales tax will increase to 2.431%.

The City also levies a dedicated Bed, Board, and Beverage sales tax of 2.0%. If all three propositions are approved the total City tax on lodging, restaurants, and bars will be 4.431%.

**12. What would the total state, county, and city retail sales tax rate be, if Propositions 419, 420, and 421 are all approved?**

If Propositions 419, 420, and 421 are all approved, the total state, county, and city retail sales tax rate in Flagstaff will increase from 8.951% to 9.331%.

**13. What would the total state, county, and city sales tax rate on lodging, restaurants, and bars be, if Propositions 419, 420, and 421 are all approved?**

If Propositions 419, 420, and 421 are all approved, the total state, county, and city sales tax rate (with the City's 2% BBB tax) in Flagstaff on lodging, restaurants, and bars will increase from 10.951% to 11.331%.

**14. Why can only city residents vote on this increased tax when county residents will also pay?**

State law does not allow citizens who reside outside the city limits to vote in city elections. County residents will only pay this tax for goods purchased within the city limits.

**15. What will ensure that the new tax money is being spent on the proposed Lone Tree Railroad Overpass?**

The ballot language is legally binding. By law, the City may only spend the voter-authorized revenues for the improvements stated in the ballot question.

If Proposition 420 is approved, future City Councils will review, consider, and determine if a Lone Tree Railroad Overpass project will be approved and receive necessary allocations for completion. This process will occur both at regular City Council meetings where public comment will be received, as well as through the budget process which includes a public hearing and City Council consideration/debate. Ultimately it will be future City Councils that approve the specifics related to a proposed railroad overpass project and how the money from the sales tax would be spent for that purpose.

**16. How can we be sure there is enough money to complete the proposed Lone Tree Railroad Overpass?**

In its projections, City staff has used conservative estimates of future revenue collections and inflation. The City has also been conservative in their proposed project cost estimation. The City will report to the public regularly to discuss transportation spending priorities. Any differences between expected revenue and actual revenues will be discussed by the Council and with the public regularly when reports are given at City Council meetings.

**17. Does a “yes” vote on one proposition require a “no” vote on the other propositions?**

No. Each ballot item is a separate question. Voters may vote either “yes” or “no” on each proposition. The several projects and programs described in Propositions 419, 420, and 421 are designed to work together to improve the overall transportation system. But, each project to be funded by Propositions 419, 420, and 421 is also designed to stand on its own. In this election, voters have the opportunity to decide whether it is important to undertake all, some, or none of these projects at this time.

**18. Have City voters previously supported additional expenditures for transportation?**

Yes. In 1988, City of Flagstaff voters approved bonds for several transportation improvements.

In 2000, City voters approved several sales tax increases to fund general street improvements, pedestrian and bicycle improvements, the Fourth Street Railroad Overpass, and the start of the City's transit system.

In 2008 and 2016 voters approved an expansion and then extension of transit sales tax.

In, 2014, voters approved a sales tax for road repair and street safety improvements.

The City Transportation Sales Taxes, approved by voters in 2000, for general street improvements, pedestrian and bicycle improvements, and the Fourth Street Railroad Overpass expires in less than two years.

**19. Why construct the proposed Lone Tree Railroad Overpass?**

The Lone Tree Railroad Overpass could provide 1) an additional north-south route between Butler Avenue and Route 66; 2) another route near the heavily congested Downtown that will not be interrupted by trains; and 3) an alternative route to Milton Road for peak winter traffic and for many daily commuters to locations like Northern Arizona University, the Aspen Place at Sawmill Shopping Center, and Southside.

**20. Why not make improvements to Milton Road?**

Milton Road improvements are also needed. However, the Arizona Department of Transportation owns Milton Road and is currently working with the City, other partners, and the public to determine exactly what improvements should be made. Until the study is completed, it cannot be determined what each partner's share might be and what, if any, city taxes will be needed. The Lone Tree Railroad Overpass would allow Lone Tree Road to serve as an alternative route to Milton and planners consider it part of the long-term solution for Downtown and Milton Road traffic congestion.

**21. Why is the Lone Tree Railroad Overpass so expensive?**

In order to get the roadway high enough over the railroad, the railroad tracks need to be lowered and East Route 66 needs to be raised. Much of the ground under and around the Overpass is developed and will be more costly to acquire than if it were vacant.

**OFFICIAL BALLOT**

**PROPOSITION NO. 420**

**Purpose: Sales Tax for Lone Tree Railroad Overpass from Butler Avenue to Route 66**

Shall the City Council have the authority to amend the Tax Code of the City to levy a transaction privilege/sales tax at a rate of 0.23% (\$0.0023) to be in effect for a period of 20 years beginning July 1, 2019, to be used for the Lone Tree Railroad Overpass from Butler Avenue to Route 66, including the following purposes:

- design, construction, reconstruction, improvement and maintenance of bridges and overpasses, adjacent streets, highways, walkways, trails and bike paths;
- lighting, landscaping, technology and signing;
- acquisition of necessary real estate and related interests;
- all incidental costs including relocation costs;
- debt service on debt incurred for such purposes

and authorizing the incurrence of debt to accelerate such purposes?

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years commencing July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66, and authorizing the incurrence of debt to accelerate such purposes.

**SALES TAX INCREASE, YES**

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years commencing July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66.

**SALES TAX INCREASE, NO**

AS IT WILL APPEAR ON BALLOT

**PROPOSITION NO. 420**

**A measure referred to the people by the Flagstaff City Council relating to a sales tax levy for Lone Tree Railroad Overpass from Butler Avenue to Route 66**

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years beginning July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66, and authorizing the incurrence of debt to accelerate such purposes

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.23% to be in effect for a period of 20 years beginning July 1, 2019, for the design, construction and maintenance of the Lone Tree Railroad Overpass from Butler Avenue to Route 66

☐ **YES**

☐ **NO**

**ARGUMENTS FOR PROPOSITION NO. 420**

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In chronological order of submission

**ARGUMENTS AGAINST PROPOSITION NO. 420**

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In chronological order of submission

# PROPOSITION NO. 421



## SALES TAX – INCREASING TRANSIT SERVICES

### SUMMARY ANALYSIS

(For more information see Frequently Asked Questions below)

Since 2000, the Flagstaff City Council has collected a dedicated City Transit Sales Tax, frequently referred to as the Mountain Line Transit Sales Tax, for the funding of the Mountain Line system.

#### History of City Transit Funding:

In 2000, City voters approved a ten-year sales tax dedicated for public transportation – the Mountain Line Transit Sales Tax – that funded the initiation of the Mountain Line transit system.

In 2008, voters approved an extension of the sales tax for Mountain Line operations and four sales tax increases for four additional Mountain Line improvements, including the purchase of hybrid-electric vehicles, establishing the Mountain Link high-capacity transit route connecting NAU to Woodlands Village and Downtown, and service to new areas.

Proposition	Rate	Cents per \$100 Purchase	2008 Increase per \$100 Purchase	Improvement
Prop. 401	.00175	17.5 cents	None	Existing Service
Prop. 402	.00020	2.0 cents	2.0 cents	Hybrid Vehicles
Prop. 403	.00020	2.0 cents	2.0 cents	Additional Areas
Prop. 404	.00040	4.0 cents	4.0 cents	Additional Areas
Prop. 405	.00040	4.0 cents	4.0 cents	Increased Frequency

The 2008 election increased the Mountain Line Transit Sales Tax rate to .0295% or 29.5 cents on a \$100 purchase.

In 2016, City voters approved an extension of the Mountain Line Transit Sales Tax at the existing rate of 0.295% for an additional ten years through June 30, 2030.

#### Project Description:

Based on Mountain Line's Five-Year Transit Plan, public outreach and surveys, greater bus frequency and expanded service hours are the most requested transit enhancements. If Proposition 421 is approved by the voters, it will provide funding for a cross-town bus approximately every 15 minutes during business hours and reduce wait times by one-half to approximately 30 minutes or less at most locations. In addition, buses would run later on weekdays and weekends. Proposition 421, if approved, will also fund improvements to keep transit moving efficiently by building bus-only lanes and providing traffic signal prioritization in select areas.

The full range of transit improvements will be made possible by leveraging the transit tax revenue with a \$1 million+ per year commitment from Northern Arizona University to fund a Universal Access Pass (UPASS) program. The UPASS would provide free transit for all NAU students, which could help address congestion and parking challenges.

If Proposition 421 is approved by the voters, bus ridership is expected to increase due to increasing bus frequency, extended hours of service, and implementing the UPASS program. An enhanced transit system can lead to a more robust multimodal community and may have a positive impact on congestion.

If Proposition 421 is approved by the voters, all monies generated by the 0.15% sales tax rate will be dedicated to increasing bus frequency, extending hours of service, and transit related capital improvements. Over the past 14 years, Mountain Line has leveraged the existing transit tax monies to secure nearly \$56 million in federal funding. It is expected that similar leverage may be possible in the future.

### **Description of the Proposed Mountain Line Transit Sales Tax Increase and specific restrictions on use of proceeds**

If Proposition 421 is approved by the voters, the Mountain Line Transit Sales Tax will be restricted to specific uses related to the operations of the Mountain Line system. Further, the City will ensure that these dedicated Mountain Line Transit Sales Tax revenues are applied to the purposes set forth in the ballot question through annual monitoring by the City Council as a part of the City's existing budget process that requires a public hearing and annual City Council approval. The increase in the dedicated Mountain Line Transit Sales Tax will fund increased frequency of busses, expanded hours of service on many Mountain Line routes, and important capital improvements.

The information provided in this document reflects the best information available to the City of Flagstaff at the time of its preparation. The descriptions of future programs and expenditures are based on currently available information and expectations. All such programs and expenditures are subject to future decisions and actions of the City Council. As such, the actual future programs and expenditures may vary from the descriptions herein. **The actual ballot language, of any ballot proposition that is approved, is legally binding on the future actions of the City Council, and no monies may be expended except for the purposes described in such ballot question.**

### **Mountain Line Transit Sales Tax Facts**

- **Rate** – If approved, the increase in the Mountain Line Transit Sales rate will be 0.15%, which is equivalent of 15 cents on a \$100 purchase. The current City retail sales tax is 2.051%. If Proposition 421 is approved, the City retail sales tax will increase to 2.201%.
- **Length** – If approved, the increase in the Mountain Line Transit Sales Tax will be for a period of 11 years from July 1, 2019, until June 30, 2030. June 30, 2030 is when the existing Mountain Line Sales Tax expires.
- **Revenue generation** – If approved, the Mountain Line Transit Sales Tax is projected to generate approximately \$40.7 million over the 11-year period, including anticipated inflation. The amount actually generated will depend on economic conditions during the period.

## **FREQUENTLY ASKED QUESTIONS**

(For more information see Summary Analysis above)

### **Questions about Proposition 421 – Sales Tax – Increasing Transit Services**

#### **1. Why is the City of Flagstaff sending this proposition to the voters?**

The City Charter requires voter approval to levy a city sales tax.

#### **2. What is the City Transit Sales Tax?**

The Mountain Line Transit Sales Tax is dedicated to supporting the Mountain Line public bus system and the Mountain Lift van services for people with disabilities. The Mountain Line Transit Sales Tax was first approved by City voters in 2000 and funded the initiation of the Mountain Line transit system. City voters approved rate increases in 2008 and extended the Mountain Line Transit Sales Tax in 2016. The current Mountain Line Transit Sales Tax rate is 0.295%.

Proposition 421, if approved, would increase the existing City Transit Sales Tax of 0.295% by 0.15% or 15 cents on a \$100 purchase to a total of 0.445% or 44.5 cents on a \$100 purchase.

**3. Why is the City sending this proposition to the voters now?**

The Flagstaff Citizens' Transportation Tax Commission recommended to the Flagstaff City Council that a separate question to increase the Mountain Line Transit Sales Tax by 0.15% be placed on the November 6, 2018 election ballot. The Commission met numerous times, and

- Received public comment;
- Reviewed, analyzed, and discussed the existing conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed, analyzed, and discussed the anticipated future conditions of the City's street, transit, pedestrian, and bicycle systems;
- Reviewed and discussed the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan*;
- Reviewed a wide range of proposed transportation projects and needs in the City;
- Reviewed and discussed plans and policies frequently used in transportation planning;
- Reviewed and discussed the funding and financing of City's transportation systems and projects;
- Reviewed, discussed, and initially prioritized a range of transportation needs within the City and possible transportation solutions;
- Discussed and prioritized specific alternative solutions to meet the transportation challenges confronting the City; and
- Identified the Mountain Line System as an integral part of the City's overall transportation network.

The work of the Flagstaff Citizens' Transportation Tax Commission relied on the Flagstaff Metropolitan Planning Organization's *Blueprint 2040 Regional Transportation Plan* that was an extensive transportation planning effort over 24 months. The *Blueprint 2040 Regional Transportation Plan* was supported by a steering committee of community leaders, presentations to numerous City and County commissions, and several surveys. The Governing Board of the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA), referencing NAIPTA's *5-Year Plan*, also recommended to the Flagstaff City Council that a transit sales tax proposition be placed on the November 6, 2018 election ballot.

Mountain Line transit services are an integral part of the City's overall transportation plan and are intended to work seamlessly with many of the projects that will be completed if Propositions 419 and 420 are approved.

**4. What will the Mountain Line Transit Sales Tax cost?**

If approved by voters, Proposition 421 would increase the current Mountain Line Transit Sales Tax of 0.295% by 0.15% or 15 cents on a \$100 purchase. Because there is an existing Mountain Line Transit Sales Tax of 0.295%, if Proposition 421 is approved the total Mountain Line Transit Sales Tax for all purposes would increase to 0.445% or 44.5 cents on a \$100 purchase.

**5. What will happen to Mountain Line if Proposition 421 is not approved?**

If Proposition 421 is not approved, the existing Mountain Line Transit Sales Tax of 0.295% will continue to support Mountain Line.

**6. Why are taxes used to pay for the Mountain Line system?**

The Mountain Line system, like roads, bridges, and airports, is supported with tax dollars. NAIPTA, the operator of the Mountain Line system, also leverages the local transit tax to secure federal grants and funding to help fund the Mountain Line system operations and improvements. Northern Arizona University has committed to paying more than \$1 million per year to fund a Universal Access Pass (UPASS) program to open up free transit for all students, if Proposition 421 is approved, which could help address congestion and parking challenges. While Mountain Line passengers pay a fare to ride, that revenue is not enough to fund the system.

**7. Why is the City considering using the sales tax to fund Mountain Line bus service?**

Mountain Line bus service impacts everyone, including visitors and people from neighboring communities who are working or shopping in Flagstaff. A sales tax means all would contribute to paying for the system.

If Proposition 421 is approved, every person and business purchasing taxable goods or engaging in taxable activities within the city will pay the Transit Sales Tax. This includes visitors to Flagstaff as well as people who

live outside the city limits and come into Flagstaff to work, shop, and socialize. Many Arizona cities rely on sales taxes to pay for a portion of their transit costs.

**8. Has the City considered raising property taxes or increasing fares to pay for the transit system?**

Yes. However, the Transit Advisory Committee, the Governing Board of NAIPTA, and the Citizens' Transportation Tax Commission all recommended increasing the Mountain Line Transit Sales Tax.

Fares are reviewed, adjusted, and increased by the NAIPTA Board as needed. An increase in fares usually decreases ridership.

The Mountain Line Transit Sales Tax is dedicated to funding the Mountain Line system.

State law does not authorize NAIPTA to levy a property tax.

**9. Who will pay for the Mountain Line Sales Tax, if Proposition 421 is approved?**

If Proposition 421 is approved, any person, resident or non-resident, purchasing taxable goods within the city limits would pay the additional sales tax during the life of the tax increase. It has been estimated, that as much as fifty percent (50%) of City sales tax collections are on purchases by non-residents.

**10. How much will City sales taxes increase if Proposition 421 is approved?**

The current City retail sales tax is 2.051%. If Proposition 421 is approved, the City retail sales tax will increase to 2.201%, if no other sales tax increases are approved.

**11. How much will City sales tax total if Propositions 419, 420, and 421 are all approved?**

If only Proposition 419 – *Continuation of Transportation Sales Tax* is approved, the overall City sales tax will remain 2.051%. If Proposition 421 – *Increasing Transit Services* is also approved, the overall City sales tax will increase to 2.201%. If Proposition 419 – *Continuation of Transportation Sales Tax* is approved, Proposition 420 – *Lone Tree Overpass Sales Tax* is approved, and Proposition 421 – *Increasing Transit Services* is approved, the overall City sales tax will increase to 2.431%.

The City also levies a dedicated Bed, Board, and Beverage sales tax of 2.0%. If all three propositions are approved the total City tax on lodging, restaurants, and bars will be 4.431%.

**12. What would the total state, county, and city retail sales tax rate be, if Propositions 419, 420, and 421 are all approved?**

If Propositions 419, 420, and 421 are all approved, the total state, county, and city retail sales tax rate in Flagstaff will increase from 8.951% to 9.331%.

**13. What would the total state, county, and city sales tax rate on lodging, restaurants, and bars be, if Propositions 419, 420, and 421 are all approved?**

If Propositions 419, 420, and 421 are all approved, the total state, county, and city sales tax rate (with the City's 2% BBB tax) in Flagstaff on lodging, restaurants, and bars will increase from 10.951% to 11.331%.

**14. Why can only city residents vote on this increased tax when county residents will also pay?**

State law does not allow citizens who reside outside city limits to vote in city elections. County residents will only pay this tax for goods purchased within the city limits.

**15. What will ensure that the new tax money is being spent on increasing the amount of buses and frequency of buses?**

The ballot language is legally binding. By law, the City may only spend the voter-authorized revenues for the improvements stated in the ballot question.

If Proposition 421 is approved, future City Councils will review, consider, and determine if the funding provided to increase the frequency of buses, extend hours of service, and transit related capital improvements will be



approved and receive necessary allocations of funding from this proposed increase. This process will occur both at regular City Council meetings where public comment will be received, as well as through the budget process which includes a public hearing and City Council consideration/debate. Ultimately it will be future City Councils that approve the specifics related to how the money from the sales tax would be spent to accomplish the purpose as stated in the ballot question. By law, the City may spend the voter-authorized revenues only for the improvements stated in the ballot question.

**16. How can we be sure there is enough money to increase the number of buses and frequency of buses?**

In its projections, City staff has used conservative estimates of future revenue collections and inflation. The City has also been conservative in their proposed project cost estimation. The City will report to the public regularly to discuss transportation spending priorities. Any differences between expected revenue and actual revenues will be discussed by the Council and with the public regularly when those reports are given at City Council meetings.

**17. Does a “yes” vote on one proposition require a “no” vote on the other propositions?**

No. Each ballot item is a separate question. Voters may vote either “yes” or “no” on each proposition. The several projects and programs described in Propositions 419, 420, and 421 are designed to work together to improve the overall transportation system. But, each project to be funded by Propositions 419, 420, and 421 is also designed to stand on its own. In this election, voters have the opportunity to decide whether it is important to undertake all, some, or none of these projects at this time.

**18. Have City voters previously supported additional expenditures for transportation?**

Yes. In 1988, City of Flagstaff voters approved bonds for several transportation improvements.

In 2000, City voters approved several sales tax increases to fund general street improvements, pedestrian and bicycle improvements, safety projects, the Fourth Street Railroad Overpass, and the start of the Mountain Line transit system.

In 2008 and 2016 voters approved an expansion and then extension of Mountain Line Transit Sales Tax.

In, 2014, voters approved a sales tax for road repair and street safety improvements.

**19. Why increase Mountain Line transit services in Flagstaff?**

Mountain Line serves a growing population and helps reduce the number of cars on the roads. Between 2001 and 2018 Mountain Line system ridership grew from 114,274 to more than two million riders.

**20. What level of Mountain Line service will Proposition 421 fund, if approved?**

Mountain Line’s current service level is 363 days annually, with eight bus routes traveling the City from 6:00 a.m. to 10:15 p.m. on weekdays and from 7:00 a.m. to 8:15 p.m. on weekends and holidays. It also supports special services for people with disabilities in handicapped equipped vans and in taxis at current levels.

If approved by voters, Proposition 421 will fund more buses, more often. It will fund a cross-town route bus every 15 minutes during business hours and reduce wait times by one-half to 30 minutes or less at most locations. It also provides weekday service until 11:00 p.m. and weekend service until after midnight. These increases are designed to make transit a more viable option for Flagstaff residents and visitors to access jobs, community events, social activities, and medical appointments.

**21. Why are no new routes being considered as a part of Proposition 421?**

Mountain Line’s five-year planning process revealed that the current routing system was efficient and showed the advantages of increasing frequency and hours of service on those existing routes.

OFFICIAL BALLOT

PROPOSITION NO. 421

**Purpose: Sales Tax for Increasing Transit Services**

Shall the City Council have the authority to amend the Tax Code of the City to levy a transaction privilege/sales tax at a rate of 0.15% (\$0.0015) to be in effect for a period of 11 years beginning July 1, 2019, for increasing public transportation including constructing, acquiring, operating, and maintaining equipment and facilities for more frequent transit service within the City of Flagstaff?

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2020, for increasing transit services within the City of Flagstaff.

**SALES TAX INCREASE, YES**

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2020, for increasing transit services within the City of Flagstaff.

**SALES TAX INCREASE, NO**

**AS IT WILL APPEAR ON BALLOT**

**PROPOSITION NO. 421**

**A measure referred to the people by the Flagstaff City Council relating to a Sales Tax Levy for Increasing Transit Services**

A **YES** vote shall have the effect of approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2019, for increasing transit services within the City of Flagstaff

A **NO** vote shall have the effect of not approving a levy of a sales tax at a rate of 0.15% to be in effect for a period of 11 years beginning July 1, 2019, for increasing transit services within the City of Flagstaff

☐ **YES**

☐ **NO**

**ARGUMENTS FOR PROPOSITION NO. 421**

The "for" and "against" arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

**ARGUMENTS AGAINST PROPOSITION NO. 421**

In chronological order of submission

DRAFT

# PROPOSITION NO. 422



## SECONDARY PROPERTY, AD VALOREM TAX – GENERAL OBLIGATION BONDS IMPROVING HOUSING AFFORDABILITY

### SUMMARY ANALYSIS

(For more information see Frequently Asked Questions below)

#### Background on Housing Affordability in Flagstaff

The City has recognized the issue of the high cost of housing in Flagstaff for many years. As long ago as 1959, City planning documents identified the need for additional housing units that residents could afford.

The 2016 Arizona Department of Housing Study *2016 Housing At-a-Glance* recognized Flagstaff as one of the high-priced housing areas in the state. Of major Arizona cities, Flagstaff's median home price was second highest only to Scottsdale. The study also recognized that Flagstaff was one of only a handful of Arizona cities where a police officer, making the median salary for that city's police department, could not afford a median priced home.

A 2016 survey of the largest employers in the Flagstaff area and their stakeholders, conducted for the Economic Collaborative of Northern Arizona (ECoNA) by the Northern Arizona University W. A. Franke College of Business, showed that half of all respondents were considering leaving Flagstaff because of high housing costs. Of those "considering leaving", a large majority (67.8%) were renter households.

For the approximately 5,900 respondents to the survey, housing and housing affordability were critical issues. "Almost four-fifths of respondents also indicated that affordable workforce housing was a personal concern to them," as reported in ECoNA's 2017 *Housing Attainability for the Flagstaff Workforce Report*.

The Report also summarized the analysis and findings of Werwath & Associates on behalf of ECoNA. Those findings include:

- Flagstaff's cost of living is 14.1% above the national average, driven by housing costs 36% above the national average.
- 43% of households (which includes renters) in Flagstaff are cost burdened and paying more than 30% of their incomes for housing.
- 60% of renter households in Flagstaff are cost burdened.
- 22% percent of the population in Flagstaff is considered "extremely low income."
- The 2016 median sales price for a single-family home was \$350,000, requiring an income over \$90,000 a year to purchase.
- The 45% homeownership rate is strikingly low compared to the statewide average of 63% and national average of 64%.
- Sales of single-family homes below \$250,000 shrunk by more than 50% between 2014 and 2016.
- Sales of single-family homes below \$200,000 decreased by 60% between 2014 and 2016.
- There were only 15 homes listed under \$250,000 citywide and only six listings below \$200,000 in May of 2017; 1% of all single-family listings.
- Only 2.6% of market rate rental units were available to rent and no income restricted units were vacant in February-March 2017.
- Reported rental rates exceed what is considered Fair Market Value for the US Department of Housing and Urban Development (HUD) by between \$200 and \$400 a month depending on unit size.

The ECoNA study recommended (among other things):

- Create dedicated local funding sources, both public and private, that can support more workforce housing creation and create mechanisms such as a workforce housing trust fund to recapture and recycle this funding.
- Create locally funded down payment assistance programs that serve a broader range of incomes than current sources.
- Engage the business community to proactively advocate for new housing developments that meets workforce needs, in addition to direct investment of resources.

## **Program Description:**

### ***Current City Housing Programs***

The City of Flagstaff's Housing Section works to improve local housing affordability, in conjunction with several non-profits and agencies, by supporting:

- Affordable home ownership opportunities;
- Down payment assistance programs;
- An owner-occupied housing rehabilitation program for health and safety repairs; and
- The creation of new affordable rental and ownership units through development incentives.

The **Homebuyer Assistance Program** provides qualified, first time home buyers down payment and closing cost assistance that must be repaid at the time the house is a) sold, b) refinanced for cash out, or c) no longer owner occupied.

The **Owner-Occupied Housing Rehabilitation Program** funds health and safety repairs, accessibility improvements, and efficiency/weatherization improvements for qualified, low-income homeowners. Rehabilitation projects can range from furnace replacement to large multi-system projects addressing issues throughout the home. The majority of rehabilitation costs are paid with a zero-interest rate loan funded by the City with Community Development Block Grant funds. The loan does not have to be repaid until the home is a) sold, b) refinanced for cash out, or c) no longer owner occupied.

The **Incentive Policy** for Affordable Housing and the Flagstaff Zoning Code offer financial and regulatory incentives through reimbursement and/or waivers of City development fees to assist private development of affordable housing units. The financial incentives and waivers lower the cost of development and thereby allow a percentage of units to be more affordable.

### ***Future Housing Affordability Programs, if Proposition 422 is approved.***

The ballot language of Proposition 422 is very broad and speaks generally to why the City wants to borrow \$25 million to address housing affordability issues. The ballot language identifies three specific areas to be addressed through the issuance of bonds:

- Increasing the number of housing units affordable for more residents in the City by construction, rehabilitation, redevelopment, and acquisition of land for housing units; and the related infrastructure;
- Assisting more Flagstaff residents to afford housing by making loans and grants for the construction, rehabilitation, redevelopment, and acquisition of housing units; and the related infrastructure;
- To pay all costs and expenses properly incidental thereto and to the issuance and sale of bonds.

A Housing Bond Committee will be established to advise the Council on the best ways to respond to changing market conditions to meet the legal obligations described in the ballot question. The initial programmatic solutions described in this document could change as the Flagstaff City Council considers these and other programmatic recommendations as developed through the City budget process to implement policy direction.

The City Council will likely continue the existing housing programs, described above, if Proposition 422 is approved by City voters. Additional programs may be added and may include programs such as the following:

- An **Affordable Housing Units Development Assistance Program** that will provide financial support to builders/developers of new housing units (home and apartment) to lower the cost of construction/development and thereby allow the units to be more affordable for more households in Flagstaff. The assistance to builders/developers will take a number of forms, including, but not limited to: gap funding for costs directly incurred in construction or rehabilitation of housing units; assistance to both for-profit and non-profit developers, contractors, builders, governmental agencies, and partnerships; assistance for both rental and

owner occupied housing units; and assistance in the acquisition, development/redevelopment, and rehabilitation of existing housing and housing infrastructure.

- **A Homeownership Assistance Program** that will provide expanded eligibility for qualified, first time home buyers down payment and closing cost assistance. The down payment and closing cost assistance will be provided in the form of a repayable loan. The new program will expand on the City's current programs to permit households with incomes above 80% of the area median household income to be eligible. Currently, the 80% of area median household income standard is set by HUD and prevents many Flagstaff working families, like those of teachers and firefighters, from qualifying for the down payment and closing cost assistance.

Because the down payment and closing cost assistance is eventually repaid, the monies can be reused for future homebuyers and the program could effectively become a revolving fund.

### **The Importance of Program Flexibility and Adaptation Over Time**

The City's response to housing affordability must be flexible to respond to changing conditions in the housing and mortgage markets. A program or approach that is effective at one point in time, with one set of market conditions, may be less effective as market conditions change. Therefore, different approaches must be used to assist households with housing affordability at different times. It is important to note that the ballot language allows the City, at the direction of the City Council, with advice from the Housing Bond Committee, to modify the particular programs being offered to assist with changing market conditions and housing affordability over time.

### **Housing Bond Committee**

If Proposition 422 is approved, the City Council will appoint a Housing Bond Committee to advise the Council on the programs funded by Proposition 422.

It is anticipated that the Housing Bond Committee will be composed of a variety of community members representing different interests and different areas of housing and housing market knowledge. Possible committee members could include: an at-large member, a realtor, a mortgage lender, a subject matter expert, a low-income community member, a moderate-income community member, a developer/builder, and a Flagstaff Housing Authority Board member.

The ultimate responsibility for the Housing Affordability Programs funded by Proposition 422 will rest with City Council. The programs will be monitored annually as a part of the City's existing budget process, which requires a public hearing and annual City Council approval.

The information provided in this document reflects the best information available to the City of Flagstaff at the time of its preparation. The descriptions of future programs and expenditures are based on currently available information and expectations. All such programs and expenditures are subject to future decisions and actions of the City Council. As such, the actual future programs and expenditures may vary from the descriptions herein. **The actual ballot language, of any ballot proposition that is approved, is legally binding on the future actions of the City Council, and no monies may be expended except for the purposes described in such ballot question.**

### **City Secondary Property Tax Facts**

- **Tax Rate** – Even with the approval of Proposition 422, the total secondary property tax rate for the City is expected to remain \$0.8366 per \$100 of assessed value if property values remain stable. It is estimated that the Housing Affordability portion of the total \$0.8366 secondary property tax rate for the City will require a projected average annual secondary property tax of \$0.2360 per \$100 of assessed value over the estimated twenty-year life of the bonds. The average home in Flagstaff was assessed at \$200,859 in the current tax year and the owner of such a home would continue to pay approximately \$168 per year in total secondary property taxes for the general obligation debt of the City based on the \$0.8366 secondary property tax rate. The Housing Affordability portion will be approximately \$47 per year based on the \$0.2360 portion of the secondary property tax rate.
- **Length** – The City secondary property tax for the Housing Affordability portion is projected to be for 20 years, from tax year 2020.
- **Borrowing Amount** – The City may borrow an amount not to exceed \$25 million secured by the City secondary property tax to fund the Housing Affordability programs.

## Frequently Asked Questions

(For more information see Summary Analysis above)

### Questions about Proposition 422 – Improving Housing Affordability

**1. Why is the City of Flagstaff sending this proposition to the voters?**

Arizona law requires that bonds, like the bonds that pledge City property taxes for repayment, be voter approved. These bonds will be repaid with secondary *ad valorem* property taxes and are commonly called “general obligation bonds”. A general obligation bond is a contract between a bondholder, who, in effect, lends the City money, and the City, which pledges to repay it. It is a “general obligation” of the City. Repayment is by secondary property taxes levied on all taxable property in the City. Legally, the tax is unlimited in rate and amount.

**2. How do General Obligation Bonds work?**

If Proposition 422 is approved by the voters, the bonds will be issued and sold periodically. The bonds will be issued when funds are needed for a specific project or purpose, in the actual amount needed for such specific project or purpose, but the total amount of bonds issued may not exceed the amount approved by voters, in this case \$25 million. Money received from the issuance and sale of the bonds may only be used for the purposes specified in the bond ballot question.

Some of the costs may be paid from other City sources that will reduce the amount of property taxes required.

Present and future residents’ property taxes will be used to repay the bonds over a period of time - usually 20 years - in the same manner that homeowners pay off a home mortgage over time.

The total amount of general obligation bonds the City may have outstanding at any one time is limited by the State Constitution. The limit is based on a percentage of the value of all taxable property, within the City and is described in more detail below. The remaining, available, constitutional bond capacity of the City, for all permitted purposes is almost \$200 million.

**3. What are primary and secondary property taxes?**

The City collects two types of property taxes. Primary property taxes are generally used to support the maintenance and operation budgets for local governments, such as cities, counties, school districts, and community college districts. Secondary property taxes are generally used pay for bond issues, budget overrides, and special districts. Each year’s property tax bill has a separate primary and secondary property tax rate for the City as well as most other local governments.

**4. What is the City Secondary Property Tax?**

The City collects a secondary property tax to repay City general obligation bonds.

The current City secondary property tax rate is \$0.8366 per \$100 of assessed value of property. That rate is currently repaying the principal and interest on the City’s outstanding general obligation bonds that total \$40,579,560 in principal amount.

**5. Is my secondary property tax rate expected to increase if Proposition 422 is approved?**

No. The City’s secondary property tax rate is expected to remain \$0.8366 per \$100 of assessed value, if property values remain stable.

Some existing City general obligations bonds will be fully repaid before the bonds are issued and the portion of the existing secondary property taxes that was repaying those existing general obligation bonds will be redirected to repaying the bonds.

While Arizona Revised Statutes require the City to make a disclosure that the issuance of the bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds, the City intentionally established the amount of the bonds and the timing of bond sales such that the City’s secondary property tax rate would not

need to be increased, if property values remain stable. The City has consistently timed the issuance of new bonds with the full repayment of prior bonds in order to keep the secondary property tax rate constant.

**6. Will my total secondary property tax increase if my property value goes up?**

Property owners whose property value, for tax purposes, increases will experience higher taxes even with the City's constant secondary property tax rate.

It is important to note that other local governments also collect secondary property taxes that property owners pay. Whether the total of all secondary property taxes goes up depends in part, on the actions of other local governments and other questions that may be on the ballot. The City cannot speak to the impact of changes in primary property tax rates or in secondary property tax rates as a result of other ballot questions.

The City's secondary property tax rate has remained constant at \$0.8366 per \$100 of assessed valuation since the 2006 tax year.

City of Flagstaff Secondary Property Tax Rate	
Tax Year	Tax Rate
2004	\$0.9801
2005	\$0.8766
2006 to 2018	\$0.8366

**7. Why is the City sending this proposition to the voters now?**

The City has recognized the issue of the high cost of housing in Flagstaff for many years. As long ago as 1959, City planning documents identified the need for increased amounts of housing that residents could afford.

The 2016 Arizona Department of Housing Study *2016 Housing At-a-Glance* recognized Flagstaff as one of the high-priced housing areas in the state. Of major Arizona cities, Flagstaff's median home price was second highest only to Scottsdale. The study also recognized that Flagstaff was one of only a handful of Arizona cities where a police officer, making the median salary for that city's police department, could not afford a median priced home.

A 2016 survey of the largest employers in the Flagstaff area and their stakeholders, conducted for ECoNA, by the Northern Arizona University W. A. Franke College of Business showed that half of all respondents were considering leaving Flagstaff because of high housing costs.

**8. Who will pay for the new Housing Affordability programs and what will they cost?**

For the current tax year, the City levied a \$0.8366 per \$100 of assessed value secondary property tax to repay existing, outstanding bonds.

The average home in Flagstaff was assessed at \$200,859 in the 2017 tax year and will pay approximately \$168 per year in total City secondary property taxes based on the \$0.8366 secondary property tax rate for such year.

**9. Why is the City considering issuing bonds for these Housing Affordability programs?**

Proposition 422 asks the voters to give the City authority to issue bonds to be repaid with secondary property taxes, so it will have a dedicated funding source for Housing Affordability programs. The City does not have many ways to raise large sums of money to address important needs. Bonding is one method available, with voter approval.

**10. Aren't there state and federal funds for Housing Affordability programs like these?**

Both the state and the federal government have programs for affordable housing, both rental and owned. However, in many cases Flagstaff residents who need affordable housing are not eligible because of the federally established income qualification limits.



**11. Why is the City considering using a property tax to fund Housing Affordability programs?**

The City has chosen to fund Housing Affordability programs with general obligation bonds, if approved. The City's general obligation bonds are repaid with secondary property taxes. For additional information, see "CERTAIN REQUIRED INFORMATION ABOUT GENERAL OBLIGATION BONDS" below.

**12. Will City property taxes increase if Proposition 422 is approved?**

No. The City's secondary property tax rate is expected to remain \$0.8366 per \$100 of assessed value, if property values remain stable. Some existing City general obligations bonds will be fully repaid before the Bonds are issued and the portion of the existing secondary property taxes that was repaying those existing general obligation bonds will be redirected to repaying the bonds. The City will time the issuance of new general obligation bonds as old general obligations bonds are completely repaid and in order to keep the tax rate constant.

**13. What will ensure that the new tax money is being spent only on Housing Affordability programs?**

The ballot language is legally binding. By law, the City may only spend the voter-authorized revenues for the purposes stated in the ballot question.

If approved, funds under Proposition 422 will only be spent after public City Council meetings are held where public comment is received, and decisions are ultimately made by the City Council to appropriate the funds for housing affordability purposes. The monies may not be used for any other uses. Future City Councils will make ultimate decisions on which programs are created, which housing programs are implemented, and how the money from the Bonds will be spent.

The City Council will also name a Housing Bond Committee, if Proposition 422 is approved, that will make recommendations on how the money should be used according to the purposes stated in the ballot question. The Housing Bond Committee will assist the City Council to make sure the housing programs established are consistent with the purposes stated in the ballot question and that such purposes are accomplished effectively despite variations in the economy, housing, and rental markets.

It is important to note that the ballot language allows the City, at the direction of the City Council, with advice from the Housing Bond Committee, to modify the particular programs being offered to assist with housing affordability over time. Such programs must be flexible to respond to changing conditions in the housing and mortgage markets. Programs that are very effective in some time periods and circumstances can be ineffective during different market conditions and therefore different approaches must be used to assist with housing affordability.

**14. How will the Flagstaff City Council be involved with Proposition 422, if it is approved?**

The City Council, with advice from the Housing Bond Committee and City staff, will be responsible for making the policy decisions regarding the expenditure of the funds in public meetings about how the Proposition 422 monies will be spent and for appropriating the funds through the annual budget process. These decisions by City Council will be made through the normal process of public Council meetings where the public may comment.

**15. How can we be sure there is enough money to achieve the goals of the Housing Affordability?**

In its projections, the City has used conservative estimates of future revenue collections and inflation. The City will adjust the Housing Affordability programs to the amount of funding available over time. The City will report back to the public regularly to discuss the Housing Affordability priorities. The City Council will routinely discuss publicly any differences between expected revenue and actual revenues.

**16. Does a "yes" vote on one proposition require a "no" vote on the other propositions?**

No, each ballot item is a separate question. Voters may vote either "yes" or "no" on each proposition.

**17. What is the purpose of potential Housing Affordability programs that could be created if Proposition 422 is approved?**

The City's Housing Affordability programs, and any potentially additional programs that may be established by future City Councils, are intended to: help Flagstaff residents become home owners; address health and safety

problems with homes; and incentivize builders and developers to increase the number of housing units that are affordable for Flagstaff residents.

**18. Will the Housing Affordability programs impact homes only in Flagstaff?**

The programs will affect housing units throughout all areas of the City. The programs will only operate within the city limits.

**19. Are there other communities with similar projects?**

Yes, Denver, Colorado and Santa Fe, New Mexico have similar programs. These programs have been underway for several years and both are successful.

**20. Can the City require developers to include affordable housing in their developments?**

The State of Arizona prohibits mandatory inclusionary zoning by law, meaning that it is illegal to require developers to include affordable housing within their development. Instead, the City of Flagstaff provides both regulatory and policy incentives to developers who are voluntarily willing to contribute to increasing affordable housing in Flagstaff.

**21. What is the City Council's role?**

If Proposition 422 is approved, the Flagstaff City Council will make all policy decisions about how the Bond money is expended through the budget. The City's Housing Section would be responsible for implementing the Council's directives and the Housing Bond Committee would provide advice to the City Council.

**22. Where can I find additional information on this Question?**

For more detailed information on the Housing Affordability programs and Proposition 422 contact the Flagstaff Housing Section at (928) 213-2743.

## **CERTAIN REQUIRED INFORMATION ABOUT GENERAL OBLIGATION BONDS**

**Requested Bond Authorization/Purpose for which the Bonds are to be Issued:**

On June 19, 2018, the Mayor and City Council of Flagstaff (the City) passed and adopted a resolution calling a special bond election to authorize the sale and issuance of not to exceed \$25,000,000 principal amount of general obligation bonds.

The proceeds of the sale of the bonds will provide money for improving housing affordability in the City and for paying all necessary costs in connection therewith, as described herein.

**Maximum Interest Rate on the Bonds:**

The maximum interest rate on the Bonds will not exceed 10% per annum.

**Plan of Finance:**

If the bond question (Proposition 422) is approved by the voters, it is expected that the bonds will be sold in phases conducted over several years. The interest rate to be borne by the bonds would be determined by the market conditions that prevail at the time of sale, but in no event would the bonds be sold at an interest rate greater than 10% per annum. Average annual interest on the bonds is assumed herein at 5.0% for a 2019 sale and 5.5% to 6.0% for sales thereafter for purposes of estimating the tax impact. These rates are used because it is assumed that the interest on the bonds will be taxable. Repayment of both principal of and interest on each series of the bonds would occur over a period of not to exceed 20 years from their date of issuance.

If authorized and all sold, the bonds would be repaid from a levy of *ad valorem* taxes on all taxable property within the City. It is estimated that the bonds would require an estimated average annual secondary tax rate increase of \$0.2360 per \$100 of assessed valuation over the life of the bonds, if property values remain stable. The issuance of the bonds is projected to not impact the City's current tax rate of \$0.8366 per \$100 of net assessed limited property valuation.

The following is an estimated debt service schedule for the Bonds and the estimated impact to the secondary tax rate of the City given the assumptions described therein.

# CITY OF FLAGSTAFF, ARIZONA

## Estimated Debt Service Requirements and Projected Impact on Secondary Tax Rate\*

Fiscal Year	Projected Net Limited Assessed Value (a)	Bonds Currently Outstanding				Authorized, but Unissued Bonds		Bond Proposed to be Issued (b)				Projected Combined	
		Principal	Interest	Combined	Tax Rate	Estimated Debt Service	Tax Rate (d)	Principal	Estimated Interest	Combined	Tax Rate	Combined	Tax Rate (d)
2018/19	\$804,836,851	\$5,685,068	\$1,532,023	\$7,217,091	\$0.84 (c)							\$7,217,091	\$0.84 (c)
2019/20	804,836,851	5,682,592	1,337,699	7,020,291	0.84 (c)				\$250,000	\$250,000	\$0.03	7,270,291	0.84 (c)
2020/21	804,836,851	4,385,432	1,128,783	5,514,216	0.68	\$1,077,200	\$0.13		250,000	250,000	0.03	6,841,416	0.84
2021/22	804,836,851	1,781,298	958,968	2,740,266	0.34	2,046,575	0.25	\$750,000	525,000	1,275,000	0.16	6,061,841	0.75
2022/23	804,836,851	1,853,822	888,444	2,742,266	0.34	2,082,075	0.26	750,000	486,250	1,236,250	0.15	6,060,591	0.75
2023/24	804,836,851	1,936,423	812,043	2,748,466	0.34	1,043,750	0.13	1,400,000	747,500	2,147,500	0.27	5,939,716	0.74
2024/25	804,836,851	2,009,106	738,510	2,747,616	0.34	1,049,750	0.13	1,475,000	671,000	2,146,000	0.27	5,943,366	0.74
2025/26	804,836,851	2,081,872	662,194	2,744,066	0.34	1,055,075	0.13	1,250,000	890,250	2,140,250	0.27	5,939,391	0.74
2026/27	804,836,851	2,154,724	586,968	2,741,691	0.34	1,064,725	0.13	1,325,000	822,000	2,147,000	0.27	5,953,416	0.74
2027/28	804,836,851	2,242,664	509,027	2,751,691	0.34	1,053,475	0.13	1,050,000	1,049,500	2,099,500	0.26	5,904,666	0.73
2028/29	804,836,851	1,340,695	427,871	1,768,566	0.22	2,042,225	0.25	1,100,000	993,125	2,093,125	0.26	5,903,916	0.73
2029/30	804,836,851	1,393,821	375,145	1,768,966	0.22	2,035,975	0.25	1,150,000	934,000	2,084,000	0.26	5,888,941	0.73
2030/31	804,836,851	1,447,043	320,323	1,767,366	0.22	2,027,475	0.25	1,225,000	872,000	2,097,000	0.26	5,891,841	0.73
2031/32	804,836,851	1,395,000	263,400	1,658,400	0.21	2,041,725	0.25	1,100,000	805,875	1,905,875	0.24	5,606,000	0.70
2032/33	804,836,851	1,455,000	207,600	1,662,600	0.21	2,027,600	0.25	1,200,000	741,875	1,941,875	0.24	5,632,075	0.70
2033/34	804,836,851	1,510,000	149,400	1,659,400	0.21	2,036,225	0.25	1,250,000	672,000	1,922,000	0.24	5,617,625	0.70
2034/35	804,836,851	1,090,000	89,000	1,179,000	0.15	2,491,475	0.31	1,125,000	598,500	1,723,500	0.21	5,393,975	0.67
2035/36	804,836,851	1,135,000	45,400	1,180,400	0.15	2,498,100	0.31	700,000	531,000	1,231,000	0.15	4,909,500	0.61
2036/37	804,836,851					2,725,225	0.34	1,675,000	489,000	2,164,000	0.27	4,889,225	0.61
2037/39	804,836,851					2,617,725	0.33	1,875,000	388,500	2,263,500	0.28	4,881,225	0.61
2038/39	804,836,851							4,600,000	276,000	4,876,000	0.61	4,876,000	0.61
		<b>\$40,579,560</b>	<b>\$11,032,798</b>	<b>\$51,612,358</b>		<b>\$33,016,375</b>		<b>\$25,000,000</b>	<b>\$12,993,375</b>	<b>\$37,993,375</b>			

Projected Average Additional Tax Per \$100 of Assessed Value: **\$0.2360**

\* Tax rates stated per \$100 of assessed value and exclude earnings, rebate and delinquency adjustment.

(a) Fiscal year 2018/19 is provided by the Arizona Department of Revenue. Assumes annual assessed value change of zero percent.

(b) Assumes sale phases through 2023 and average annual interest at 5% for a 2019 sale and 5.5% to 6.0%

(c) Assumes use of accumulated reserves of past secondary property tax collections to reduce rate to \$0.8366.

(d) Excludes first 12 months of interest expected to be paid from proceeds of the bond sale.

### Estimated General Obligation Bond Issue Cost to Taxpayers

The Bonds would be repaid from a levy of *ad valorem* taxes on all taxable property within the City which would impact the taxpayers in the form of an estimated average annual secondary tax rate increase of \$0.2360 per \$100 of assessed valuation.

The tax impact over the term of the bonds on an owner-occupied residence valued by the County Assessor at \$250,000 is estimated to be \$59 per year for 20 years, or \$1,180 total cost. The tax impact over the term of the bonds on commercial property valued by the County Assessor at \$1,000,000 is estimated to be \$425 per year for 20 years, or \$8,500 total cost. The tax impact over the term of the bonds on agricultural or other vacant property valued by the County Assessor at \$100,000 is estimated to be \$35 per year for 20 years, or \$700 total cost.

Assessor's value for tax purposes is the value of property as it appears on a tax bill and does not necessarily represent the market value. Cost based on the projected average annual tax rate over the life of the bond issues and a number of other financing assumptions which are subject to change. Cost assumes the net assessed valuation of the property increases annually at the lesser of five percent or fifty percent of the projected total annual increase in net assessed valuation shown on the Projected Debt Service Schedule. Estimated average net assessed valuation of owner-occupied residential properties, commercial and industrial properties, or agricultural and vacant properties, as applicable, within the jurisdiction as provided by the Arizona Department of Revenue.

### Estimated Total Cost:

***Should the bonds be authorized and issued, the City estimates that the total cost of the bonds, including principal and interest will be \$37,993,375.***

### Estimated Issuance Costs:

Should the bonds be authorized and issued, the City estimates that the cost of issuance with respect to each series the Bonds will be approximately \$150,000.

### Current Outstanding General Obligation Debt and Constitutional Debt Limitation:

The City currently has \$40,579,560 general obligation debt outstanding. The constitutional debt limit of the City is \$241,059,225, being twenty-six percent (26%) of the net assessed full cash valuation of the taxable property in the City.

The Arizona Constitution limits the outstanding property tax secured bonded indebtedness of cities and towns. For combined water, sewer, light, parks, open space preserves, playgrounds and recreational facilities, outstanding bonded debt may not exceed 20% of net full cash assessed valuation. In addition to the 20% limitation, for all other purposes outstanding bonded indebtedness may not exceed 6% of a city's net full cash assessed valuation. Unused borrowing capacity for the 20% and 6% debt limitations is shown below based upon the fiscal year 2018/19 Net Full Cash Assessed Valuation.

#### Water, Light, Sewer, Open Space & Park Bonds

20% Constitutional Limitation \$185,430,173

Net Direct General Obligation  
Bonds Outstanding (40,579,560)

Reduction for Original  
Issue Premium (1,866,052) (a)

**Unused 20% Limitation  
Borrowing Capacity \$142,984,561**

#### All Other General Obligation Bonds

6% Constitutional Limitation \$55,629,052

Net Direct General Obligation  
Bonds Outstanding (0)

Reduction for Original  
Issue Premium (0)

**Unused 6% Limitation  
Borrowing Capacity \$55,629,052**

(a) This amount reduces in equal amount the borrowing capacity of the City under State statutes and the Arizona Constitution and the principal amount authorized at the elections for the City from which bonds were sold based on changes in law. The amount is net original issue premium with respect to the bonds sold less the amounts of premium used to pay certain costs of issuance of, and interest on, the bonds sold.

OFFICIAL BALLOT

PROPOSITION NO. 422

**Purpose:** Improving Housing Affordability

**Amount:** \$25,000,000

To address the high cost of housing in Flagstaff, shall the City of Flagstaff be authorized to issue and sell general obligation bonds in a principal amount up to \$25,000,000:

- for the purpose of increasing the number of housing units affordable for more residents in the City by construction, rehabilitation, redevelopment and acquisition of land for housing units; and the related infrastructure;
- for the purpose of assisting more Flagstaff residents to afford housing by making loans and grants for the construction, rehabilitation, redevelopment and acquisition of housing units; and the related infrastructure; and
- to pay all costs and expenses properly incidental thereto and to the issuance and sale of bonds?

The bonds may be issued in one or more series, will not mature more than 20 years from the date or dates of their issue, will bear interest at a rate or rates not to exceed 10% per annum, and will have such other provisions as are approved by the City Council.

If the bonds are approved, the City Council will create and appoint a Housing Bond Committee to advise the City Council on the use of the proceeds of the sale of the bonds and related matters.

The following sentence has been included on this ballot as required by Section 35-454(C), Arizona Revised Statutes: The issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on the bonds.

A **YES** vote shall authorize the governing body of the City to issue and sell \$25,000,000 of general obligation bonds of the City to be repaid with secondary property taxes.

**BOND APPROVAL, YES**

A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City.

**BOND APPROVAL, NO**

AS IT WILL APPEAR ON BALLOT

**PROPOSITION NO. 422**

**A measure referred to the people by the Flagstaff City Council relating to the issuance of bonds in a principal amount of \$25,000,000 to improve housing affordability**

A **YES** vote shall authorize the governing body of the City to issue and sell \$25,000,000 of general obligation bonds of the City to be repaid with secondary property taxes

A **NO** vote shall not authorize the governing body of the City to issue and sell such bonds of the City

☐ **YES**

☐ **NO**

**ARGUMENTS FOR PROPOSITION NO. 422**

The "for" and "against" arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

**ARGUMENTS AGAINST PROPOSITION NO. 422**

The "for" and "against" arguments were reproduced exactly as submitted and were not edited for spelling, grammar, or punctuation. These arguments represent the opinions of the authors and have not been checked for accuracy of content.

In chronological order of submission

CITY CLERK OF FLAGSTAFF  
211 W ASPEN AVE  
FLAGSTAFF, AZ 86001-5359



PRSRT STD  
U.S. Postage  
**PAID**  
Phoenix, AZ  
Permit No.

**YOUR PRECINCT IS: SU PRECINTO ES:**

Prec.

SEE PAGE 4 FOR YOUR POLLING PLACE INFORMATION  
VEA LA PÁGINA 46 PARA INFORMACIÓN DE SU LUGAR DE VOTACIÓN

DRAFT

**OFFICIAL VOTING MATERIALS** - ONLY ONE PAMPHLET HAS BEEN MAILED TO EACH HOUSEHOLD CONTAINING QUALIFIED ELECTORS OF THE CITY OF FLAGSTAFF. PLEASE MAKE IT AVAILABLE TO ALL QUALIFIED ELECTORS IN THE HOUSEHOLD.

**MATERIALES OFICIALES ELECTORALES** - SOLAMENTE UN FOLLETO SE HA ENVIADO A CADA DOMICILIO EN CUAL RESIDEN ELECTORES CALIFICADOS DEL MUNICIPIO DE FLAGSTAFF. FAVOR DE COMPARTIRLO CON TODOS LOS ELECTORES CALIFICADOS EN SU DOMICILIO.

## Outreach Presentation/Open House Schedule

<u>Organization Name</u>	<u>Date</u>	<u>Time</u>	<u>Location</u>
<i>August:</i>			
City Council - Special Meeting	Tues, 8/7	6pm	Council Chambers
Sustainability Commission	Thurs, 8/23	4:30pm	Council Chambers
F3 Board of Directors	Mon, 8/27	5:15pm	Office at 2101 N. Fourth St.
Tourism Commission	Tues, 8/28	1:30pm	Council Chambers
Council/Mayor Candidates	Wed, 8/29	6pm	Council Chambers
F3 Meet and Greet B4 Forum	Thurs, 8/30	5:15pm	CCC - Lone Tree Commons
AZ Daily Sun Editorial Board	TBD	TBD	(late August)
Flag Lodging/Rest Assoc.			Request Printed Materials
Flagstaff Biking Organization			Request Open House Info
County Democrats			Request Printed Materials
Heritage Preservation Comm			Request Printed Materials
County Republicans			Request Printed Materials
<i>September:</i>			
N AZ Building Assoc.	Wed, 9/5	1pm	NABA Office on Cedar
Bicycle Advisory Committee	Thurs, 9/6	4:30pm	Council Chambers
County Democrats	Sat, 9/8	9am	The Murdoch Center
BPAC	Mon, 9/10	4pm	Council Chambers
Flagstaff DBA/Stakeholders	Wed, 9/12	3pm?	TBD
Parks and Rec Commission	Wed, 9/12	4pm	Aquaplex Community Room
La Plaza Vieja-bring equipment	Wed, 9/12	5:45pm	College America
Flagstaff Noon Lions Club	Thurs, 9/13	12pm	Collins Irish Pub
Airport Commission	Thurs, 9/13	12pm	Airport Conference Room
Pedestrian Advisory Comm	Thurs, 9/13	4:30pm	Council Chambers
Sunrise Lions-bring equipment	Tues, 9/18	6:30am	Mike and Ronda's - Milton
County BOS	Tues, 9/18	10am	BOS Chambers at Admin Bldg.
N AZ Assoc. of Realtors	Tues, 9/18	11:30am	Little America
OPEN HOUSE	Tues, 9/18	4-6pm	Flagstaff City Hall Lobby
Flagstaff Housing Authority	Wed, 9/19	9am	Council Chambers
Flagstaff Exchange Club	Wed, 9/19	11:45am	Sizzler East
Housing Solutions of N AZ	Wed, 9/19	3pm	Office at 2304 N. Third St.
CCC District Governing Board	Wed, 9/19	4pm	CCC Lone Tree Board Room
Chamber-Government Affairs	Thurs, 9/20	7:30am	Chamber of Commerce
Water Commission	Thurs, 9/20	4pm	Council Chambers
Southside Community Assoc.	Thurs, 9/20	6pm	Murdoch Center-bring equipment
Flagstaff Professionals	Tues, 9/25	7:15am	Taverna Restaurant
Comm - Disability Awareness	Tues, 9/25	12pm	Council Chambers
FUSD Governing Board	Tues, 9/25	5:15pm	FUSD Board Room on Sparrow
Flag Indep Business Alliance	Wed, 9/26	TBD	TBD - Confirm after 9/3



Planning and Zoning Comm	Wed, 9/26	4pm	Council Chambers
OPEN HOUSE	Wed, 9/26	4:30-6:30pm	Flagstaff Aquaplex Lobby
FMC Informational Forum	Fri, 9/28	12pm	McGee Auditorium at FMC
ECoNA	TBD	TBD	TBD
Friends of the Rio (30)			Request Printed Materials
<i>October:</i>			
Transportation Commission	Wed, 10/3	4pm	Council Chambers
OPEN HOUSE	Fri, 10/5	6-8pm	Heritage Square - 1st Friday
OPEN HOUSE	Mon, 10/8	4-6pm	FUSD Board Room at District Office on Sparrow
Amer Society-Civil Engineers	Wed, 10/10	12pm	City Hall - CR Staff Conf Room
Sierra Club	Thurs, 10/11	6pm	Joe C Montoya - Thorpe Park
Comm - Diversity Awareness	Tues, 10/16	1:30pm	Council Chambers
Flagstaff Rotary	Tues, 10/2 or 10/16 Lunchtime		
OPEN HOUSE	Wed, 10/17	5-7pm	Murdoch Center
Flagstaff Climate Action Council	TBD	TBD	
TBD:			
County Continuum of Care	TBD	TBD	
Synergy (late Sept.)	TBD	TBD	Firecreek Coffee Company
CCC&Y	TBD	TBD	Need info by 9/5 to consider.
NACA Staff	TBD	TBD	
<i>November:</i>			

# • TRANSPORTATION DECISION >>> •

PROP

419



Connecting Our  
Community

PROP

420



Bridging The  
Tracks

PROP

421



More Buses  
More Often



PROP

420



Bridging The  
Tracks



PROP

421



More Buses  
More Often



PROP

419



Connecting Our  
Community





**422** Improving Housing  
Affordability

## **CITY OF FLAGSTAFF STAFF SUMMARY REPORT**

**To:** The Honorable Mayor and Council  
**From:** Caleb Blaschke, Assistant to the City Manager  
**Co-Submitter:** Barbara Goodrich  
**Co-Submitter:** Cliff Bryson  
**Date:** 07/19/2018  
**Meeting Date:** 08/07/2018



---

### **TITLE**

**2018 Resolutions of the League of Arizona Cities and Towns**

### **STAFF RECOMMENDED ACTION:**

Council Discussion

### **EXECUTIVE SUMMARY:**

Each year, the League of Arizona Cities and Towns Resolutions Committee is responsible for recommending items for inclusion in the League's legislative program based upon a review of the Resolutions submitted by Arizona's cities and towns (see attachment 1). The adopted Resolutions are outlined in the annual Municipal Policy Statement which serves as the principal guide for the League's legislative program for the upcoming session. As a member of League of Arizona Cities and Towns, the City of Flagstaff is a voting member of the Resolutions Committee.

The Resolutions Committee will meet on Tuesday, August 21, 2018 at 1:30 p.m. as the first item of business at the League Annual Conference. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on Thursday August 23, 2018 at 4:00 p.m. Though Mayor Evans will represent the City of Flagstaff and its single vote, all members of the City Council are invited to attend the meeting.

The purpose of this discussion item is to receive direction on the City's position on the proposed 2018 League Resolutions (see attachment 2). City staff has reviewed each of the proposed Resolutions and provided their recommendation for Council's consideration

### **INFORMATION:**

#### **Intergovernmental Priorities:**

1. Advocate for change in state liquor licensing laws and establish a process for input to allow greater local government control in such areas as hours of operation, size of beverages and saturation. Seek additional funds from the alcohol industry to mitigate the effects alcohol has on the Flagstaff community.
2. Advocate for the state of Arizona to accept consulate cards as valid forms of identification

**Council Goals:**

Affordable Housing - Support development and increase the inventory of public and private affordable housing for renters and homeowners.

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**Attachments:**    [2018 Res Packet](#)  
                          [2018 League Resolutions](#)  
                          [2018 Res Presentation](#)

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**Form Review**

<b>Inbox</b>	<b>Reviewed By</b>	<b>Date</b>
Legal Assistant	Vicki Baker	08/02/2018 09:27 AM
Deputy City Attorney	Kevin Fincel	08/02/2018 03:38 PM
Acting City Manager	Barbara Goodrich	08/02/2018 03:58 PM
Form Started By: Caleb Blaschke		Started On: 07/19/2018 01:08 PM
Final Approval Date: 08/02/2018		



1820 W. Washington • Phoenix, AZ 85007 • Phone: (602) 258-5786 • Fax: (602) 253-3874  
Email: [league@azleague.org](mailto:league@azleague.org) • Web site: [www.azleague.org](http://www.azleague.org)

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July 16, 2018

Dear Mayor,

Correspondence of June 26, 2018 sent from League Staff on my behalf, announced John Giles, Mayor of Mesa and member of the League's Executive Committee, would serve as Chairman of the Resolutions Committee at the League Annual Conference.

The Chairs of five League Policy Committees will present the Resolutions discussed in their respective committees to the Resolutions Committee at the Annual Conference. League Staff will present the Staff Resolution.

Included in this packet you will find:

- Resolutions Committee Calendar
- Resolutions Committee Procedures
- Policy Committee Reports and Resolutions
- Proposed League Staff Resolutions

As the first order of business at the conference, the Resolutions Committee will meet on **Tuesday, August 21, 2018 at 1:30pm**. The actions of the full Resolutions Committee will be formally adopted at the League's Annual Business Meeting on **Thursday August 23, 2018** at 4:00 p.m.

If you have not accepted your appointment or designated a council representative to serve your city/town on the 2018 Resolutions Committee, please make that appointment [here](#).

We look forward to having all 91 cities and towns participate on the Resolutions Committee. If you have any questions or comments regarding the Resolutions Committee, your appointment or the resolutions submittal process, please do not hesitate to contact the League office.

Sincerely,

A handwritten signature in blue ink that reads "Jay Tibshraeny".

Mayor Jay Tibshraeny, Chandler  
League President

Enclosures

cc (via email): Managers, Clerks without Managers, Intergovs

## **2018 Resolutions Committee Calendar**

- April:** Mayor Giles appointed as 2018 Resolutions Committee Chairman
- May-July:** Policy Committees meet
- June 26:** League sends email requesting mayors or council designees register to represent their city/town on Resolutions Committee
- July 16:** League sends out resolutions packet to membership
- August 21:** Resolutions Committee Meeting at the League Annual Conference in Phoenix
- August 23:** Resolutions ratified at the Annual Business Meeting

## **League of Arizona Cities and Towns Resolutions Committee Procedures**

### **1. Resolutions Committee Appointment**

The President shall appoint the Chairman and members of the Resolutions Committee. Only one elected official from each city or town shall be appointed to the Committee.

### **2. Duties**

The Resolutions Committee shall adopt statements of policy amending the annual Municipal Policy Statement, special resolutions and such other resolutions of courtesy, commendation or appreciation as the Committee deems appropriate.

### **3. Submission of Resolutions**

- A. All resolutions submitted by a city or town, including resolutions of courtesy, commendation or appreciation, may be considered by the Committee provided such resolutions are submitted to the Chairman of the Committee or to the League office for consideration by the Policy Committees. The resolutions process allows cities and towns to submit policy ideas to the League at any time during the year without the requirement of a co-sponsoring city or town. If approved by a policy committee, League staff will draft the resolution for presentation to the full Resolutions Committee. Sponsoring cities and towns, or other interested stakeholders may be consulted to provide more information on the idea and also may be invited to speak to the issue at one of the policy committee meetings. Submissions received after July 6 may not be processed in time for the Annual Conference.
- B. Except in the case of emergency as determined by the chair of the committee, no resolutions submitted by a city or town after the deadline specified in subsection A of this section or that have not been vetted by the Policy Committees may be considered.
- C. League staff may submit resolutions for consideration by the full Resolutions Committee if there are issues that have not been addressed through the policy committee process.

### **4. Resolutions Committee Process**

- A. The President shall assign submissions to the relevant Policy Committee. The Policy Committees will review submissions and develop pertinent resolutions for consideration by the Resolutions Committee. Except for the provisions of subsections 3 A and B, only resolutions advanced by the Policy Committees shall be discussed at the Annual Conference Resolutions Committee.
- B. Resolutions shall be amended according to the process established by the Chairman of the Committee.
- C. The completed resolutions will go to the full Resolutions Committee at the Annual Conference for consideration. The chairs of each policy committee will be responsible for presenting the resolutions and their committee activities to the full Resolutions



Committee.

Notice shall be given to each member at least four weeks in advance of the meeting.

5. Final Report

After

the Resolutions Committee meeting, the Chairman of the Committee or a designee shall report to the entire league membership

at the Annual Business Meeting those resolutions adopted by the

Committee. Resolutions adopted by the Committee shall be formally adopted by the membership at the

Annual Business Meeting and become the basis for the annual Municipal Policy Statement.

## **Policy Committee Reports**

The following policy committee reports and resolutions are arranged in alphabetical order. The recommended resolutions are categorized by their respective committee initials and numbered according to the order in which they were approved.

Budget, Finance and Economic Development – BFED

General Administration, Human Resources and Elections – GAHRE

Neighborhoods, Sustainability and Quality of Life – NSQL

Public Safety, Military Affairs and the Courts – PSMAC

Transportation, Infrastructure and Public Works – TIPW

Number	Resolution	Sponsor	Notes
BFED 1	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure	Prescott	
BFED 2	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions	Casa Grande	
BFED 3	Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state	Flagstaff	
GAHRE 1	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Maricopa	
GAHRE 2	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	Florence	
GAHRE 3	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Yuma	
NSQL 1	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals	Fountain Hills	

NSQL 2	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program	Tucson	
NSQL 3	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Mesa	
NSQL 4	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities	Mesa	
PSMAC 1	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board	Glendale	
League Staff 1	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	League	

Budget, Finance and Economic Development – BFED  
 General Administration, Human Resources and Elections – GAHRE  
 Neighborhoods, Sustainability and Quality of Life – NSQL  
 Public Safety, Military Affairs and the Courts – PSMAC  
 Transportation, Infrastructure and Public Works – TIPW

These are the only items that will be voted on. The other submissions that did not move forward as resolutions will be explained at the Resolutions Committee.

## **Chair's Report of the Budget, Finance and Economic Development Policy Committee**

Mayor Daryl Seymore, Show Low

Resolutions Committee Meeting, League Annual Conference

On **May 24, 2018**, the Budget, Finance and Economic Development committee (BFED) convened to discuss one policy issue submitted by the City of Prescott. Below is a summary of the issue considered:

### **1. Development impact fees. Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Phil Goode, councilman, City of Prescott, submitted **Policy Issue 1** regarding impact fees. Councilman Goode explained the intent is to identify and provide solutions to challenges regarding implementing impact fee programs pursuant to SB1525 (2011), particularly in smaller communities that are experiencing high rates of growth. The councilman further explained the result of SB1525 drastically changed how the City of Prescott and other communities levy impact fees; administrative burdens; infrastructure buildout timelines; and regulatory reporting requirements are a few examples of issues that have made it difficult to assess impact fees to allow growth to pay for growth.

After committee discussion, a motion was made and unanimously approved to form a subcommittee to develop recommendations on changes to the impact fee statutes and report back at the next scheduled BFED committee.

On **June 21, 2018** the BFED convened again to discuss one policy issue submitted by the City of Flagstaff and was provided an update on an unassigned issue submitted by the City of Prescott at the **May 24, 2018** meeting:

- 1. Border crossing cards. Flagstaff (Policy Issue 2)**
- 2. Update on Impact fees. Prescott (Policy Issue 1)**

Below is a summary of the committee discussion and recommendations:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, presented the committee information regarding potential federal legislation to permit Mexican tourists with a border crossing card to travel the entire state rather than be limited to the current 75 mile travel limit for Arizona. As mentioned in the presentation, the intent is to allow Mexican tourists to travel to destinations beyond the City of Tucson and other cities and towns near the international border, within the 75-miles restriction, to bolster tourism in northern parts of the state, such as Phoenix, Flagstaff, and central and northern Arizona.

Nathan Pryor, director of government relations, Maricopa Association of Governments, provided to the committee the background of federal administrative and legislative efforts to increase the border zone. Mr. Pryor explained the process and requirements for obtaining a border crossing

card and the I-94 requirements for tourists who wish to exceed the 75-mile restriction. In addition, Mr. Pryor referenced a University of Arizona study of the economic impact to the state from Mexican tourists and the projected increase of \$181 million in new spending associated with the expansion of the border zone beyond 75 miles.

Mayor Coral Evans, City of Flagstaff, expressed support for increasing the border zone beyond 75 miles and explained the importance of this issue for communities, like Flagstaff, where tourism is the main economic driver.

The committee asked the policy issue be continued to the next scheduled meeting and requested staff to provide additional information.

On **July 12, 2018** the BFED committee convened to discuss and vote on the following policy issues:

1. Border crossing cards. **Flagstaff (BFED 3)**
2. Development Impact fees. **Prescott (BFED 1)**
3. Remote TPT Collection. **Casa Grande (BFED 2)**

Below is a summary of the committee discussion and recommendations:

Border crossing cards:

Caleb Blaschke, assistant to the city manager, City of Flagstaff, updated the committee on the policy issue and answered the questions that were posed by committee members at the previous meeting.

Mayor Coral Evans, City of Flagstaff, reiterated the benefits of increasing the border zone in the state to communities in northern Arizona and addressed the questions and concerns raised by committee members.

After discussion, the committee voted, with one dissenting, to move the issue forward as a resolution to be considered at the annual conference.

Development Impact fees:

Phil Goode, councilman, City of Prescott, updated the committee on the intent of the policy issue submission, which is to support reforms to the impact fee statutes to reduce the regulatory burdens for all communities that levy impact fees.

Tom Savage, League legislative associate, provided the explanation of the impact fee issue statement and suggested reforms that were developed by the Impact Fee Subcommittee.

Joyce Clark, councilmember, City of Glendale, expressed concern about the risks of revisiting the issue after previous legislative attempts that nearly prohibited impact fees.

The committee deliberated the necessity of a resolution allowing League Staff to start discussions with homebuilding industry stakeholders to see if there are reforms they could support and what modifications the industry will seek. After discussion, the committee debated the verbiage of the resolution and voted, with three dissenting votes, to move it forward for consideration at the annual conference.

**Remote TPT Collection:**

Mayor Craig McFarland, City of Casa Grande, explained the intent of the policy issue submittal is to discuss moving forward with a legislative proposal allowing local governments to enforce existing sales and use tax laws on online sales from sellers who do not have a physical presence in the state.

Ken Strobeck, League executive director, briefly provided the committee details on the League's legal analysis of the South Dakota v. Wayfair, Inc. Supreme Court case.

Lee Grafstrom, League tax policy analyst, provided explanation on the events following the Court's decision and the research of the Arizona Department of Revenue regarding how other states are addressing this issue. He suggested the role of the League moving forward should be to encourage the state legislature to enact a proposal establishing an economic presence standard with thresholds to clearly define when remote sellers need to remit state and local transaction privilege taxes.

After discussion, the committee voted unanimously to move the issue forward for consideration at the annual conference.

The table below summarizes the BFED Committee's actions:

<b>Policy Issue</b>	<b>Disposition by Committee</b>
<b>1</b> Impact Fees	Resolution BFED 1
<b>2</b> Remote TPT Collection	Resolution BFED 2
<b>3</b> Border Crossing Card Extension	Resolution BFED 3

Daryl Seymore  
Mayor of Show Low  
Chair, Budget, Finance and Economic Development

## **BFED #1**

### **League of Arizona Cities & Towns Resolution**

*Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.*

#### **A. Purpose and Effect of Resolution**

As a result of SB1525 in 2011 and the regulations it established, cities and towns have experienced some challenges implementing the complex regulatory requirements established by the legislation and maintaining the philosophy of impact fees: growth paying for itself rather than assessing existing residents who've already paid their proportionate share. Cities and towns do their best to project what type of development will occur in their communities and when infrastructure will be needed to service it; however, when development does not occur as projected, it increases the likelihood of taxpayers paying for the cost of growth to avoid refunding impact fees if the infrastructure is not built within the time frames established by the 2011 legislation.

The requirements established by SB1525 were written at a time when the housing industry was struggling, but the result is unduly burdening existing taxpayers instead. Today, with the housing market growth and demand increasing, it's time to review these requirements and explore modifications that will streamline the adoption process and add flexibility to ensure that new development pays for the associated demand of new and expanded infrastructure.

#### **B. Relevance to Municipal Policy**

There are 40 cities in the state that currently levy impact fees in at least one of the seven categories of necessary public services. As a result of changes to the impact fee statutes in the last 10 years, 15 cities and towns have discontinued levying impact fees due to the complex regulations established and the expense to comply.

#### **C. Fiscal Impact to Cities and Towns**

There is no estimate of the fiscal impact to cities and towns that levy impact fees. Ideally, any changes would result in the use of less taxpayer dollars to fund infrastructure that impact fees should be paying for.

#### **D. Fiscal Impact to the State**

There is no fiscal impact to the state.

#### **E. Contact Information:**

**Sponsoring City or Town:** Prescott

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**League Staff:** Tom Savage



## **BFED #2**

### **League of Arizona Cities & Towns Resolution**

*Seek legislation that adds an economic presence nexus standard based on reasonable thresholds for sales in dollars and number of transactions to address transaction privilege tax collection on remote sellers for all taxing jurisdictions.*

#### **A. Purpose and Effect of Resolution**

The recent U.S. Supreme Court Decision in *South Dakota v. Wayfair, Inc.* overturned the outdated physical presence standard. This decision clears the way for the state and local governments to enforce existing transaction privilege tax imposition on remote sales.

Recognizing the financial drain of a physical presence standard as retail activity shifted from brick-and-mortar stores to the Internet, South Dakota began requiring collection of sales tax by sellers with no physical presence in the state provided they met certain economic criteria. The law established statewide nexus for imposing tax based on “economic presence” if a seller made more than \$100,000 in sales or 200 separate transactions in the state in a calendar year. The State of Arizona should enact a similar piece of legislation as soon as possible.

To avoid litigation such legislation should mimic the South Dakota model, including reasonable thresholds for the minimum in sales dollars and transactions in a year before triggering tax liability; applying the new standard prospectively only with a reasonable delay prior to implementation; and a requirement that the State and local tax codes for the Retail classification must remain uniform for any transaction that can be conducted by a remote seller.

#### **B. Relevance to Municipal Policy**

TPT is the largest single component of local revenues. This revenue stream must be protected against continued erosion as retail sales shift to out-of-state sellers maintaining a market in Arizona with a built-in price advantage over local retailers because they don’t collect the tax. It is also imperative that any legislation must protect the Model City Tax Code from misguided efforts to use the *Wayfair* decision to justify its wholesale elimination.

#### **C. Fiscal Impact to Cities and Towns**

Adopting an economic presence nexus standard will undoubtedly increase revenues for cities and towns through local TPT collections and increased shared revenues from State TPT collections. Any estimate of this increase should be conservatively calculated. Most of the largest online retailers are already paying the tax because they also have a physical presence. This will capture the few holdouts and mid-sized sellers, while providing relief allowing small sellers to grow.

#### **D. Fiscal Impact to the State**

Adopting an economic presence nexus standard will undoubtedly increase revenues for the State, however the same caution regarding how much of an increase to expect applies here as well.

**E. Contact Information:**

**Sponsoring City or Town:** Casa Grande

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**League Staff:** Lee Grafstrom

## **BFED #3**

### **League of Arizona Cities & Towns Resolution**

*Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.*

#### **A. Purpose and Effect of Resolution**

Border Crossing Cards (BCC) authorizes the holder to cross the U.S.-Mexico border to visit the U.S. for business or pleasure for no more than 30 days and within certain areas depending on the state of travel. Applicants for a BCC must apply and be vetted at a U.S. consulate in Mexico in order to be eligible. Currently, the zone of permissible travel is limited to 25 miles beyond the border of California; up to 55 miles in New Mexico; and up to 75 miles from selected ports in Arizona. Mexican tourists wishing to travel beyond these distances or stay longer than 30 days must request an I-94 at the U.S. port of entry from the Customs and Border Protection and pay a fee. The current 75 mile zone in Arizona, which was increased from 25 miles in 1999, only allows Mexican tourists to travel as far north as the City of Tucson.

There is a proposal being developed and is supported by various organizations, including chambers of commerce and planning organizations in Arizona, to increase the zone of permissible travel from the current 75 mile limitation to the entire state, allowing Mexican tourists to travel seamlessly to places like Flagstaff and Phoenix.

#### **B. Relevance to Municipal Policy**

Tourism is a major economic driver for many communities in Arizona and increasing the border zone may positively impact the economics of cities and towns beyond the current zone.

#### **C. Fiscal Impact to Cities and Towns**

(See below)

#### **D. Fiscal Impact to the State**

A 2015 study conducted by the University of Arizona<sup>[1]</sup> projected up to \$181 million in new spending; bringing the total projected spending by Mexican tourists to Arizona to nearly \$3.1 billion and a total jobs impact of 31,766.

<sup>[1]</sup> Charney, Alberta, and Alan Hoogasian. *Extending the Border Zone to the Entire State of Arizona: Estimated Expenditures and Economic Impact Simulations, 2013-2016.*

#### **E. Contact Information:**

**Sponsoring City or Town:** Flagstaff

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**League Staff:** Tom Savage

## Chair's Report of the General Administration, Human Resources and Elections Committee

Mayor Lana Mook, El Mirage

Resolutions Committee Meeting, League Annual Conference  
Tuesday, August 21, 2018

On **June 21, 2018 and July 21, 2018**, General Administration, Human Resources and Elections Committee (GAHRE) convened to discuss three policy issues submitted by the cities of, Maricopa and San Luis as well as the Town of Florence. Below is a summary of the issue considered by GAHRE:

1. Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office. **Maricopa (Policy Issue 1)**
2. Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). **Florence (Policy Issue 2)**
3. Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). **(Policy Issue 3)**

Below is a summary of the committee discussion and recommendations:

The City of Maricopa submitted **Policy Issue 1**. This issue was adopted as a resolution by the League Resolutions Committee last year. Legislation was introduced which passed the Senate but died in the House in the waning days of the session. Mayor Christian Price explained that current state statute, recently amended by the state legislature, allows surplus campaign contributions to be transferred to a campaign for statewide office by any elected official; with the lone exception of city and town elected officials. Excluding mayors and councilmembers from using campaign contributions to seek statewide office is a clear equity issue that really has no justification.

The committee once again agreed that this is an issue that needs to be rectified by a change to state law and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee at the League Annual Conference. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The Town of Florence proposed **Policy Issue 2** that would allow cities and towns to use excess funds from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS). Scott Barber, HR Director for the Town of Florence explained that like many Arizona communities, the Town once had a fully volunteer fire department to provide fire protection service to its citizens. Over time the approach evolved to having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels. One legacy from the fully volunteer days is the Florence Fire Department Profit Sharing Plan, a retirement vehicle which the town continues to use as a benefit for part-time employees in the department. Part-timers contribute a percentage of their compensation which is matched by the Town. For many years the vesting schedule for the Plan

was 5 years. Therefore, part-time employees who left the department or who were hired as full-timers did not receive the employer's matching funds when they terminated Plan membership. This resulted in the Plan "forfeiture account" growing until it reached its current balance of \$190,000. The Plan forfeiture account is used to pay Plan expenses and also the Town's matching contributions for Plan participants, but the forfeiture account cannot be used for any other purpose.

The committee asked for information related to whether this change would require legislation or if it could be done under the guidelines set up by the profit sharing plan. Tim Stratton, a tax attorney from Gust Rosenfeld gave his opinion to the committee that such a change would require legislation based on an old attorney general opinion as well as the fact that fire districts recently were successful getting legislation passed doing the same thing. There was a unanimous vote by the committee to forward this policy issue as a resolution to the Resolutions Committee at the League Annual Conference.

The City of Yuma proposed **Policy Issue 3**. It proposes to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding). The 9-1-1 funding model established in 2001 for telecommunication excise tax had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state's 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003.

Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests. The 9-1-1 funding is inadequate and the 9-1-1 systems, especially in rural areas of the state, are suffering.

The committee discussed the issue and recommended that this policy issue be designated as a proposed resolution to be considered by the Resolutions Committee.

The table below summarizes the GAHRE Committee's actions:

<b>Policy Issue</b>	<b>Disposition by Committee</b>
<b>1</b> Campaign Funds Transfer	Resolution GAHRE 1
<b>2</b> Volunteer Firefighter Excess Funds	Resolution GAHRE 2
<b>3</b> 9-1-1 Funding Legislative Committee	Resolution GAHRE 3

Lana Mook  
Mayor of El Mirage  
Chair, General Administration, Human Resources and Elections Committee

**League of Arizona Cities & Towns Resolution**

*Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.*

**A. Purpose and Effect of Resolution**

The inability for local officials to transfer contributions to a statewide or legislative office is simply not equal treatment. This change would encourage more local elected officials to run for statewide office.

**B. Relevance to Municipal Policy**

City and town elected officials, because of their experience, should be encouraged to run for statewide or legislative office. It is not reasonable to exclude them from using contributions in this way.

**C. Fiscal Impact to Cities and Towns**

No fiscal impact to cities and towns.

**D. Fiscal Impact to the State**

No fiscal impact to the state.

**E. Contact Information**

**Sponsoring City or Town:** City of Maricopa

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**League Staff:** Tom Belshe

**League of Arizona Cities & Towns Resolution**

***Allow cities and towns to use excess funds from a volunteer fire department profit sharing plan to pay down unfunded liability in the Public Safety Personnel Retirement System (PSPRS).***

**A. Purpose and Effect of Resolution**

Several Arizona communities at one time had fully volunteer fire departments to provide fire protection service to its citizens. Over time the approach evolved into having a department which includes both full-time (career) firefighters and part-timers to help maintain minimum staffing levels at our One legacy from the fully volunteer days is that these volunteer departments offered “profit-sharing plans”, a retirement vehicle which continue to be used as a benefit for part-time employees in the departments. Part-timers contribute a percentage of their compensation which is matched by the city or town. For many years the vesting schedule was 5 years. Therefore, part-time employees who left the departments or who were hired as full-timers did not receive the employer’s matching funds when they terminated plan membership. This resulted in excess funds growing in the accounts. These forfeited, excess funds cannot be used for any other purpose. Cities and towns would like to see legislation drafted to allow the use of excess part-time pension funds to apply towards liabilities under PSPRS.

**B. Relevance to Municipal Policy**

Cities and towns are desperately looking for ways to reduce the very significant burden of PSPRS unfunded liability.

**C. Fiscal Impact to Cities and Towns**

Decreasing unfunded liability in the PSPRS will have a positive impact to municipal budgets.

**D. Fiscal Impact to the State**

No fiscal impact to the state.

**E. Contact Information**

**Sponsoring City or Town:** Town of Florence

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**League Staff:** Tom Belshe

**League of Arizona Cities & Towns Resolution**

***Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).***

**A. Purpose and Effect of Resolution**

The 9-1-1 funding model established in 2001 for telecommunication excise tax (9-1-1 tax) had automatic reductions written in the legislation. It scheduled a drop in the monthly fee from 37 cents to 28 cents and ultimately decreased it to 20 cents a month by 2007. This is a 46% decrease in the monthly fee between 2001 and 2007 and, although technology has and is changing dramatically, the monthly fee remains at 20 cents in was formulated prior to the proliferation of smart phone mobile technology.

Approximately 53 million dollars have been swept from the state's 9-1-1 funding source (Revolving Emergency Telecommunications Fund) since 2003. Approximately 18 million dollars is now collected annually and distributed to the 9-1-1 systems throughout the state. The annual collection has fallen short of the 9-1-1 system and public safety requirements and requests.

Consequences of 9-1-1 system funding shortfalls:

- Significant delay in replacing aging 9-1-1 equipment.
- Inability to fund additional 9-1-1 equipment needed to match 9-1-1 call volume increases.
- No funding available for new PSAPS (City of Maricopa, Mesa Fire, Somerton PD, etc.).
- Statewide Wireless 9-1-1 Phase II (X/Y location) access is not available due to lack of funds to compensate wireless carriers.

A legislative study group would allow elected members to look at the 9-1-1 needs for the entire state, not just a single region or community. The findings will be submitted in a report along with any recommendations from the proposed group.

**B. Relevance to Municipal Policy**

The health, safety and welfare of our citizens is paramount to elected officials. We need to explore how to assure adequate funding for a 9-1-1 system that will serve the needs of citizens in all areas of the state.

**C. Fiscal Impact to Cities and Towns**

No fiscal impact to cities and towns.

**D. Fiscal Impact to the State**

No fiscal impact to the state.



**E. Contact Information**

**Sponsoring City or Town:** City of Yuma

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**League Staff:** Tom Belshe

## Chair's Report of the Neighborhoods, Sustainability, and Quality of Life Policy Committee

Mayor Linda Kavanagh, Chair

Resolutions Committee Meeting, League Annual Conference  
Tuesday, August 21, 2018

On **June 12 and July 12, 2018**, the Neighborhoods, Sustainability, and Quality of Life Policy Committee (NSQL) convened to discuss six policy issues submitted by committee members for consideration. Below is a summary of the policy issues considered by NSQL:

1. Advocate for local regulation of short-term rentals. – **Fountain Hills (Policy Issue 1)**
2. Advocate for an open space preservation/scientific and cultural facilities special district. – **Gilbert (Policy Issue 2)**
3. Advocate for a state workforce housing tax credit modeled after the federal Low-Income Housing Tax Credit (LIHTC) program. – **Tucson (Policy Issue 3)**
4. Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation. – **Mesa (Policy Issue 4)**
5. Work with the Arizona Department of Health Services to expedite their rulemaking process for the sober living home licensing system. – **Mesa (Policy Issue 5)**
6. Advocate for legislation to protect airport operations from encroachment. - **Mesa (Policy Issue 6)**

Below is a summary of the committee discussion and the recommendations:

The Town of Fountain Hills submitted **Policy Issue 1** for consideration at the June 12 meeting. In preparation for the meeting, input on short-term home rental problems and proposed solutions were requested by League staff by email and then summarized. At the June 12 meeting this information was presented by staff and the committee then discussed various examples of the negative consequences that short-term home rentals have had in Arizona and other states and various policy approaches that could be used to address these issues. The committee agreed on a list of provisions that should be included in legislation for next session. This information was reviewed at the July 12 meeting, at which time the committee added several more proposed provisions and voted to move the proposal forward for consideration at the Annual Conference.

The Town of Gilbert submitted **Policy Issue 2** for consideration at the June 12 meeting. At the meeting Councilman Anderson (Gilbert) presented information about Denver's Scientific and Cultural Facilities District, a special taxing district that funds several parks and science/cultural facilities in the region. During the discussion questions arose about the funding structure and League staff was asked to do follow-up research on Denver's special district as well as Arizona's existing statutes for special districts. This information was reviewed at the July 12 meeting, at which time the committee decided to hold the proposal for further study.

The City of Tucson submitted **Policy Issue 3** for consideration at the July 12 meeting. At the meeting Mayor Rothschild (Tucson) presented information about Arizona's use of the federal Low-Income Housing Tax Credit as well as supplemental state-level housing credits that have

been successful in other states. After hearing the proposal the committee voted to move it forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 4** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the negative economic impact of not having a state-wide non-discrimination policy that includes gender identity and sexual orientation. The committee discussed the importance of addressing this issue as well as their local ordinances on the subject. One member noted that communities currently have the ability to address the issue locally and that it should remain an issue of local concern. The committee then voted to move the proposal forward for consideration at the Annual Conference.

The City of Mesa submitted **Policy Issue 5** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about last year's successful resolution to address unregulated sober living homes through state legislation and the need for the Arizona Department of Health Services to complete their rulemaking process as expeditiously as possible. After hearing the proposal the committee voted to authorize the League to work directly with ADHS to speed up the rulemaking process. Because legislation is not necessary the proposal did not need to be forwarded to the Resolutions Committee.

The City of Mesa submitted **Policy Issue 6** for consideration at the July 12 meeting. At the meeting Councilman Heredia (Mesa) presented information about the conflict between airport operations and the siting of schools nearby, as well as a bill from last session that was attempting to address this issue but that did not make it through the legislative process. After discussing the need for legislation on this issue the committee voted to move the proposal forward for consideration at the Annual Conference.

**NOTE:** Mayor Moriarty of Sedona chaired the July 12 meeting.

The table below summarizes the NSQL Committee's actions:

<b>Policy Issue</b>	<b>Disposition by Committee</b>
<b>1</b> Short Term Rental Regulation	Resolution NSQL 1
<b>2</b> Special District for Scientific & Cultural Facilities	Held for further study
<b>3</b> State Low-Income Housing Tax Credit	Resolution NSQL 2
<b>4</b> Anti-Discrimination Law	Resolution NSQL 3
<b>5</b> Rulemaking for ADHS on Sober Living Homes	Approved by NSQL, no resolution needed
<b>6</b> Zoning for schools near airports	Resolution NSQL 4

Linda Kavanagh  
Mayor of Fountain Hills  
Chair, Neighborhoods, Sustainability, and Quality of Life Policy Committee

## League of Arizona Cities & Towns Resolution

### *Amend statute to allow local regulation of short-term home rentals.*

#### **A. Purpose and Effect of Resolution**

Short-term rentals are meant to help homeowners generate extra income and allow travelers to enjoy the comforts of a residential home when travelling. Short-term rentals have become very popular and economically significant but have also led to unintended consequences for neighborhoods. Most of the issues stem from the renter taking advantage of the benefits of a residential home/area without having any of the accountability/responsibility of being a long-term renter or owner, as well as the homeowner being absent or unable or unwilling to address complaints from neighbors. This includes things such as:

- Increased traffic in neighborhoods and other areas of city/town
- Noise violations that do not get resolved with calls for service
- Large parties that congest the street and are loud and disruptive
- Neighbors have no recourse for resolving issues other than calling police/city
- Short-term renters that create public safety hazards when not familiar with the area
- Allowing too many in one area can change the residential character of neighborhoods
- Increased home prices/loss of housing stock for full-time residents as investors buy homes
- Reduced availability/increased prices of long-term rental options
- Lack of tax remittance
- Negative impact to the economy of communities that depend on hotels and motels
- Treated differently than hotels, motels and B&B's (business equity, safety inspections)
- Treated differently than long-term rentals (deposits, lease, other rules/accountability)
- Treated differently than other home-based businesses (registration, permitting)

Allowing for local or state regulation of short-term rentals would address these issues by requiring that the homeowner be legally responsible. This could be accomplished by:

- Creating a distinction between "shared" homes and short-term rentals of entire residences
- Requiring a license or special use permit that can be revoked after multiple violations
- Requiring contact information be registered with the city, county or state
- Making the property owner legally responsible for all violations and fines
- Placing a cap on the number of guests that can stay in a short-term rental
- Limiting short-term home rentals to a primary or secondary homes (i.e. no investors)
- Addressing homes that are being converted into "boarding houses", homes with separate guesthouses, and short-term rentals in multi-family housing
- Establishing a cap on # of homes or % of housing that can be used for short-term rentals and/or establishing distance requirements to avoid clustering

#### **B. Relevance to Municipal Policy**

Protecting the local housing stock as well as the residential character of neighborhoods is a municipal responsibility.

### **C. Fiscal Impact to Cities and Towns**

There may be an administrative cost associated with regulating short-term rentals locally.

### **D. Fiscal Impact to the State**

There may be an administrative cost to the state if regulation is pursued at the state-level.

### **E. Contact Information**

**Sponsor City/Town:** Town of Fountain Hills

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**League Staff:** Alex Vidal

**League of Arizona Cities & Towns Resolution**

***Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.***

**A. Purpose and Effect of Resolution**

Across the state of Arizona, families and individuals are facing a housing affordability crisis. In Tucson alone, more than 18,000 families are on the waiting list for Section 8 Housing Choice vouchers, and we cannot accept any new applications. According to Sally Stang, Tucson's Housing and Community Development Director, Tucson needs more than 60,000 affordable units to meet the needs of our citizens. We are not alone in this housing crisis: throughout Arizona, we are short 159,999 affordable rental homes that are needed to meet demand for existing families.

According to data from the National Low-Income Housing Coalition, in Arizona 75% of extremely low-income renter households suffer severe cost burden, spending more than half their monthly income on housing. Families must then make hard choices about paying bills, getting necessary medical care, or buying groceries.

There are few tools to incentivize affordable housing development but the ones that remain in place remain because they are sound policy. The most successful tool is the federal Low-Income Housing Tax Credit (LIHTC) program, which was created during the Reagan administration. This 32 year old program awards federal tax credits to developers who build or rehabilitate high-quality units leasing them to low income tenants at below market rents. The LIHTC credits are awarded annually through a highly competitive process administered by the Arizona Department of Housing (ADOH).

Like the federal Low-Income Housing Tax Credit (LIHTC), a state credit would support the development of a wide range of affordable housing projects for those that have limited income in rural and urban areas, in some cases with non-profits providing supportive services. This tax credit would help those who most need it, as determined by the Arizona Department of Housing (ADOH). A state credit would incentivize development which benefits our constituents in several ways: stabilizing families and reducing our homeless population; bringing in additional revenue to the city in the form of construction materials and taxes; and new jobs for construction, operation, and maintenance of new developments.

There are more than 15 states that already have a state low income housing tax credit including Utah, New Mexico, California, Oklahoma, Georgia, Nebraska and Wisconsin. In Colorado, where they have had a state affordable housing tax credit for 7 years, the outcomes have been dramatic. Analysis of that program during the three year period from 2015-2017 shows that over 4,000 housing units were directly supported through the tax credit. In addition to the new units, there has been \$465 million in new private sector investment to support housing and Colorado has leveraged \$33 million in previously untapped federal 4% LIHTC funding. Overall during this three year time period, there has been \$1.6 billion in economic impact to the state of Colorado and over 19,000 jobs created because of the housing tax credit.

Arizona could benefit similarly. This is a proven and efficient tool that drives economic development, offers relief to rent-overburdened families and will help us to end homelessness in Arizona.

### **B. Relevance to Municipal Policy**

Homelessness and transient populations result from a lack of affordable housing and can create expensive demands on our public safety, emergency services, criminal justice, healthcare and education systems. By working together to fill the affordable housing void we can reduce our costs through the stabilization of the individuals and families who need it most.

### **C. Fiscal Impact to Cities and Towns**

There would be no fiscal impact to cities or towns. However, cities and towns will benefit from increased development activity in the form of increased TPT and economic outputs associated with the development, operation and maintenance of this new housing.

### **D. Fiscal Impact to the State**

Fiscal impact to the state will be determined by the limit set on the tax credit in the sponsoring legislation. Based upon what has occurred in other states, this will be offset by greater economic activity in the form of construction TPT, income tax from jobs created and increased local tax revenues.

### **E. Contact Information**

**Sponsoring City/Town:** City of Tucson

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**League Staff:** Alex Vidal

**League of Arizona Cities & Towns Resolution**

*Amend statute to protect from discrimination based on sexual orientation or gender identity.*

**A. Purpose and Effect of Resolution**

Arizona must provide an environment that is welcoming and inclusive. Whether it is Fortune 500 companies that are looking to bring jobs to our state or the small businesses that are attempting to expand, nondiscrimination in the workplace is an issue of vital importance. Today, many of Arizona's neighbors have laws that prohibit discrimination based on sexual orientation or gender identity. If we want to live in cities and a state that remain economically competitive, attract the very best talent and are vibrant places to live, we must be open for business to everyone.

Today, a baseline level of statewide nondiscrimination protections inclusive of sexual orientation and gender identity does not exist. While individual municipalities have the authority to create local ordinances unique to our individual cities and towns, we believe issues of nondiscrimination transcend borders and are a matter of statewide concern.

We urge the Arizona State Legislature to adopt statewide non-discrimination protections that are inclusive of sexual orientation and gender identity. Not only is such an update the right thing to do, it would also aid economic development efforts for our cities and the State of Arizona.

**B. Relevance to Municipal Policy**

Arizona cities would be stronger together with a statewide update to our laws that applied to all municipalities equally.

**C. Fiscal Impact to Cities and Towns**

There is no anticipated fiscal impact to cities and towns.

**D. Fiscal Impact to the State**

There is no anticipated fiscal impact to the state.

**E. Contact Information**

**Sponsoring City/Town:** City of Mesa

**Name:** Miranda DeWitt

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**League Staff:** Alex Vidal



**League of Arizona Cities & Towns Resolution**

***Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.***

**A. Policy Issue**

Aviation in Arizona provides more than \$58 Billion annually in economic activity. Arizona's airports are economic hubs for our cities and towns and it is crucial to protect them from encroachment which threatens their airspace and constrains their potential community benefits. In the City of Mesa, Phoenix-Mesa Gateway Airport's growth is an integral part of our local, state and international economy. The recent addition of Skybridge Arizona marks a new era in cross-border trade, growing our city and state economy and playing a vital role in international commerce. Skybridge Arizona will enable E-commerce companies, manufacturers and other commercial interests in North and South America to efficiently transport goods while ensuring safety controls. This project is expected to create thousands of direct jobs in our state and significantly increase Phoenix-Mesa Gateway Airport cargo flights. Such growth will inevitably foster future opportunities; thus, it is crucial for our cities and airports to continue to be great partners to support economic growth across our State. Other airports, large and small, throughout Arizona provide similar benefits to their local communities.

Current state law provides exemptions for schools from local planning and zoning requirements and fails to provide adequate communication and collaboration between airports and schools when a new school is locating in an airport's vicinity. The lack of proper communication and coordination can result in negative unintended consequences for schools and airports, risking the safety and operations of all involved. Under current law, when a new school is planned within the airport traffic pattern airspace boundary, the school has no requirement to communicate their plans to the airport. This has resulted in the construction of a high-profile structure that has led to a reduction in airport's airspace and FAA fines incurred by the school. Although the construction occurred within the letter of the law, better communication and coordination amongst the school officials and the airport would have yielded a better result for all parties. Because school buildings are currently exempt from zoning requirements, adequate planning can be challenging. However minor changes thoughtfully planned can provide a lasting solution to this occasional but serious concern while protecting everyone's best interests.

**B. Purpose and Effect of Resolution**

The League of Cities and Towns has an important role in the legislative stakeholder process, where airports, City officials, school district and charter school representatives, and business community members can develop comprehensive legislation to protect public safety and lower our airports exposure to encroachment, possible air space loss and noise abatement concerns. Reaching and adopting compromise legislation that promotes better communication and coordination for school buildings near airports and/or restricts such construction/relocation in pertinent areas, is imperative to ensure that public safety and the airports' economic benefits are protected.

**C. Fiscal Impact to Cities and Towns**

There is no anticipated fiscal impact to cities or towns. Failure to enact these protections could lead to constraints on airspace and substantial negative fiscal impacts.

**D. Fiscal Impact to the State**

There is no anticipated fiscal impact on the state General Fund associated with this legislation.

**E. Contact Information**

**Sponsoring City/Town:** City of Mesa

**Name:** Miranda DeWitt

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**League Staff:** Alex Vidal

## Chair's Report of the Public Safety, Military Affairs, and the Courts Policy Committee

Mayor Jerry Weiers, Chair

Resolutions Committee Meeting, League Annual Conference  
Tuesday, August 21, 2018

On **May 15, 2018**, the Public Safety, Military Affairs, and the Courts Policy Committee (PSMAC) convened to discuss one policy issues submitted by a committee member for consideration. Below is a summary of the policy issue considered by PSMAC:

1. Advocate for a city or League representative to be appointed to the State Liquor Board.  
**Glendale (Policy Issue 1)**

Below is a summary of the committee discussion and the recommendations:

The City of Glendale submitted **Policy Issue 1** for consideration at the May 15 meeting. In preparation for that meeting League staff summarized the existing statutes that govern the State Liquor Board (Board) including designated qualifications for several of the seats as well as the current members of the Board and their roles. At the meeting, the committee discussed various instances where the Board disregarded a recommendation for disapproval from the local governing body as well as other actions that the Board has taken that reflected a lack of awareness or concern for local input. The committee agreed that the League should pursue any and all avenues for improving the relationship between cities/towns and the Board, up to and including having a city/town elected official or staff member, or a League representative, appointed to the Board.

The table below summarizes the NSQL Committee's actions:

<b>Policy Issue</b>	<b>Disposition by Committee</b>
<b>1</b> League Representation on Liquor Board	Resolution PSMAC 1

Jerry Weiers,  
Mayor of Glendale  
Chair, Public Safety, Military Affairs, and the Courts Policy Committee

## **PSMAC #1**

### **League of Arizona Cities & Towns Resolution**

*Pursue all avenues for improving relations between cities/towns and the State Liquor Board, including having a city/Town official or staff member, or a League representative, appointed to the Board*

#### **A. Purpose and Effect of Resolution**

In Arizona, the State Liquor Board (Board) has the ultimate authority to approve or deny liquor license applications. Although city and town councils make recommendations on the applications, the recommendations are non-binding and the Board can choose to override the local government's recommendation.

State statute currently includes specific criteria for three of the seven seats on the State Liquor Board, two liquor industry representatives and one representative from a neighborhood association. State statute could be amended to specify that one of the remaining four seats be designated for either a member of a city or town council, a city or town employee, or a representative from the League.

#### **B. Relevance to Municipal Policy**

Having a designated local government representative on the State Liquor Board will help to ensure that feedback from residents and the city or town council is properly considered and understood. It will also give the other members of the State Liquor Board the opportunity to hear a municipal perspective. Just as the industry has a designated seat at the table, the Board should also include someone representing the cities and towns where the licensees will be operating.

#### **C. Fiscal Impact to Cities and Towns**

There is no anticipated fiscal impact to cities and towns.

#### **D. Fiscal Impact to the State**

There is no anticipated fiscal impact to the state General Fund.

#### **E. Contact Information**

**Sponsoring City or Town:** City of Glendale

**Name:** Jenna Goad

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**League Staff:** Alex Vidal

## Chair's Report of the Transportation, Infrastructure and Public Works Policy Committee

Mayor Bob Rivera, Thatcher

Resolutions Committee Meeting, League Annual Conference

On **July 11, 2018**, the Transportation, Infrastructure and Public Works committee (TIPW) convened to discuss one policy issue submitted by the City of Casa Grande. Below is a summary of the issue considered:

### 1. I-10 widening project. **Casa Grande (Policy Issue 1)**

Craig McFarland, mayor, City of Casa Grande, submitted **Policy Issue 1** that would request the Arizona Department of Transportation (ADOT) add the I-10 Chandler-Casa Grande section widening project to the State's five-year transportation plan to begin the planning, design and construction phases of the project. Mayor McFarland explained the intent is also to request the League support the project moving forward and assist with the formation of a coalition consisting of government and private stakeholders to work with ADOT and the Gila River Indian Community (GRIC).

Christian Price, mayor, City of Maricopa, explained the current barriers to the project moving forward include the pending agreement with the GRIC on acquiring right of way for one additional east and westbound lane and the availability of funding for the project. Mayor Price also explained that ADOT and the State Transportation Board cannot add the project to the five-year plan without funding.

Bob Rivera, mayor, Town of Thatcher, provided support for the project and explained this corridor of I-10 is important to focus on due to the amount of travel and freight from southern Arizona and Mexico.

After discussion of the issue, the committee determined that it will not move forward as a resolution since it is not a state legislative matter. The committee instead voted unanimously to request the League gather further data on the project and work with ADOT and other stakeholders to assist in moving the project forward. The committee voted to permit the League to work with ADOT and GRIC on this issue.

The table below summarizes the BFED Committee's actions:

Policy Issue	Disposition by Committee
1 I-10 widening project	League staff assigned to work with ADOT and Gila River Indian Community to encourage prudence in planning, funding, and widening I-10

Bob Rivera  
Mayor of Thatcher  
Chair, Transportation, Infrastructure and Public Works

## **Report from the League Executive Director on Staff-Developed Resolutions**

Ken Strobeck, Executive Director

Resolutions Committee Meeting, League Annual Conference  
Tuesday, August 21, 2018

After the completion of the Policy Committee meetings, League staff met to determine whether there were policy issues that had not been proposed through the Policy Committee process. Staff believes the following proposed resolution should be considered by the Resolutions Committee at the Annual Conference.

1. Perform research on IRS tax law regarding the possibility for police and fire employees currently participating in PSPRS to irrevocably opt out of the Defined Benefit plan and into the Defined Contribution plan. Depending on the outcome of that research, the League could develop legislation for introduction in the 2019 Legislative Session that establishes this option. – **League Staff (Policy Issue 1)**

## **League Staff #1**

### **League of Arizona Cities & Towns Resolution**

***Research and pursue potential legislative approaches during the 2019 Legislative Session to permit Tier 1 and Tier 2 members of the Public Safety Personnel Retirement System (PSPRS) to make an irrevocable election to join the PSPRS Defined Contribution Plan established by Laws 2016, Chapter 2.***

#### **A. Purpose and Effect of Resolution**

Laws 2016, Chapter 2 (SB1428) established a Tier 3 of pension participation and benefits for PSPRS members hired on or after July 1, 2017. In addition to establishing Tier 3 for the Defined Benefit (DB) plan, legislation also established a Defined Contribution (DC) plan for new employees hired on or after July 1, 2017. Upon employment a new employee now has the option to participate in either the DB or DC plan and, absent an election, will default into the DB plan.

A DB plan is an annuity in which the employer inherits the investment risk of the plan and failure to meet assumed rates of return resulting in unfunded liabilities to the employer plan. A DC plan is similar to a 401(k) in that the investment risk is inherited by the employee and, upon retirement, the employee can withdraw funds in a lump sum or annuitize their benefits. There are no unfunded liabilities in a DC plan.

Tier 1 and 2 members must meet certain periods of service requirements between 15 and 20 years in order to become eligible for retirement benefits. However, many police and fire personnel are hired in Arizona as their second career following service in the military, service in police or fire employment in another state, or in other career paths. During the Pension Ad Hoc Committee established by the Arizona House of Representatives, the committee heard testimony from police and fire personnel indicating they wished they had the opportunity to join a DC plan and not be bound by the years of service requirement for Tiers 1 and 2.

Current liabilities in the PSPRS Fund, as of 06/30/2017, amount to \$15,578,700,116 with a total of 33,522 active, inactive, retired, disabled, and survivor members. Although liabilities vary by individual, the average per-member liability totals \$464,730. By permitting police and fire personnel to make an irrevocable election to join the PSPRS DC plan two outcomes will result: 1) for each member that joins the DC plan, the employer's plan liabilities will diminish and 2) it provides employees a voluntary election they do not currently have to participate in a plan that may more adequately suit their situation.

#### **B. Relevance to Municipal Policy**

Title 38, Chapter 5, Article 4 established PSPRS and its corresponding construct, including membership. Of the 233 separate employer plans in PSPRS, 122 of the plans are municipal police and fire plans. Potential alleviation of employer liabilities by permitting Tier 1 and 2 employees to join the DC plan would permit municipalities to utilize those funds in a different way.

#### **C. Fiscal Impact to Cities and Towns**

While the fiscal impact is unknown because it is contingent upon each individual election, each individual transitioning from the DB to DC plan will save hundreds of thousands of dollars.

**D. Fiscal Impact to the State**

The State of Arizona has within its purview the Department of Public Safety (DPS) which has 1,059 employees and \$819,253,340 in unfunded liabilities. While there will be benefits to the state, the exact amount is unknown for the reasons listed above relating to cities and towns.

**E. Contact Information**

**Sponsoring City or Town:** League of Arizona Cities and Towns

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## City of Flagstaff Staff Recommendations 2018 Proposed League Resolutions

Department	Resolutions	Staff Recommendation
Community Development	Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.	<i>Support:</i> Development fees are important to the City as they fund infrastructure improvements brought about by development. Current state statutes do not always align with infrastructure improvements causing local taxpayers to fill the gap.
Finance	Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions.	<i>Support:</i> Many consumers purchase products online instead of the traditional brick and mortar. Ensuring online industries pay sales tax in the area the product is purchased will ensure the City's general fund is protected.
Public Works	Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).	<i>Support:</i> The City does not have a volunteer Fire Department, but many other cities and towns in Arizona do.
Community Development	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.	<i>Support:</i> This resolution is supported by the following Council goal, "Pursue financing strategies for affordable housing to create additional rental and ownership units."
Economic Vitality	Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.	<i>Support:</i> The Flagstaff Airport currently does not have issue with schools surrounding the airport, but fully supports any practices that strengthen the safety of our community and flying patrons.
Finance	Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.	<i>Support:</i> Moving an employee from Tier 1 to a DC plan removes the unfunded liability related to that employees move and in a DC plan there is no longer a further liability for the City. While it will move the balance of contributions made from the employee and employer out of Tier 1 the elimination of the unfunded portion improves. This is voluntary for the employee.

## City of Flagstaff Staff Recommendations 2018 Proposed League Resolutions

Resolutions that coincide with existing City operations/policy or Councils priorities		
Department	Resolutions	Staff Recommendation
City Clerk	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	<i>Support:</i> The City supported this last year.
City Manager	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board.	<i>Support:</i> The City Council has the following as a legislative priority “Advocate for change in state liquor licensing laws and establish a process for input to allow greater local government control in such areas as hours of operation, size of beverages and saturation. Seek additional funds from the alcohol industry to mitigate the effects alcohol has on the Flagstaff community.”
City Manager	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	<i>Support:</i> This resolution supports the City’s Civil Rights Ordinance.
Police Department	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	<i>Support:</i> The Flagstaff Communications Center has received many upgrades to its 911 system which have been paid for by State 911 Funds. The City is getting ready for a substantial upgrade which will take us to next generation 911, which is estimated to cost \$ 1.2 million. If the state funds are swept, this burden would fall to the city, or we would have to abandon the program.
Economic Vitality	Add to the League’s Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.	<i>Support:</i> This makes it easier for visitors from Mexico to travel to and enjoy Flagstaff thereby increasing revenues to the City’s general fund.
Community Development/Economic Vitality	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals.	<i>Support:</i> The City is currently unable to address concerns and complaints in residential areas regarding short-term rentals. This would provide local control.



# 2018 League of Arizona Cities and Towns Resolutions







# Development Impact Fees

**Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.**

*Support:* Development fees are important to the City as they fund infrastructure improvements brought about by development. Current state statutes do not always align with infrastructure improvements causing local taxpayers to fill the gap.



# Transaction Privilege Tax

**Seek legislation that adds an economic presence standard, including reasonable thresholds in dollar amount and number of transactions, to address transaction privilege tax collection on remote sellers for all jurisdictions.**

*Support: Many consumers purchase products online instead of the traditional brick and mortar. Ensuring online industries pay sales tax in the area the product is purchased will ensure the City's general fund is protected.*



# Volunteer Fire Department PSPRS

**Allow cities and towns to use excess revenues from legacy volunteer fire department profit sharing plans to reduce unfunded liabilities in the Public Safety Personnel Retirement System (PSPRS).**

*Support: The City does not have a volunteer Fire Department, but many other cities and towns in Arizona do.*



# Airport Safety and Schools

**Support legislation that promotes and strengthens the safety of children in school buildings located near airports while preserving airports' long-term viability and economic benefits to local communities.**

*Support: The Flagstaff Airport currently does not have issue with schools surrounding the airport, but fully supports any practices that strengthen the safety of our community and flying patrons.*



# PSPRS DC Plan

**Investigate and potentially support legislation permitting PSPRS members currently enrolled in the system to make a one-time irrevocable election to convert their account from the DB plan to the PSPRS DC plan.**

*Support: Moving an employee from Tier 1 to a DC plan removes the unfunded liability related to that employees move and in a DC plan there is no longer a further liability for the City. While it will move the balance of contributions made from the employee and employer out of Tier 1 the elimination of the unfunded portion improves. This is voluntary for the employee.*





# Development Impact Fees

**Pursue collaborative discussions with homebuilding industry stakeholders on potential modifications to the impact fee statutes that will streamline the adoption process and ensure that new development pays for the associated demand of new and expanded infrastructure.**

*Support:* Development fees are important to the City as they fund infrastructure improvements brought about by development. Current state statutes do not always align with infrastructure improvements causing local taxpayers to fill the gap.

# Resolutions that coincide with existing City operations/policy or Councils priorities

Summary	Resolutions	Staff Recommendation
<b>Low-Income Housing Tax Credit</b>	Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.	Support: This resolution is supported by the following Council goal, “Pursue financing strategies for affordable housing to create additional rental and ownership units.”
<b>Campaign Contributions</b>	Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.	Support: The City supported this last year.
<b>State Liquor Board</b>	Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board.	Support: The City Council has the following as a legislative priority “Advocate for change in state liquor licensing laws and establish a process for input to allow greater local government control in such areas as hours of operation, size of beverages and saturation. Seek additional funds from the alcohol industry to mitigate the effects alcohol has on the Flagstaff community.”
<b>Non-Discrimination</b>	Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation	Support: This resolution supports the City’s Civil Rights Ordinance.
<b>911 Funding</b>	Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).	Support: The Flagstaff Communications Center has received many upgrades to its 911 system which have been paid for by State 911 Funds. The City is getting ready for a substantial upgrade which will take us to next generation 911, which is estimated to cost \$ 1.2 million. If the state funds are swept, this burden would fall to the city, or we would have to abandon the program.
<b>Border Crossing Card</b>	Add to the League’s Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.	Support: This makes it easier for visitors from Mexico to travel to and enjoy Flagstaff thereby increasing revenues to the City’s general fund.
<b>Short-Term Rentals</b>	Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals.	Support: The City is currently unable to address concerns and complaints in residential areas regarding short-term rentals. This would provide local control.



# Low Income Housing Tax Credit

**Support the creation of a state workforce housing tax credit modeled after the successful federal Low-Income Housing Tax Credit (LIHTC) program.**

*Support: This resolution is supported by the following Council goal, "Pursue financing strategies for affordable housing to create additional rental and ownership units."*



# Campaign Contribution Transfers

**Allow city/town elected officials to transfer campaign contributions to a statewide or legislative office.**

*Support: The City supported this last year.*



# Liquor Licensing

**Pursue all avenues for improving the relationship between cities/towns and the State Liquor Board, including having a city/town elected official or staff member, or a League representative, appointed to the Board.**

*Support: The City Council has the following as a legislative priority “Advocate for change in state liquor licensing laws and establish a process for input to allow greater local government control in such areas as hours of operation, size of beverages and saturation. Seek additional funds from the alcohol industry to mitigate the effects alcohol has on the Flagstaff community.”*



# Non-Discrimination

**Advocate for a state-wide non-discrimination policy that includes gender identity and sexual orientation**

*Support: This resolution supports the City's Civil Rights Ordinance.*





# 911 Funding

**Encourage Arizona state legislators to establish a legislative committee to examine and explore resources for the Revolving Emergency Telecommunications Fund (9-1-1 funding).**

*Support: The Flagstaff Communications Center has received many upgrades to its 911 system which have been paid for by State 911 Funds. The City is getting ready for a substantial upgrade which will take us to next generation 911, which is estimated to cost \$ 1.2 million. If the state funds are swept, this burden would fall to the city, or we would have to abandon the program.*



# Low Income Housing Tax Credit

**Add to the League's Federal Agenda support of federal legislation or rulemaking expanding the zone of permissible travel in Arizona for Mexican tourists that hold a border crossing card from the current 75 mile limitation to instead include the entire state.**

*Support: This makes it easier for visitors from Mexico to travel to and enjoy Flagstaff thereby increasing revenues to the City's general fund.*





# Short-Term Rentals

**Amend statute to allow local regulation of short-term home rentals through a licensing, special permit, or registration system, at the local or state level, including placing limits on number of guests, location, and % of housing that can be used for short-term rentals.**

*Support: The City is currently unable to address concerns and complaints in residential areas regarding short-term rentals. This would provide local control.*