

WORK SESSION AGENDA
AMENDED

**CITY COUNCIL WORK SESSION
TUESDAY
MARCH 10, 2020**

**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 SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY

COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

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. **Review of Draft Agenda for the March 17, 2020 City Council Meeting**

Citizens wishing to speak on agenda items not specifically called out by the City Council may submit a speaker card for their items of interest to the recording clerk.

6. **Recognition:** Girl Scout Silver Award Recipients

7. **Recognition:** Dr. George Hershey

8. **Case No. PZ-19-00125 Updates to Zoning Code 2020 – Miscellaneous Part 1**

9. **August 2020 Election - Permanent Base Adjustment to Expenditure Limitation**

10. **Unisource Energy Services (Natural Gas) Franchise - Preview to August 4, 2020 Special Election**

11. **Discuss consideration of additional funding for High Country Humane for animal shelter services.**

12. **Public Participation**

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

14. **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 _____, 2020.

Stacy Saltzburg, MMC, City Clerk

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Dan Symer, Zoning Code Manager
Date: 02/20/2020
Meeting Date: 03/10/2020



TITLE

Case No. PZ-19-00125 Updates to Zoning Code 2020 – Miscellaneous Part 1

STAFF RECOMMENDED ACTION:

Hold a work session to allow the City Council and the public to ask questions, seek clarification, have discussions, and offer comments on the proposed amendments.

EXECUTIVE SUMMARY:

The proposed amendment (Attachment 1) includes multiple changes to the Zoning Code to resolve conflicts, incorporate technical corrections, add clarity, and to simplify the existing requirements. New provisions are being added, and several sections of the reference divisions are being modified, relocated, or deleted.

The most significant of the modifications include:

- Clarifying when a Concept Plan application is required;
- Adding expiration time frames for Concept Plan and Site Plan applications and approvals;
- Clarifying when a property owner may submit a Zoning Map Amendment or Zoning Code Text Amendment;
- Allowing the Heritage Preservation Commission to approve less restrictive standards or exceptions to maintain the historic integrity of a historic property with transect zoning;
- Modifications to the equipment screening provisions to require a parapet or roof feature be no shorter than the tallest object being screened, and to require wall-mounted equipment to be screened from surrounding properties, alleys and streets, or to be integrated into the architecture of the building;
- Clarifying the landscape buffer requirements. Also, criteria to alter the required landscape street buffer requirements have been added; and
- Clarifying the location requirements of the transect private street frontage locations when these standards are used in the non-transect zones.

INFORMATION:

Summary of the Staff Revisions to the Zoning Code:

The proposed amendment includes:

1. **Concept Plan Review (Section 10-20.30.050):** The submittal requirements for a concept plan review have been revised to include structural modifications instead of non-structural modifications. Also, expiration timeframes of Concept Plan applications have been incorporated.
2. **Minor Improvement Permits (Section 10-20.40.080):** Changes have been incorporated to

exempt animal keeping shelters that are less than 50 square feet from the Minor Improvement Permit application requirements.

3. **Site Plan Review and Approval (Section 10-20.40.140):** Expiration timeframes for Site Plan Review applications and associated approvals have been incorporated.
4. **Initiation of Amendments (Section 10-20.50.030):** Changes have been incorporated clarifying when a property owner may submit a Zoning Map Amendment or Zoning Code Text Amendment.
5. **Public Improvements Defined (Section 10-30.50.030):** Changes have been incorporated for parkways to be included as a public improvement requirement.
6. **Open Spaces, Civic Spaces, and Outdoor Public Spaces (Section 10-30.60.090):** Clarification has been incorporated that the area requirements for open spaces, civic spaces, and outdoor public spaces are based on the defined term of Development Site Area.
7. **Commercial Zones (Section 10-40.30.040):** The land use Kennel, Animal Keeping has been added to the list of allowed uses in the Highway Commercial (HC) zone with a Conditional Use Permit.
8. **Building Form and Property Development Standards (Tables 10-40.30.030.C., 10-40.30.040.C., and 10-40.30.050.C.):** The building height allowances for pitched roofs, elevator and stairwell bulkheads, and architectural features have been incorporated into the property development standard tables. Currently, these provisions are in the section regarding the method of determining building height.
9. **Supplemental to Zones, Divisions (Chapter 10-50):** Division 10-50.25: Basements, Basement Garages, Building Stem Walls, Crawl Spaces, and Podium Parking Structure Walls, including sections therein, have been incorporated. Currently, these provisions are located in Section 10-50.30.030, How Building Height is Measured. Also, new provisions have been incorporated to accommodate floodplain requirements and walls of a podium parking structure. These provisions require the exterior of the podium parking structure wall to have an architectural finish that is consistent with the rest of the building's architectural finishes. Also, the changes allow for greater wall heights when they are needed to raise a residential first floor above the lowest floor requirement in a floodplain.
10. **Applicability (Section 10-50.20.020):** Clarification has been incorporated regarding building and structure elevations that are subject to Section 10-20.40.140, Site Plan Review and Approval. These elevations shall comply with Section 10-50.20 Architectural Design Standards.
11. **How Building Height Is Measured (Section 10-50.30.030):** The methodology to measure building height has been modified. Also, several standards of this section are being modified and relocated.
12. **General Fencing and Screening Standards (Section 10-50.50.040):** The equipment screening requirements have been modified to require a parapet or roof feature be no shorter than the tallest object being screened, and to require wall-mounted equipment to be screened from surrounding properties, alleys and streets, or to be integrated into the architecture of the building.
13. **Landscape Location Requirements (Section 10-50.60.040):** The landscape buffer requirements have been clarified and modified. The modifications include the addition of criteria to modify a required landscape street buffer, and that the parking area landscape standards apply to multiple-family residential and nonresidential developments.
14. **10-50.110 Specific to Building Types (Division 10-50.110):** The location requirements of the transect private street frontage locations have been clarified when the Commercial Block, Forecourt, Shopfront, Terrace Shopfront, and Gallery are used in the non-transect zones.
15. **Definition of Specialized Terms, Phrases, and Building Functions (Division 10-80.20)** This division includes modifications, deletions, and the addition of various definitions of the Zoning Code, including: Acreage, Gross; Acreage, Net; Density; Density, Gross; Development, Multiple-Family; Development Site; Development Site Area; Duplex, Finished Grade, Floor Area Ratio, Gross (GFAR); Industrial, Heavy – General; Key Lot; Micro-brewery or Micro-distillery; Natural Grade; Outdoor Storage or Display, and Yard, Railroad Shop.
16. **Additional Enforcement, Technical, Figure and Term Modifications (Division 10-50.110 and Sections: 10-20.40.090, 10-20.50.040, 10-40.30.030, 10-40.30.050, 10-40.50.030, 10-50.50.030, 10-50.60.010, 10-50.80.040, 10-50.100.050, 10-50.100.100, 10-50.90.060, and Appendix 2):** Various technical, enforcement, and cross reference corrections, clarifications, and modifications

have been incorporated.

Community Involvement

In accordance with State Statute and the Zoning Code, the Planning and Zoning Commission work session and public hearing for this amendment were advertised in the Arizona Daily Sun on December 21, 2020. The City Council work session and subsequent public hearings were advertised in the Arizona Daily Sun on February 29, 2020. Also, persons of interest that are on file with the Planning and Development Services Department were notified of the work sessions and hearings via first class mail.

As of the date of this report, the staff has received a set of public comments and considerations. These are included as Attachment 2. To address public comments, several revisions to the proposed amendment have been incorporated. These include:

1. Clarification pertaining to the density allowance for commercially zoned properties in the Resource Protection Overlay and inside of a pedestrian shed of an activity center delineated on the General Plan was added to Section 14. (Table 10-40.30.040.C. Gross Density) of Attachment #1.
2. Clarification pertaining to the building height exceptions for stairwells and elevators was relocated from the method of measuring building height and added to Section 12 (Table 10-40.30.030.C., End Notes 8 and 9), Section 14 (Table 10-40.30.040.C., End Notes 9 and 10), and Section 16 (Table 10-40.30.050.C., End Notes 8 and 9) of Attachment #1.
3. A modification has been made in Section 24 (Section 10-50.25.020. A.) of Attachment #1 to change the maximum height of an exposed basement and basement garage wall from nine feet to ten feet. Ten feet allows for an eight-foot floor-to-ceiling height and a two-foot floor depth. Additional heights would be inconsistent with the Zoning Code's Site and Architectural design guidelines that require a building to be stepped to follow the natural terrain.
4. A modification has been made in Section 24 (Section 10-50.25.020. A. and C.) of Attachment #1 to the provisions for materials and colors used on an exposed basement or basement garage wall and a podium parking structure exterior wall. The requirement for consistent materials and colors has been changed to allow the Planning Director to approve alternative materials and colors that are consistent with the design of the building, provided that the alternative materials and colors maintain a consistent design theme. This modification allows for additional flexibility in the designer's choice of materials and colors near the grade to address weather and similar environmental considerations while maintaining a consistent design theme.
5. Provisions that allow the Planning Director to approve greater stem wall and crawl space heights for residential building areas in a floodplain have been incorporated into Section 24 (Section 10-50.25.020. B.) of Attachment #1. In accordance with Title 12 Floodplains of the City Code, the lowest finished floor of a residential area is required to be elevated above the regulatory floodplain elevation. The addition of this provision will allow compliance with Title 12.

As it pertains to the comments received regarding the landscape buffer widths, with minimal exceptions adjacent to Route 66 in the Downtown, the staff opines that the proposed landscape buffer requirements are consistent with the suggested modifications. It is anticipated that the Zoning Code requirements pertaining to the Downtown, and adjacent to Route 66 will be reviewed as part of a future amendment.

Finally, the proposed modification to the triplex lot width (from 50 feet to 75 feet) and length (from 75 feet to 100 feet) requirement is in response to public comments that staff has received during the Southside Specific Plan and the High Occupancy Housing text amendment public outreach meetings. Also, some members of the Planning and Zoning Commission and City Council have requested that the referenced requirements be reviewed.

The existing building type requirements for a triplex and duplex are the same. Due to having the same standards for different intensity developments, the general consensus among the public comments is that the existing provisions have resulted in developments that are inconsistent and out of scale with the existing development patterns. The proposed modifications will result in a lot area requirement that is consistent with other three-unit developments on a property with non-transect zoning. Based on public

comments, the additional area would allow for a greater proportional lot width to height ratio that is perceived to be more compatible.

Conclusion:

As indicated above, the purpose of the work session is for staff to present an overview of the proposed amendments to the Zoning Code and to allow interested individuals, residents, and business owners to provide comments. Also, the work session is to allow for the City Council to ask questions, seek clarification, have discussions, and offer comments on the proposed amendments. No formal recommendation or action by the City Council is to occur at the work session. Additional opportunities for discussion, public comment, and action by the City Council will occur at a future public hearing.

Attachments: 1. Proposed Zoning Code Modifications
 2. Public Comments
 Staff Presentation

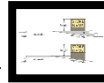
Case No. PZ-19-00125 Updates to Zoning Code 2020 – Miscellaneous Part 1
Amendment for Adoption in Flagstaff Zoning Code

HOW TO READ THIS DOCUMENT

Unless otherwise stated, provisions that are being deleted are shown in bold red strikethrough text, like this: ~~**Provisions that are being deleted are shown with a bold red strikethroughs text.**~~

Provisions that are being added are shown in bold blue text, like this: **Provisions that are being added are shown in bold blue text.**

Graphics/Figures that are being deleted are indicated with an “X” over the graphic/figure.



Graphics/Figures that are being added are indicated with a border around the graphic/figure.

Tables that are being deleted are indicated with an “X” over the Tables.



Tables that are being added are indicated with a thick border around the Tables.

Section 1. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.30 Common Procedures, Section 10-20.30.050 Concept Plan Review, to add Subsection B. Applicability, as follows:

Section 10-20.30.050 Concept Plan Review

B. Applicability. Concept plan review is required for the following:

1. All developments requiring site plan review and approval (Section 10-20.40.140);
2. Any change of use that triggers an increase in required parking;
3. A proposed duplex;
4. ~~**Nonstructural remodeling**~~ **Structural modifications to** ~~**ef**~~ an exterior façade **that is visible from a public way, including, but not limited to, public and private streets, public trails and paths, and alleys;** and
5. A proposed single-family residence located on a parcel that is not part of a platted subdivision.

Section 2. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.30 Common Procedures, Section 10-20.30.050 Concept Plan Review, to add Subsection E Expiration., as follows:

Section 10-20.30.050 Concept Plan Review

E. Expiration.

1. **A concept plan application shall expire one year from the date of the application approval unless the Director has issued a written notice of authorization to the applicant allowing the submittal of a site plan review application, or an application for the next stage in the development review.**

2. The concept plan application shall expire one year from the date that the Director has issued written authorization to the applicant allowing for the submittal of a site plan review application, or an application for the next stage in the development review.
3. The Director may authorize a one-time extension of 90 days of a concept plan application approval. The applicant shall submit a written request for an extension to the Director at least 14 days prior to the date of concept plan expiration.

Section 3. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.40 Permits and Approvals, Section 10-20.40.080 Minor Improvement, subsection D. Exemptions., as follows:

10-20.40.080 Minor Improvement Permits

- D. Exemptions. Children’s play houses and tree houses less than 200 square feet in floor area **and animal keeping shelters less than 50 square feet** do not require the approval of an application for a Minor Improvement Permit.

Section 4. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.40 Permits and Approvals, Section 10-20.40.090 Minor Modifications to Development Standards, Table 10-20.40.090.A, Types of Minor Modifications Allowed, Types of Minor Modifications Allowed number 6, as follows:

Table 10-20.40.090.A Types of Minor Modifications Allowed	
Types of Minor Modifications Allowed	Maximum Modification
6. An increase in the floor area ratio (FAR) Gross Floor Area Ratio (GFAR) for commercial or industrial developments.	10%

Section 5. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.40 Permits and Approvals, Section 10-20.40.140 Site Plan Review and Approval, sub-section C. Application for Site Plan Review., paragraph 4. Expiration., as follows:

10-20.40.140 Site Plan Review and Approval

C. ~~Application for~~ Site Plan Review **Application.**

4. ~~Expiration. An approved site plan shall be valid for a period of one year following the date upon which the final approval became effective. If, at the expiration of this period:~~
 - a. **A Site Plan Review application shall expire one year from the date that the application was submitted, unless the application has been approved. The Director may authorize a one-time 90 day extension beyond the original expiration date of an application that has**

not yet been approved or denied. The applicant shall submit a written request for an extension to the Director at least 14 days prior to the date of the Site Plan expiration.

- b. An approved Site Plan shall expire one year from the date the approval was issued if:
- ~~a. The subject property has not been improved for the development for which it was approved and construction permits have not been issued and construction commenced and diligently pursued toward completion of the site for which the site plan approval was originally granted; or~~
 - ~~b. A certificate of occupancy has not been issued for structure(s) which were the subject of the site plan approval; or~~
 - ~~c. The site has not actually been occupied for a permitted use if no building permit or certificate of occupancy is required;~~
 - i. A building or encroachment permit has not been issued for the improvements related to the site plan;
 - ii. The issued building or encroachment permit(s) has/have expired for site plan related improvement;
 - iii. A building or encroachment permit is not required, and the lot or parcel has not been used for purpose for which the site plan was approved; or
 - iv. The Director has not granted a request to extend the Site Plan approval.

~~Then the site plan approval shall expire, unless a request for an extension of time is made by the applicant to the Director at least 30 days prior to the date of the expiration of the original approval in accordance with established application submittal scheduling requirements. A site plan approval subject to expiration may be extended one time only for an additional one year by the Director; provided, that no revisions to the development are necessary to comply with amendments to the Zoning Code that may have taken effect since the time of the original approval. Upon the expiration of the original site plan approval, if no extension has been granted or no application for the same has been submitted, or a granted time extension has expired, then the original site plan approval shall be considered as expired, and a new site plan shall be submitted for approval in the same manner as an original application for site plan review and approval (Section 10-20.40.140).~~

The Director may authorize a one-time one-year, extension beyond the original expiration date of an approved site plan, provided that no revisions to the proposed development are necessary to comply with any amendments to the Zoning Code that may have taken effect since the time of the original approval. The applicant shall submit a written request for an extension to the Director at least 14 days prior to the date of the expiration.

Section 6. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.50 Amendments to the Zoning Code Text and the Zoning Map, Section 10-20.50.030 Initiation of Amendments, as follows:

10-20.50.030 Initiation of Amendments

A. Owner Initiation.

1. A property owner , or an agent authorized by the property owner in writing , may ~~apply for a Zoning Map or text amendment~~ submit:
 - a. a Zoning Map Amendment application for the owner's property which is subject to the application; or
 - b. a Zoning Code Text Amendment to amend the zone and related provisions that directly regulate owner's property.
2. In the event that a real property owner files an application for a Zoning Map amendment that includes property other than that owned by the applicant, the applicant shall file, on a form provided by the Director, a petition in favor of the request signed by the real property owners representing at least 75 percent of the land area to be included in the application. The petition shall bear the property owners' signatures and addresses, the legal description and land area of each property represented on the petition, the total land area represented by the petition, and the total land area of individual properties included in the application.

B. **City Council.** The Director on behalf of the **City** Council may initiate ~~an amendment to the text of this a~~ Zoning Code **Text Amendment application or the a** Zoning Map **Amendment application**. ~~Applications for amendments~~ **An application** initiated by the **City** Council shall be signed by the Director.

C. **Withdrawal.** An applicant may withdraw **a Zoning Code Text Amendment application or a Zoning Map Amendment** ~~an application for an amendment to this Zoning Code or the Zoning Map~~ at any time. **On behalf of the City Council, the Director may withdraw an application initiated by the City Council.**

Section 7. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.50 Amendments to the Zoning Code Text and the Zoning Map, Section 10-20.50.040 Procedures, to add Subsection N. Conditions of Approval. Paragraph 2, subparagraph c. as follows:

10-20.50.040 Procedures

N. Conditions of Approval.

2. Such conditions of approval may include, but are not limited to:
 - c. Limitations on the height, setbacks, ~~FAR~~ **GFAR**, or other standards specific to the approved zone which are more restrictive than the applicable requirements of Division 10-40.30, Non-Transect Zones, or 10-40.40, Transect Zones;

Section 8. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-20.50 Amendments to the Zoning Code Text and the Zoning Map, Section 10-20.50.040 Procedures, to add Subsection N. Conditions of Approval. Paragraph 4, as follows:

10-20.50.040 Procedures

N. Conditions of Approval.

4. The concept zoning plan upon which the Zoning Map amendment may be approved establishes the development entitlement for the subject property. As the approval is based on a concept zoning plan, some flexibility in the layout of the property may therefore be approved by the Director; provided, that no additional external impacts to surrounding uses and infrastructure will result and there is no increase or decrease in ~~FAR~~ **GFAR**, lot coverage, number of dwelling units, or building height in excess of that permitted in Table 10-20.40.090.A (Types of Minor Modifications Allowed). As an example, if the concept zoning plan shows a building placed in close proximity to a street so that it has a strong relationship to the street and with parking behind it, the location and shape of the building may be adjusted; provided, that the same relationship to the street with the parking area in the rear is maintained. Similarly, internal circulation or parking areas may be adjusted; provided, that there is no impact to the location or design of access driveways or streets, and no additional impacts on adjoining City streets.

Section 9. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-30.50: Public Improvements, Section 10-30.50.030 Public Improvements Defined, as follows:

10-30.50.030 Public Improvements Defined

- A. Public improvements mean any right-of-way, easement, access right or physical improvement that is required to mitigate the impacts of new development, as determined by an appropriate impact study, and which, upon formal acceptance by the City, becomes the responsibility of the City for ownership, maintenance and repair, unless provided by others, including the maintenance of sidewalks and certain landscaping. (See City Code Chapter 8-01.) Such public improvements may include, but are not limited to, roadways and alley sections including pavement, base course, street lights, curbs and gutters, **parkway**, sidewalks or urban trails and FUTS trails, traffic control improvements, right-of-way landscaping and irrigation systems, drainage facilities, fire hydrants and utilities, including water, sewer, gas, electric power, telephone, and cable television, and all other improvements which, upon completion, are intended to be for the use and enjoyment of the public.

Section 10. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-30.60: Site Planning Design Standards, Section 10-30.60.090 Open Spaces, Civic Spaces, and Outdoor Public Spaces, subsection B. Applicable to Non-Transect Zones., as follows:

10-30.60.090 Open Spaces, Civic Spaces, and Outdoor Public Spaces

- B. **Applicable to Non-Transect Zones.** The following standards are additional standards that apply in non-transect zones.
 1. Civic or Public Space Requirement.
 - a. Nonresidential developments larger than 20,000 square feet in gross floor area shall provide a minimum of five percent of the ~~site~~ **Development Site Area** as an outdoor pedestrian amenity space that serves as a transition space between a parking area and the entrance(s)

to a building. This outdoor pedestrian amenity space may include a landscape oasis area as defined in Section 10-50.60.050(C), Oasis Allowance, structures providing protection from the weather, benches, tables, or other pedestrian friendly features.

- b. Residential developments with 50 or more dwelling units shall provide a minimum of five percent of the **site Development Site Area** in civic spaces that are either privately held and open to the public or publicly owned and set aside as a civic space. Appropriate civic types are established in Chapter 10-70, Specific to Civic Spaces.
- c. Development sites that provide civic spaces are allowed the following:
 - (1) A five percent reduction of on-site forest and/or slope resource protection standards as required by Division 10-50.90, Resource Protection Standards, is permitted when on-site design conforms to the Flagstaff Area Open Spaces and Greenways Plan and public non-motorized pedestrian and bicycle access is included when applicable.
 - (2) A **2.5 two-and-a-half** percent reduction of on-site forest or slope resource protection standards as required by Division 10-50.90, Resource Protection Standards, is permitted when resources are consolidated with adjacent properties and it can reasonably be determined that the resources on the adjacent property will be protected.
 - (3) A five percent reduction in required on-site landscaping as required by Division 10-50.60, Landscaping Standards, is permitted when public space is provided on-site.

Section 11. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, Section 10-40.30.030 Residential Zones, Table 10-40.30.030.C. Residential Zones – Building Form and Property Development Standards., Residential development subdivided by a plat that was recorded before December 5, 2011 , as follows:

Table 10-40.30.030.C. Residential Zones – Building Form and Property Development Standards							
	Residential Zones						
	RR	ER	R1	R1N	MR	HR	MH
Residential development subdivided by a plat that was recorded before December 5, 2011							
Lot sizes	(1) Lot sizes and setbacks shall be provided in accordance with the requirements delineated on the recorded plat. on the final plat approved by the City Council and recorded. When a recorded plat does not have setbacks delineated, the Building Placement Requirements of this table shall govern. (2) Any lot(s) created or reconfigured in accordance with the subdivision code on or after December 5, 2011, from a lot(s) platted before December 5, 2011, shall conform with the current requirements of the property's zone zone , unless alternate lot sizes and setbacks are approved by the City Council on a final plat that is recorded.						
Setbacks							

Section 12. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, Section 10-40.30.030 Residential Zones, Table 10-40.30.030.C. Residential Zones – Building Form and Property Development Standards., Building Form Requirements, Building Height (max.), to add reference notes 7, 8 and 9, to add an End Notes 7, 8 and 9, and to modify Other Requirements, Open Space (% of Gross Lot Area)¹¹, as follows:

Table 10-40.30.030.C. Residential Zones – Building Form and Property Development Standards.							
	Residential Zones						
	RR	ER	R1	R1N	MR	HR	MH
Building Form Requirements							
Building Height (max.) Building Height (max.) ^{7, 8, and 9}	35'	35'	35'	35'	35'	60' ⁴	30'
Other Requirements							
Open Space (% of Gross Lot Area Development Site Area) ¹¹	--	--	--	--	See Table 10-40.30.030.A		
End Notes							
7. Primary structures, excluding accessory structures, with a roof pitch greater than 6:12 shall be allowed an additional five feet above the maximum building height.							
8. The elevator and stairwell bulkheads shall be architecturally integrated with the building. Elevator and stairwells bulkheads are allowed an additional 15 feet above the maximum building height. The Director may approve a height greater than 15 feet when the additional height is necessary to accommodate an elevator or stairwell bulkhead, related equipment, or the requirements of the Building or Fire Code.							
9. Steeples, solar collectors, towers and other unoccupied architectural features are allowed an additional height above the maximum building height equal to 20 percent multiplied by the maximum building height allowed for property’s zone. The total area of the referenced allowances above the building height shall not exceed 20 percent of the total roof area.							

Section 13. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, 10-40.30.040 Commercial Zones, Table 10-40.30.040.B. Commercial Zones – Allowed Uses, Services, to add Kennel, Animal Boarding in alphabetical order, modify note 9, and add note 11, as follows:

Table 10-40.30.040.B. Commercial Zones – Allowed Uses						
	Specific Use Regulations	Commercial Zones				
		SC	CC	HC	CS	CB
Services						
Kennel, Animal Boarding	10-40.50.195	--	--	UP ¹¹	--	--
End Notes						
9. Single-family and duplex land uses building types (see Division 10-50.110) are permitted by right on lots ≤9,000 sf and existing prior to November 1, 2011, subject to the building placement and building form requirements of the MR zone. A conditional use permit is required for all other building types and multifamily residential uses with three or more units regardless of the size of the lot or parcel.						
11. Outdoor kenneling of animals is prohibited.						

Section 14. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, 10-40.30.040 Commercial Zones, Table 10-40.30.040.C. Commercial Zones – Building Form and Property Development Standards., Building Form Requirements, Building Height (max.), amended reference note 6, and to add reference notes 8. 9 and 10, and to add an End Notes 8. 9 and 10, as follows:

Table 10-40.30.040.C. Commercial Zones – Building Form and Property Development Standards.					
	Commercial Zones				
	SC	CC	HC	CS	CB
Building Form Requirements					
Building Height (max.) Building Height (max.)^{8. 9 and 10}	35'	60' ^{14, 7}	60' ¹⁴	60' ¹⁴	60' ¹⁴
Density Requirements					
Gross Density (units/acre) (max.) (Not Applicable to Mixed Use)					
Areas of the City without the Resource Protection Overlay (RPO),	13	----- 29-----			
Areas of the City inside of a pedestrian shed of an activity center delineated on the General Plan, with or without the RPO	13	----- 29-----			

Table 10-40.30.040.C. Commercial Zones – Building Form and Property Development Standards.						
		Commercial Zones				
		SC	CC	HC	CS	CB
	Areas of the City with RPO, excluding areas of the City inside of a pedestrian shed of an activity center delineated on the General Plan.	13	----- 22-----			
	Gross Density (units/acre) (max.) (Not Applicable to Mixed Use)	13	----- 29-----			
End Notes						
6. Residential uses with more than two units are allowed as part of a mixed-use development located above or behind the commercial uses and uses , or as a planned residential development (Section 10-40.60.280).						
8. Primary structures, excluding accessory structures, with a roof pitch greater than 6:12 shall be allowed an additional five feet above the maximum building height.						
9. The elevator and stairwell bulkheads shall be architecturally integrated with the building. Elevator and stairwells bulkheads are allowed an additional 15 feet above the maximum building height. The Director may approve a height greater than 15 feet when the additional height is necessary to accommodate an elevator or stairwell bulkhead, related equipment, or the requirements of the Building or Fire Code.						
10. Steeples, solar collectors, towers and other unoccupied architectural features are allowed an additional height above the maximum building height equal to 20 percent multiplied by the maximum building height allowed for property’s zone. The total area of the referenced allowances above the building height shall not exceed 20 percent of the total roof area.						

Section 15. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, 10-40.30.050 Industrial Zones, Table 10-40.30.050.B. Industrial Zones – Allowed Uses, End Note 7, as follows:

Table 10-40.30.050.B. Industrial Zones – Allowed Uses	
End Notes	
7. Allowed use with applied FAR GFAR standards (see Table 10-40.30.050.C).	

Section 16. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, 10-40.30.050 Industrial Zones, Table 10-40.30.050.C. Industrial Zones – Building Form and Property Development Standards, Building Form Requirements, to add notes reference 7, 8 and 9 to Building Height (max), delete FAR and add GFAR in the standards, to delete FAR and add GFAR in End Notes 3, 4, 5, and 6, and to add an End Notes 7, 8 and 9, as follows:

Table 10-40.30.050.C. Industrial Zones – Building Form and Property Development Standards			
	Industrial Zones		
	RD	LI/LI-O	HI/HI-O
Building Form Requirements			
Building Height (max.) Building Height (max.) ^{7, 8, 9}	60' ²	60' ²	60' ²
Gross FAR (max. area of all uses on a property)	0.50	1.50 ³	2.50 ³
Indoor Commercial Recreation (max. FAR GFAR area) ^{4, 5}	--	0.30	--
Heavy Retail/Service (max. FAR GFAR area) ^{4, 5}	--	0.30	0.30
Office/Lodging (max. FAR GFAR area) ^{4, 5}	----- 0.38 -----		
All other commercial uses that are allowed in a corresponding industrial zone with a FAR GFAR limitation. (max. FAR GFAR area) ^{4, 5}	--	0.25	--
Live/Work (max. FAR GFAR area) ^{4, 5}	End Note 6	End Note 6	--
End Notes			
3. Retail use allowed in these industrial zones are subject to the additional FAR GFAR standards. See Section 10-40.30.050(F), Miscellaneous Requirements – LI-O and HI-O Zones.			
4. Where a development includes more than one commercial use, the total commercial floor area shall not exceed the greater of the maximum FAR GFAR areas allowed. The maximum FAR GFAR of the commercial uses allowed is not cumulative. An individual use that has a maximum FAR restriction shall not exceed the FAR GFAR allowed for the use. Example: A development is proposed with two commercial uses, the first use (Services) has a maximum FAR GFAR restriction of 0.30 and the second use (Office) has maximum FAR GFAR restriction of 0.38. The total maximum FAR GFAR for all commercial use in the development is 0.38 since it is the greater of the two commercial uses. If Service uses of the development are to have a FAR GFAR of 0.30, then the remaining 0.08 FAR GFAR may be used for the Office use. The total maximum FAR GFAR of both uses shall not exceed 0.38, and the Service use shall not exceed 0.30 since it is restricted to an FAR GFAR of 0.30.			

Table 10-40.30.050.C. Industrial Zones – Building Form and Property Development Standards			
	Industrial Zones		
	RD	LI/LI-O	HI/HI-O
5.	The allowed commercial uses in the industrial zone that have a limitation on the max. FAR GFAR are specified in Table 10-40.30.050.B.		
6.	The total commercial floor area of a Live/Work development shall be limited to the corresponding commercial use and related max. FAR GFAR specified for the property's corresponding zone.		
7.	Primary structures, excluding accessory structures, with a roof pitch greater than 6:12 shall be allowed an additional five feet above the maximum building height.		
8.	The elevator and stairwell bulkheads shall be architecturally integrated with the building. Elevator and stairwells bulkheads are allowed an additional 15 feet above the maximum building height. The Director may approve a height greater than 15 feet when the additional height is necessary to accommodate an elevator or stairwell bulkhead, related equipment, or the requirements of the Building or Fire Code.		
9.	Steeple, solar collectors, towers and other unoccupied architectural features are allowed an additional height above the maximum building height equal to 20 percent multiplied by the maximum building height allowed for property's zone. The total area of the referenced allowances above the building height shall not exceed 20 percent of the total roof area.		

Section 17. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.30 Non-Transect Zones, Section 10-40.30.060 Public and Open Space Zones, subsection C. Public and Open Space Zones – Building Form Standards, Building Form Requirements, Building Height (max.), to add reference notes 3, 4 and 5, and to add an End Notes 3, 4 and 5, as follows:

C. Public and Open Space Zones – Building Form Standards

Building Form Requirements			
Building Height (max.)	60' ²	--	--
Building Height (max.)^{3, 4, 5}			
End Notes			
3. Primary structures, excluding accessory structures, with a roof pitch greater than 6:12 shall be allowed an additional five feet above the maximum building height.			
4. The elevator and stairwell bulkheads shall be architecturally integrated with the building. Elevator and stairwells bulkheads are allowed an additional 15 feet above the maximum building height. The Director may approve a height greater than 15 feet when the additional height is			

necessary to accommodate an elevator or stairwell bulkhead, related equipment, or the requirements of the Building or Fire Code.

5. Steeples, solar collectors, towers and other unoccupied architectural features are allowed an additional height above the maximum building height equal to 20 percent multiplied by the maximum building height allowed for property's zone. The total area of the referenced allowances above the building height shall not exceed 20 percent of the total roof area.
-

Section 18. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.40 Transect Zones, Section 10-40.40.020 Applicability, subsection D. Exemptions., as follows:

10-40.40.020 Applicability

- A. The requirements of this division shall apply to all proposed development within transect zones, and shall be considered in combination with any applicable standards in Division 10-40.50, Overlay Zones, and the standards for the applicable zone in Chapter 10-50, Supplemental to Zones.
- B. In transect zones where ~~a historic~~ an overlay ~~district zone~~ applies (See Section 10-40.50.030, Overlay Zones), the ~~historic-district overlay~~ standards shall apply in addition to those applied through the transect zones. **If there is a conflict between transect standards and the overlay standards, the more restrictive standard shall govern, unless:**
- 1. The overlay zone requirements state that the overlay zone standards shall govern; or**
 - 2. The Heritage Preservation Commission determines that the less restrictive standard is necessary to maintain the historic nature or context of the property, structure, or area within the Historic Overlay Zone.**
- C. Based on the Zoning Map or an approved regulating plan, a parcel may be designated with both a non-transect and a transect zone designation. In this case, a property owner may apply either the standards of the non-transect zone or the transect zone, but in no case may the standards from both zones be applied at the same time. If a property owner decides to select a transect zone they must sign before a notary public a contractual agreement that runs with the land on a form prepared by the City and approved by the City Attorney's Office, stating that transect zone standards hold precedence over the non-transect zone standards when in conflict. The City shall record the contractual agreement.
- D. The Historic Preservation Officer may recommend, and the Historic Preservation Commission may approve an exemption from the transect frontage provisions if the commission finds that the:**
- 1. Exemption is necessary to maintain the historic nature of the structure or property; and**
 - 2. Property is eligible to be listed on the National Register of Historic Places.**
- If the Historic Preservation Commission approves an exemption, the Commission may require reasonable Conditionals of Approval to maintain the historic nature of the structure or property.**

Section 19. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.50: Overlay Zones, Section 10-40.50.030 Overlay Zones, subsection C. Building Form Standards., Density and Lot Size Requirements, to delete Net FAR, as follows:

10-40.50.030 Overlay Zones

C. Building Form Standards.

Building Form Standards	AO	DO	LO	RPO ¹	TO
Density and Lot Size Requirements					
Net FAR	----- Refer to underlying zoning -----				

Section 20. Amend Title 10 FLAGSTAFF ZONING CODE, Chapter 10-50: Supplemental to Zones, Division 10-40.60: Specific to Uses, to add section 10-40.60.195 Kennel, Animal Boarding, to the list of sections of the Division, in numerical order, as follows:

Division 10-40.60: Specific to Uses

10-40.60.195 Kennel, Animal Boarding

Section 21. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-40.60: Specific to Uses, to add section 10-40.60.195 Kennel, Animal Boarding, as follows:

10-40.60.195 Kennel, Animal Boarding

A. An Animal Boarding Kennel in the Highway Commercial (HC) zone shall comply with the following:

- 1. Maximum Gross Floor Area: 10,000 square feet.**
- 2. Prior to the issuance of a building permit, or occupancy of the building area if a building permit is not required, an Arizona Registrant shall certify that the perimeter walls and ceiling/roof of the Animal Boarding Kennel area will be, or have been (if a building permit is not required), constructed to comply with a sound transmission class of not less than 50, or an Arizona Registrant shall certify that the perimeter walls and ceiling/room of the Animal Boarding Kennel area were field tested and comply with a sound transmission class of not less than 45, in accordance with the American Standard Test Method publication ASTM E90 Standard Test Method for Laboratory Measurements of Airborne Sound Transmission Loss of Building Partitions and Elements, as amended; and**
- 3. No outdoor activities shall be allowed.**

Section 22. Amend Title 10 FLAGSTAFF ZONING CODE, Chapter 10-40: Specific to Zones, to add Division 10-40.60 Specific to Uses, to add to the list of division of the Chapter, in numerical order, as follows:

**Chapter 10-50:
Supplemental to Zones**

Divisions:

- 10-50.10 Purpose**
- 10-50.20 Architectural Design Standards**
- 10-50.25 Basements, Basement Garages, Building Stem Walls, Crawl Spaces, and Podium Parking Structure Walls**
- 10-50.30 Building Height**
- 10-50.40 Encroachments**
- 10-50.50 Fences and Screening**
- 10-50.60 Landscaping Standards**
- 10-50.70 Outdoor Lighting Standards**
- 10-50.80 Parking Standards**
- 10-50.90 Resource Protection Standards**
- 10-50.100 Sign Standards**
- 10-50.110 Specific to Building Types**
- 10-50.120 Specific to Private Frontages**

Section 23. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.20: Architectural Design Standards, Section 10-50.20.020 Applicability, subsection A., as follows

10-50.20.020 Applicability

- A. The standards found within this division shall apply to all development within the City in accordance with the requirements and procedures established in Section 10-20.40.140, Site Plan Review and Approval, and as follows:
 - 1. Applications for site plan review or expansions involving commercial, **duplex**, multifamily ~~(duplex and greater)~~, business park, and institutional uses that:
 - a. Contain greater than 1,000 square feet of gross floor area; or
 - b. Include expansions greater than 25 percent of gross floor area. Building additions, either with a single addition or cumulative additions subsequent to February 1, 2002 (the effective date of the Design Review Guidelines adopted into the 1991 Land Development Code), will count towards the 25 percent expansion of gross floor area;
 - 2. Applications for conditional use permits;
 - 3. Applications involving facade changes to ~~street frontage~~ building **and structure** elevations **that are visible from a public way, including, but not limited to, public and private streets, public trails and paths, and alleys;** and
 - 4. Applications for new development in historic districts which shall comply with these standards as well as any design standards established for the district.

Section 24. Amend Title 10 FLAGSTAFF ZONING CODE, Chapter 10-50: Supplemental to Zones, Divisions:, to add Division 10-50.25 Crawl Spaces and Building Stem Walls, and subsection therein, in numerical order, as follows:

Chapter 10-50: Supplemental to Zones

10-50.25 Basements, Basement Garages, Building Stem Walls, Crawl Spaces, and Podium Parking Structure Walls

10-50.25.010 Applicability.

A. The standards found within this division shall apply to all development in the City of Flagstaff.

10-50.25.020 Development Standards.

A. Basements and Basement Garages. The portion of an exterior wall of a basement or basement garage that projects above grade and is visible from a public or private street, or a driveway, shall not exceed 10 feet in height, measured from the abutting finished grade to the finished floor of the first floor of the structure above the finished grade. The exterior of the walls shall be finished with architectural materials and colors consistent with the design of the building. The Director may approve alternative materials and color that are consistent with the design of the building, provided that the alternative materials and color maintains a consistent design theme.

B. Building stem walls and crawl spaces:

- 1. Shall not exceed five feet in height, except as allowed in subsection B.1.a. of this section, measured from the abutting finished grade to the first finished floor of the structure above the abutting finished grade.**
 - a. The Director may approve a taller stem wall or crawl space up to height no greater than one-foot above the minimum regulatory flood elevation of the first lowest floor elevation that is required to comply with Title 12 Floodplains of the City Code. This allowance may only be approved for residential habitable areas of a development.**
- 2. Of exterior the walls shall be finished with architectural materials and colors that consistent with the design of the building; and**
- 3. Shall be screened from a public or private street, or driveway, with landscaping when taller than three feet.**

C. Podium parking structure exterior walls shall be designed as a building element that is cohesively integrated into the remainder of building's architectural design, including the consistent use of detailing, fenestrations, architectural materials and colors. The Director may approve alternative materials and color that are consistent with the design of the building, provided that the alternative materials and color maintains a consistent design theme.

Section 25. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.30 Building Height, Section 10-50.30.030 How Building Height Is Measured, as follows:

10-50.30.030 How Building and Structure Height Is Measured

~~This section provides the methodology used to measure the height of a building in terms of number of feet above grade and the number of floors. The methodology applies to primary and accessory buildings and structures. The maximum height of a building or structure is established in Chapter 10-40, Specific to Zones, and Section 10-40.60.020, Accessory Buildings and Structures.~~

~~A. Applicable to All Zones.~~

~~1. Building Height Plane.~~

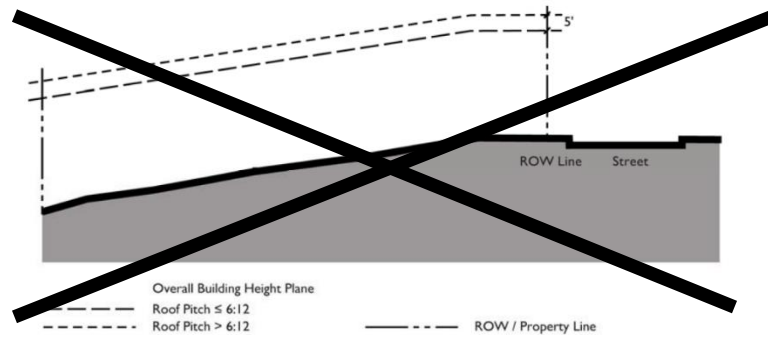
- ~~a. The building height plane defines the maximum height that a building may be built. The building height plane follows the natural grade of the site and shall be measured as follows:
 - ~~(1) Shall be an imaginary plane parallel to the natural grade;~~
 - ~~(2) Shall be measured vertically at the maximum height allowed in the a zone as established in Chapter 10-40, Specific to Zones, and Section 10-40.60.020, Accessory Buildings and Structures; and~~
 - ~~(3) The Applicants shall be responsible for compliance with the height requirements of this division and verification of the field accuracy of contour data.~~~~
- ~~b. Primary buildings with a roof pitch greater than 6:12 shall be allowed an additional five feet above the maximum building height in the zone. Accessory buildings and structures regardless of roof pitch shall not be allowed any additional building height.~~

~~2. Overall Building Height.~~

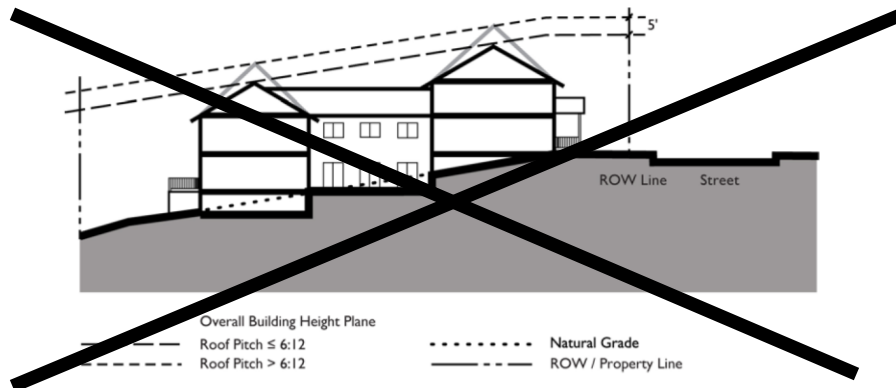
- ~~a. Overall building height shall be measured vertically from the natural grade or finished grade adjacent to the building exterior to the highest point of any roof element, including the top of a parapet, the top of a mansard roof, or the highest point of the highest pitched roof, whichever yields the greatest height.~~
- ~~b. Overall building height shall not exceed the building height plane, described in subsection (A)(1) of this section, except as follows:
 - ~~(1) The following elements attached to a building shall be excluded from the height measurement with the limitation that the total area covered by such elements shall not exceed 20 percent of the roof area of the building:
 - ~~(a) Chimneys;~~
 - ~~(b) Stair and elevator towers;~~
 - ~~(c) Mechanical equipment; and~~
 - ~~(d) Steeples, towers and other unoccupied architectural features; provided, that such features may extend a maximum of 20 percent above the building height plane allowed for the zone.~~~~
 - ~~(2) The following elements attached to a building shall be excluded from the height measurement with no limitations on the roof area covered by such elements:
 - ~~(a) Flagpoles; and~~
 - ~~(b) Solar collectors.~~~~~~

~~(3) The height of flagpoles shall be limited to the allowable building height of the zone in which it is located. (Refer to the Building Form Standards tables in Chapter 10-40, Specific to Zones.)~~

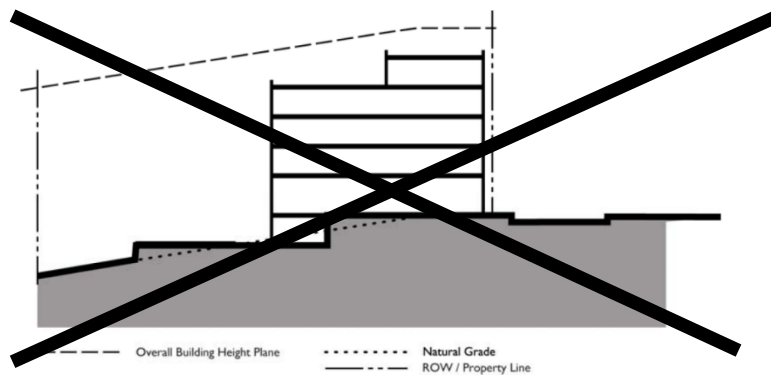
~~Figure 10-50.30.030A. Building height plane for an undeveloped site (not drawn to scale).~~



~~Figure 10-50.30.030B. Pitched roof building height measurements (not drawn to scale).~~



~~Figure 10-50.30.030C. Flat roof building height measurements (not drawn to scale).~~



~~3. Crawl Spaces.~~

- ~~a. Unfinished crawl spaces shall be included in the height calculation.~~
- ~~b. Unfinished crawl spaces taller than three feet shall be screened with landscaping from view of public streets or thoroughfares.~~
- ~~c. Unfinished crawl spaces shall not exceed five feet in height measured from the exterior finished grade to the finished floor of the floor above.~~

- ~~4. Basements/Basement Garages. Exterior walls of basements or basement garages visible from a street shall not exceed nine feet in height measured from the exterior finished grade to the finished floor of the floor above.~~

A. Purpose. This section provides the methodology used to measure the height of all structures.

B. Building and Structure Height.

1. The height of any building or structure shall be measure from the natural grade or finished grade in accordance with the following:
 - a. Natural Grade. The height shall be measured vertically from the top of any point of a structure or building element, including the top of a parapet, the top of a mansard roof, screen wall or pitched roof, to the natural grade directly beneath the point measured, unless the finished grade abutting the building or structure is below the natural grade. When a height is measured to natural grade, it includes any material used to raise the grade to a finished grade above the natural grade.
 - b. Finished Grade. When the finished grade abutting a building or structure is below the natural grade, the finished grade shall be used to measure the height.
 - (1) When the finished grade is used, the height shall be measured vertically from the top of any point of a structure or building element, including the top of a parapet, the top of a mansard roof, screen wall or pitched roof, to the lowest finished grade abutting the building or structure that is nearest to a point directly below the point measured. The finished grade outside of doors, landings, light wells, patios, stairways, windows, and similar below grade improvements that provide access or fenestrations to a below grade level are excluded from the building height, provide that the finished grade for these improvements does not extend more than eight feet horizontally from the building.
 - c. The height of all points a structure or building measured in accordance with applicable provisions of subsection B.1.a. or B.1.b. of this section, shall comply with the maximum allowed height of the property's zone.
2. Exposed crawl spaces, building stem walls (including stem walls of a basement) podium parking structure and building walls, shall be included in the height calculation.
3. Flagpoles and spires, including similar structures, shall not exceed the maximum allowed building height of the property's zone.

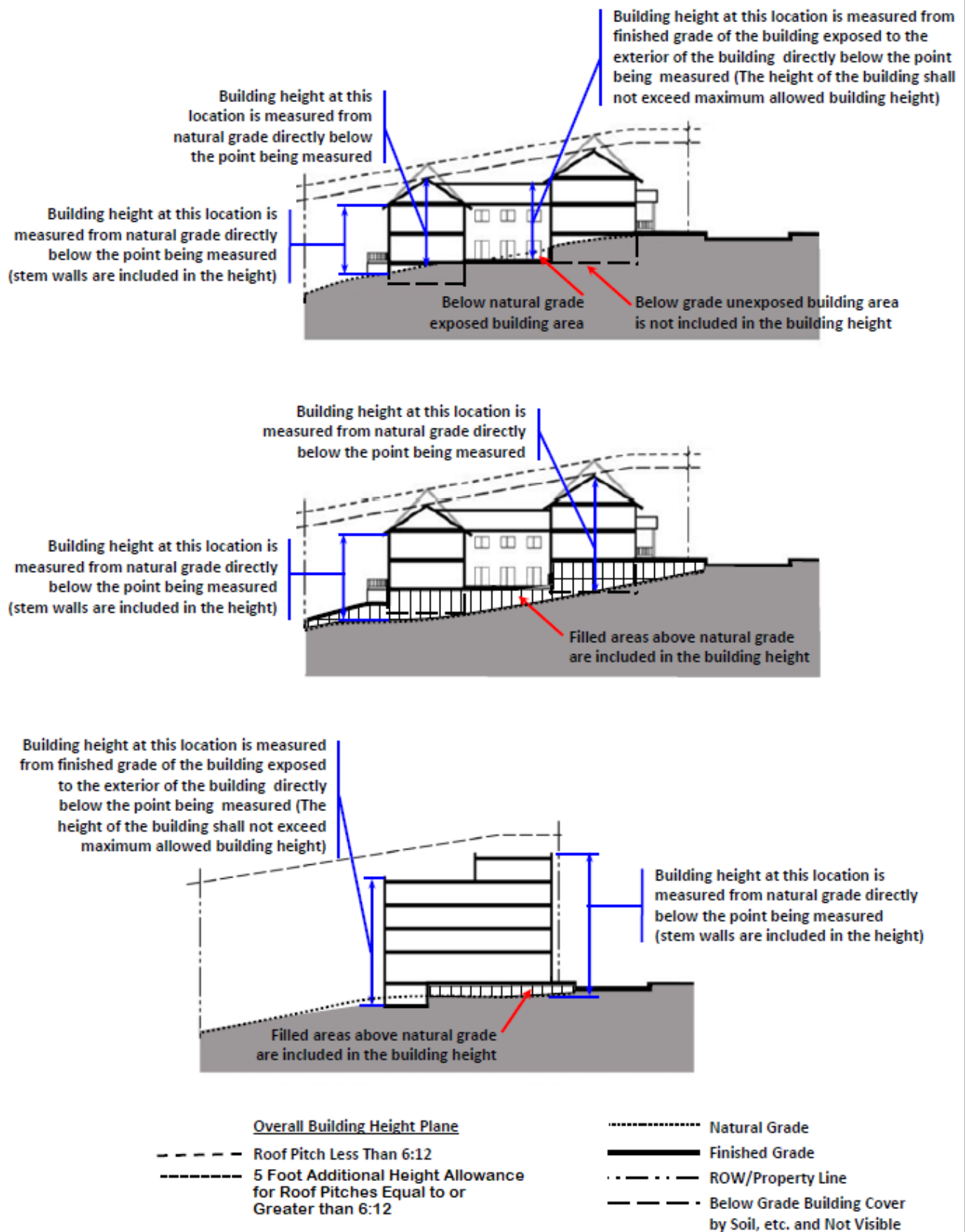


Figure 10-50.30.030.B.
Method of Measuring Building Height

Section 26. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.50 Fences and Screening, 10-50.50.030 Siting and Building Standards, subsection C. Fences and Walls Between Different Land Uses., paragraph 2, as follows:

Section 10-50.50.030 Siting and Building Standards

C. Fences and Walls Between Different Land Uses.

2. Solid fences and walls between residential, recreation, education, public assembly, and retail uses may replace a portion of the required buffer requirements, as identified in Table 10-50.60.040.B, Buffer and Screening Requirements, with ~~vegetated fencing~~ **evergreen plant material** upon Director approval.

Section 27. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.50 Fences and Screening, , subsection D. Equipment Screening., as follows:

Section 10-50.50.040 General Fencing and Screening Standards

D. Equipment Screening.

1. In all zones, ~~rooftop mounted mechanical and electrical service equipment must be screened from public view to the height of the tallest equipment with materials architecturally compatible with the finishes and character of principal structures as shown in Figure 10-50.50.040B, Rooftop Equipment Screening.~~ **roof-mounted equipment, including communication dishes, and storage containers shall be:**
 - a. Centrally located on the roof to the maximum extent feasible; and
 - b. Screened by a parapet or roof feature on all sides that is no shorter than the tallest object being screened as shown in Figure 10-50.50.040.D., Rooftop.

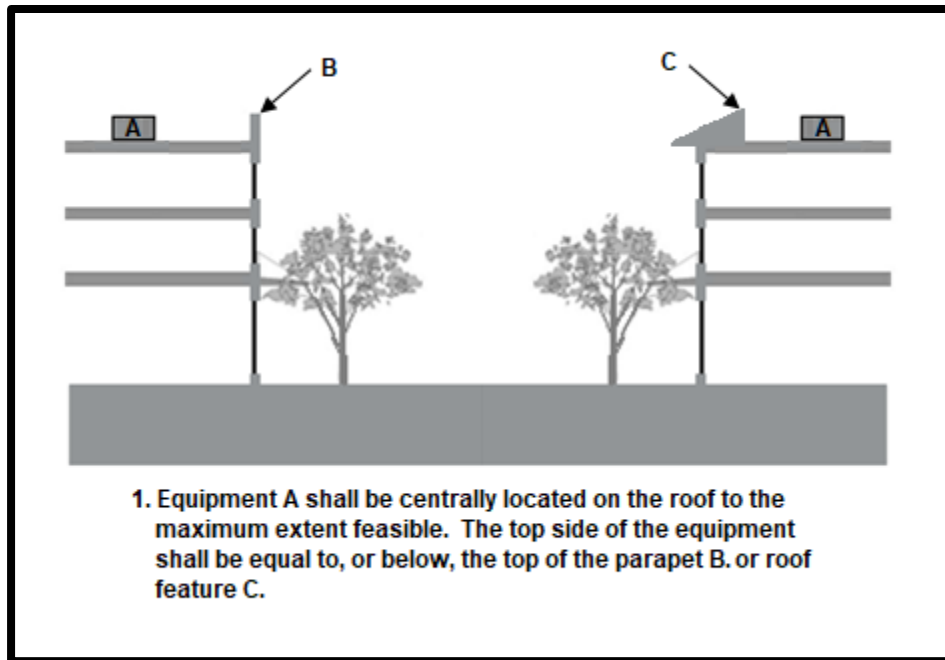
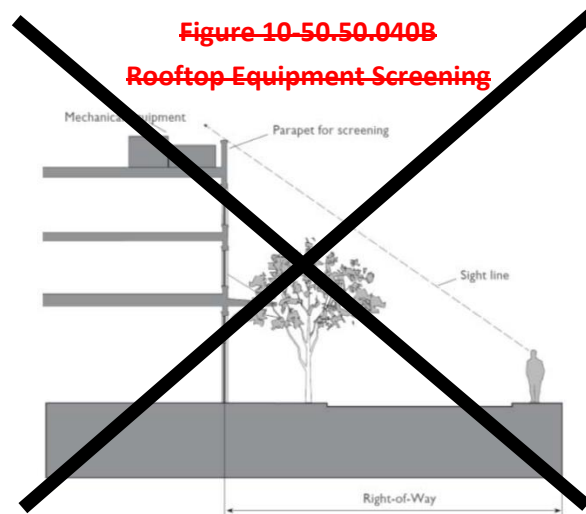


Figure 10-50.50.040.D.
Rooftop Equipment Screening

2. In all zones, ~~ground-mounted-mechanical~~ ground-mounted, or elevated, mechanical, electrical service equipment, satellite dishes, and utilities must be screened from surrounding properties, alleys and streets, or enclosed within a building.



3. Wall-mounted mechanical and electrical service equipment, satellite dishes, and utilities (hereafter the "Equipment") shall be screened from surrounding properties, alleys and streets.

- a. As an alternative to screening the Equipment, the Director may approve a design that integrates the Equipment into the architecture of the building if any of the following apply:
 - i. the Equipment will not be visible from a surrounding property, alley or street at a location equal to, or less than, the height of the Equipment;
 - ii. The screening of the Equipment would prohibit wireless communication with the Equipment, and there is no other alternate location on the development site to place the Equipment;
 - iii. The screening would prohibit proper ventilation of the Equipment as required by the Building Code, Fire Code, or a public utility, and there is no other alternate location on the development site to place the Equipment; or
 - iv. Other similar condition as determined by the Director.

Section 28. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.60: Landscaping Standards, Section 10-50.60.010. Purpose and Benefits, Table 10-50.60.010.A: Benefits of Sustainable Landscaping, Screening, as follows:

10-50.60.010 Purpose and Benefits

Table 10-50.60.010.A: Benefits of Sustainable Landscaping

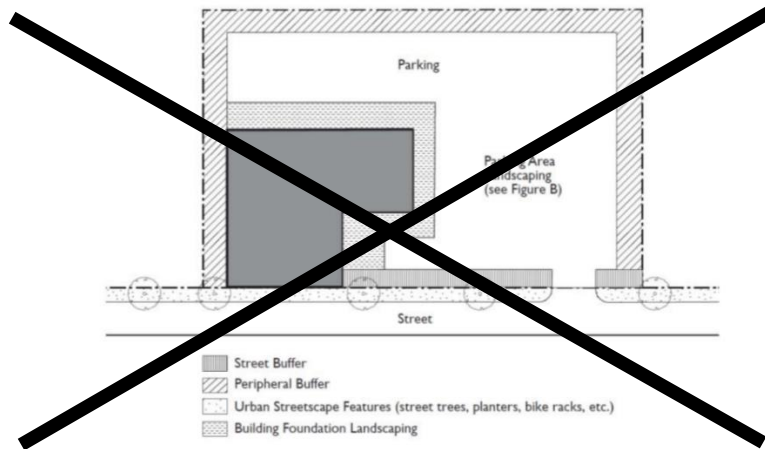
Screening	Plants can Evergreen plants may be used to screen incompatible adjacent uses or above ground and on-site utilities.
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Section 29. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.60: Landscaping Standards, Section 10-50.60.040 Landscape Location Requirements, subsection B. Nonresidential Zone Buffers, as follows:

10-50.60.040 Landscape Location Requirements

~~B. Nonresidential Zone Buffers. Landscaping shall be applied through landscaping buffers in nonresidential zones. There are two types of nonresidential landscaping buffers: street buffers and peripheral buffers. Foundation landscaping (see subsection (C) of this section) is also required (see Figure 10-50.60.040A). These buffers shall be landscaped in compliance with Section 10-50.60.050, Landscaping Standards.~~

Figure 10-50.60.040A

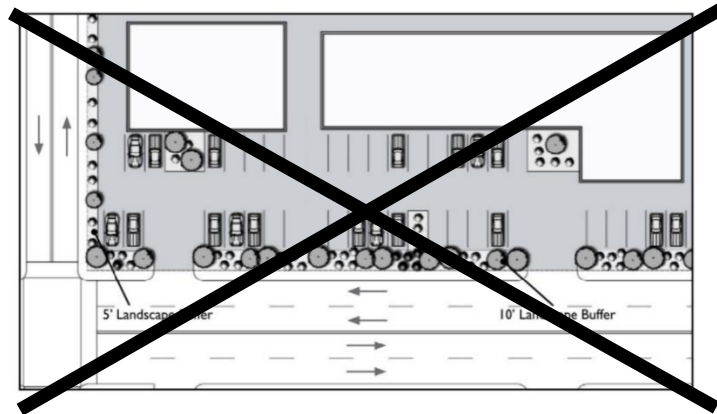


Location of Required Landscape Areas

- 1. ~~Street Buffers.~~** ~~A landscaped street buffer with a minimum width of 10 feet is required along the street frontage of a site as measured from the street property line (see Figure 10-50.60.040B), except:~~
 - ~~a. Street buffers fronting streets with two traffic lanes may be reduced to five feet. If the street buffer is reduced to five feet adjacent to industrial uses or heavy retail/services uses, a six-foot fence shall be located behind the buffer in compliance with Division 10-50.50, Fences and Screening.~~
 - ~~b. The City Engineer may approve the placement of up to five feet of the required 10-foot width of required landscaping within the adjacent right-of-way.~~
 - ~~c. In non-transect zones and transect zones T5 and T6, required street buffer landscaping along a frontage is not required where an urban form is proposed and buildings are located close to or at the back of the sidewalk or on a property line. However, consistent with the standards established for streets (thoroughfares) in Chapter 10-60, Specific to Thoroughfares, a wider sidewalk to accommodate active pedestrian uses and activities, sidewalk cafes, tree wells, planters, and the placement of such amenities as bike racks, potted plants, or benches is required.~~

Figure 10-50.60.040B

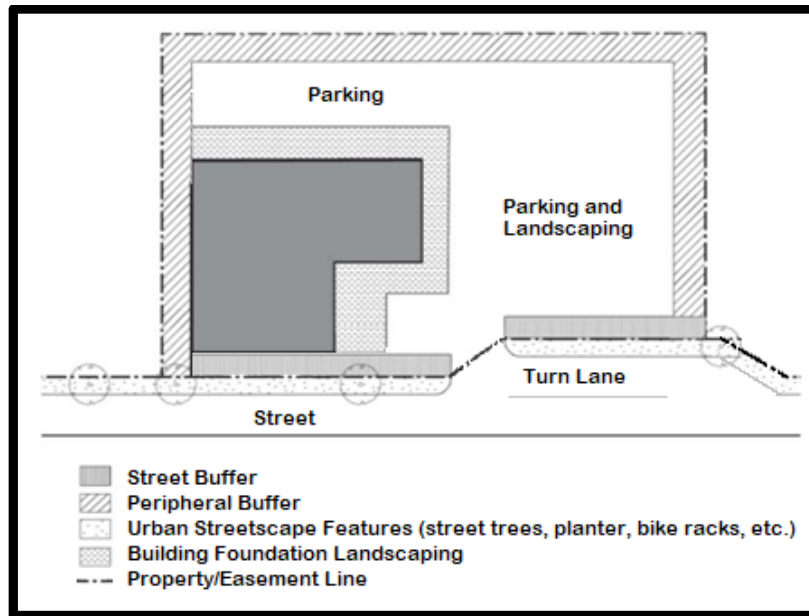
Street Buffer



B. Nonresidential Zone Landscape Buffers. There are two types of landscaping buffers requirements. The landscape buffers are: street landscape buffers and peripheral landscape buffers. The landscape buffers shall be planted in accordance with Section 10-50.60.050, Landscaping Standards.

- 1. Street Landscape Buffers.** The buffers shall be provided on the lot or parcel, and abutting the street property/easement line (see Figure 10-50.60.040.B.1.), unless the provisions of subsections B.2. or B.3. of this section, apply. The buffers shall conform with the following:
 - a. Transect and Non-Transect Zoned Properties Located Within the Area Delineated by the Downtown Regulating Plan.**
 - (1) Minimum buffer width abutting a street with a total of four travel lanes, or greater: 10 feet, unless a smaller width is allowed in B.1.a.(3), below.
 - (2) Minimum buffer width abutting a street with a total of two travel lanes: 5 feet, unless a smaller width is allowed in B.1.a.(3), below.
 - (3) Properties that are zoned Main Street (T5) and T6 Downtown (T6) do not require street landscape buffer abutting a street, although additional width is required for pedestrian improvements in accordance with Chapter 10-60, Specific to Thoroughfares.
 - b. Properties with an Industrial Zone Designation.**
 - (1) Minimum buffer width abutting a street with a total of four travel lanes: 10 feet.
 - (2) Minimum buffer width abutting a street with a total of two travel lanes: 10 feet, unless:
 - (a) The director may approve a buffer width equal to, or great than, five feet, and less than ten feet, when the following criteria have been met:
 - i. The lot or parcel is a corner lot or parcel that does not abut a Key Lot or an alley that abuts a Key Lot;
 - ii. The reduced buffer would abut a street adjacent to the street side yard of a corner lot or parcel; and
 - iii. A six-foot fence or wall shall be provide abutting the buffer in compliance with Division 10-50.50, Fences and Screening.
 - c. Street Landscape Buffers on All Other Properties.**

(1) Minimum buffer width abutting a street: 10 feet.



Location of Required Landscape Areas

Figure 10-50.60.040.B.1.

2. When a public sidewalk or other public improvements are located within the property boundaries, the landscape buffer shall be measured from the interior edge of the sidewalk or improvements, whichever is nearer to the interior of the property.
3. Upon review of an applicant's separate written request to the Planning Director, the Planning Director in consultation with the City Engineer may approve the reduction of a required 10-foot wide landscape street buffer to no less than five feet adjacent to the street property line(s), after any required dedications. To approve a request, the Planning Director in consultation with the City Engineer, shall find that:
 - a. The existing site constraints of the property substantially limit the ability to provided the buffer on the property;
 - b. The right-of-way adjacent to the property is at least 10 feet wider than the minimum right-of-way width of the corresponding street cross section specified in Title 13 of the City Code and is not needed for future public sidewalk, street, trail, or other city transportation or infrastructure improvements; and
 - c. At no time shall the building be closer than 10 feet from the interior side of a sidewalk or similar right-of-way improvements, as measured from the point nearest to the interior of the property.

Section 30. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.60: Landscaping Standards, Section 10-50.60.040 Landscape Location Requirements, to modify the title of subsection D. Parking Area Landscape Standards, and modify paragraph 3. Screening Parking Areas., as follows:

10-50.60.040 Landscape Location Requirements

D. Parking Area Landscape Standards – ~~Residential~~ Multiple-Family Residential and ~~Nonresidential~~ Nonresidential Development.

3. Screening Parking Areas.

- a. In addition to subsection (D)(1) of this section, planting and screening along the boundaries of parking areas that are adjacent to a street shall be used to break up continuous parking areas by providing color and interest through the use of appropriate landscape materials and through the preservation of existing vegetation.
- b. Landscape screening along the perimeter of parking areas shall be a minimum of three and one-half feet in height. One of the following methods of forming a screen along the full length of the parking area located adjacent to a street shall be used, except where breaks are needed to provide access for pedestrians, bicycles, vehicles, or a required clear view zone (Refer to Engineering Standards, Section 13-10-06-0002, Intersection Sight Triangles, Clear View Zones). Figure 10-50.60.040F illustrates the methods for screening parking.
 - (1) Solid fencing or wall meeting the requirements of Division 10-50.50, Fences and Screening.
 - (2) ~~Shrubs~~ Evergreen shrubs planted at sufficient density to form a significant screen within three years of initial planting. Refer to Table 10-50.60.050.B, Required Plant Quantities, and Table 10-50.60.050.C, Plant Sizes, for required plant size and quantities for parking lot screening.
 - (3) Any combination of the above.

~~Figure 10-50.60.040F~~
~~Screening of Parking Areas~~

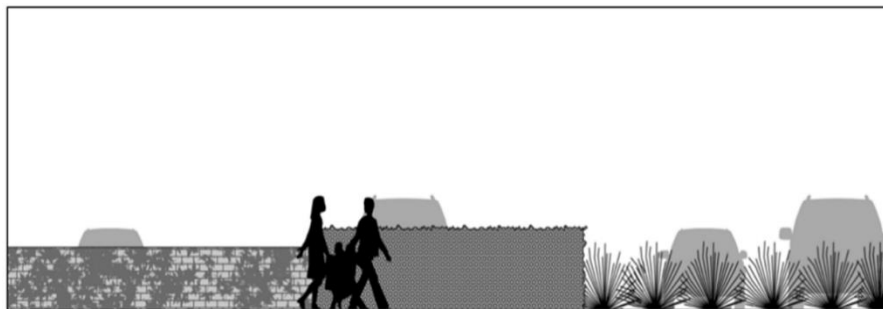


Figure 10-50.60.040F
Screening of Parking Areas

- (4) Landscaping Materials. Landscaping shall be a combination of ground cover, shrubs, and trees. (See Section 10-50.60.050, Landscaping Standards.)
- (5) Plant Protection. Landscape areas susceptible to damage by vehicular or pedestrian traffic must be protected by appropriate means, such as curbs, bollards or low walls provided they are not in conflict with applicable standards for intersection sight triangles as established in the Engineering Standards.

Section 31. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.80 Parking Standards, Section 10-50.80.040 Number of Motor Vehicle Parking Spaces Required, Table 10-50.80.040.A: Number of Motor Vehicle Parking Spaces Required, Retail Trade, to add: Tap Room, in alphabetical order, as follows:

10-50.80.040 Number of Motor Vehicle Parking Spaces Required

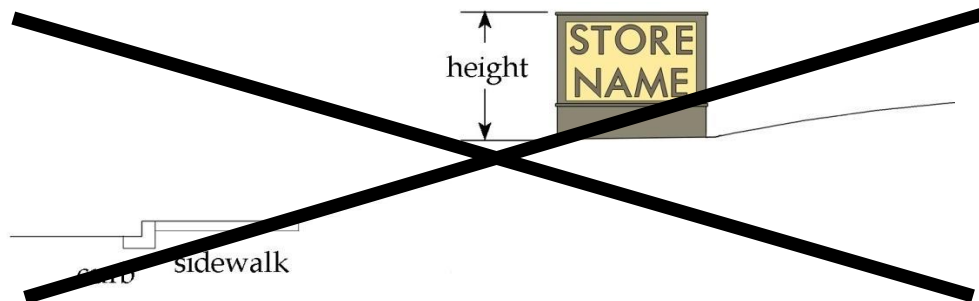
Table 10-50.80.040.A: Number of Motor Vehicle Parking Spaces Required

Use		Number of Required Spaces
Retail Trade		
Tap Room		1 per 300 gsf

Section 32. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.100 Sign Standards, Section 10-50.100.050 General Requirements for All Signs, Figure 10-50.100.050E, as follows:

10-50.100.050 General Requirements for All Signs

~~Figure 10-50.100.050E~~
~~Freestanding Sign Height—Signs Higher than the Grade of an Adjacent Road~~



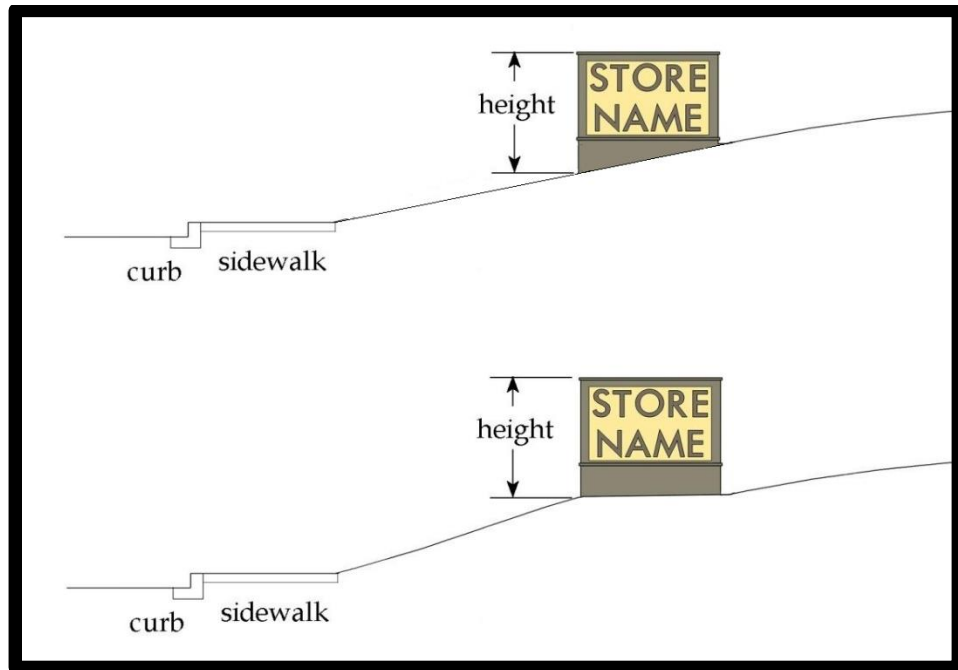


Figure 10-50.100.050E
Freestanding Sign Height – Signs Higher than the Grade of an Adjacent Road

Section 33. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.100 Sign Standards, Section 10-50.100.100 Sign Districts of Special Designation, Table 10-50.100.100.A: Local Examples of Signs Appropriately Designed for the Flagstaff Central District, as follows:

Section 10-50.100.100 Sign Districts of Special Designation

Figure 10-50.100.100A

Local Examples of Signs Appropriately Designed for the Flagstaff Central District





Figure 10-50.100.100A
Local Examples of Signs Appropriately Designed for the Flagstaff Central District

Section 34. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.100 Sign Standards, Section 10-50.100.100 Sign Districts of Special Designation, Figure 10-50.100.100A Standards for Building Mounted Signs in Flagstaff Central District, Individual Sign Area for Each Business, as follows – including adding gridlines and shading to the table:

Table 10-50.100.100.A: Standards for Building Mounted Signs in Flagstaff Central District	
Standard	Standard Allowance
Total Sign Area for a the Multi- and Single-Tenant Building	The greater of: (1) The number of building entries ¹ + 1 sign X 30 sq. ft. (e.g. if a building has 6 entries the Total Sign Area = 6 + 1 X 30 = 210 sq. ft.); or (2) 100 sq. ft. max.
Individual Sign Area for Each Business in a Multi-Tenant Building	The lesser of: (1) 1 sq. ft. to 1 linear ft. of the width of the business space served by an entrance ² ; or (2) 100 sq. ft. max.; or (3) The total sign area for the building.
Number of Signs	Number of building entries entries ¹ + 1.

Table 10-50.100.100.A: Standards for Building Mounted Signs in Flagstaff Central District	
Standard	Standard Allowance
Sign Placement	<p>(1) No higher than the lesser of either:</p> <ul style="list-style-type: none"> (1) (a) The second story sill level; or (2) (b) On or above the expression line of any building; or (3) (c) Not above any visible roofing material on the building element; or (4) (d) Max. 25 feet. <p>(2) At least 1 sign shall be associated with the building entry zone¹ (may be wall mounted, projecting, awning, etc.).</p> <p>(3) Sign copy on awnings is only permitted on first story windows.</p> <p>(4) Where multiple businesses use a common entrance, a common sign shall be placed adjacent to the sidewalk level building entry³.</p>
Painted Building Mounted Signs	<p>(1) Shall comply with Table 10-50.100.060.C.</p> <p>(2) The requirement for three dimensional form required in the Findings for Signs Proposed in the Central District shall not apply.</p>
Illumination	See Section 10-50.100.050(C).
Permitting	Sign permit is required.
End Notes	
<p>¹ 1. Building entries in this context do not include service entries or separate doors for lodging rooms. A series of doors grouped together shall be considered one building entry.</p> <p>² 2. Where a building has multiple frontages (i.e., a corner building), the shortest frontage shall apply.</p> <p>³ 3. Two or more businesses served by a common entrance are considered one business for sign computation purposes.</p>	

Section 35. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.110: Specific to Building Types, as follows:

**Division 10-50.110:
Specific to Building Types**

Sections:

- 10-50.110.010 Purpose**
- 10-50.110.020 Applicability**
- 10-50.110.030 Building Types Overview**
- 10-50.110.040 Carriage House**
- 10-50.110.050 Single-Family Estate**
- 10-50.110.060 Single-Family House**
- 10-50.110.070 Single-Family Cottage**
- 10-50.110.080 Bungalow Court**
- 10-50.110.090 Duplex, Side-by-Side**
- 10-50.110.100 Duplex, Stacked**
- 10-50.110.110 Duplex, Front-and-Back**
- 10-50.110.120 Stacked Triplex**
- ~~10-50.110.120~~ **10-50.110.130 Townhouse**
- ~~10-50.110.130~~ **10-50.110.140 Apartment House**
- ~~10-50.110.140~~ **10-50.110.150 Courtyard Apartment**
- ~~10-50.110.150~~ **10-50.110.160 Live/Work**
- 10-50.110.170 Apartment Building**
- ~~10-50.110.160~~ **10-50.110.180 Commercial Block**

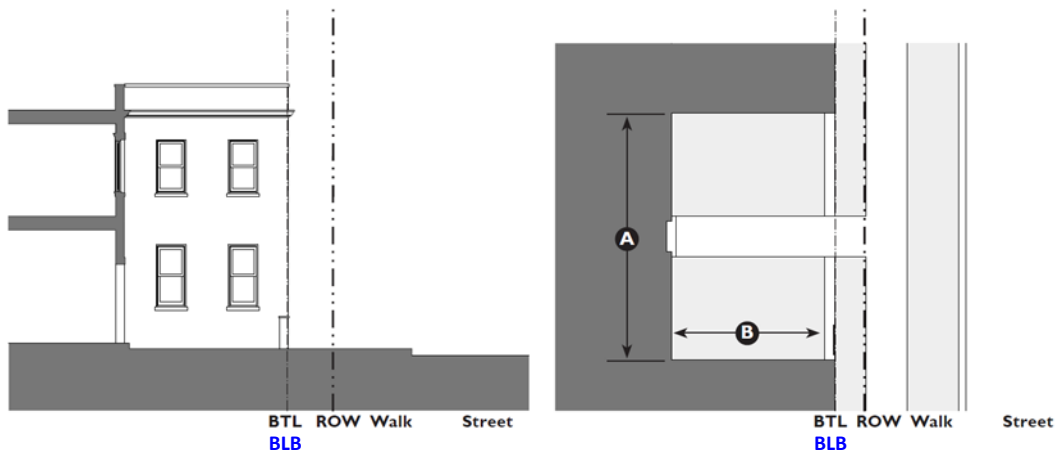
Section 36. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.110 Specific to Building Types, Section 10-50.110.120 Stacked Triplex, Subsection B. Lot, and delete End Note 1, as follows:

Section 10-50.110.120 Stacked Triplex

B. Lot	
Lot	Size Size
Width	50' min.; 75' max. 75' min.; 100' max.
Depth	100' min.; 150' max.
End Note	
¹ Applies to newly created lots.	

Section 37. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.120 Specific to Private Frontages, Section 10-50.120.080 Forecourt, to amend graphic and the associated key, as follows – including adding gridlines and shading to the table:

10-50.120.080 Forecourt

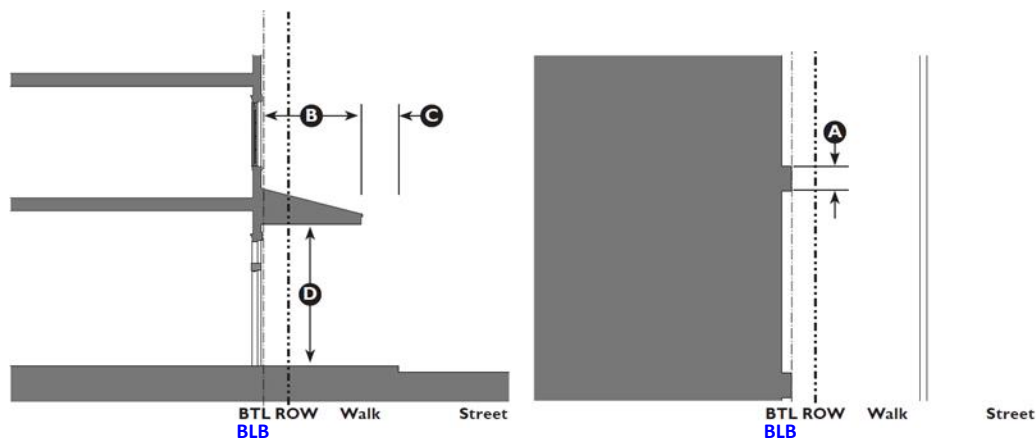


Key	
----	ROW/Property Line
----	Setback-Line
-----	BLT BTL - Build to Line (Transect Zones) BLB -Back of Landscape Buffer (Non-Transect Zones), which shall be measured from the property line/right-of-way line in all situations, including Planned Residential Developments.

Figure 10-50.120.080 Forecourt

Section 38. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.120 Specific to Private Frontages, 10-50.120.100 Shopfront, to amend the graphic and the associated key, as follows – including adding gridlines and shading to the table:

10-50.120.100 Shopfront

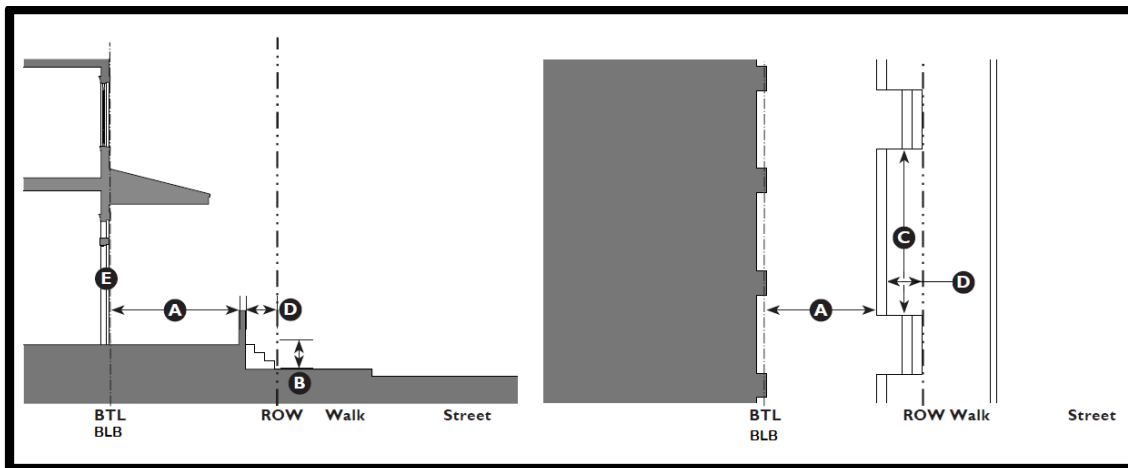
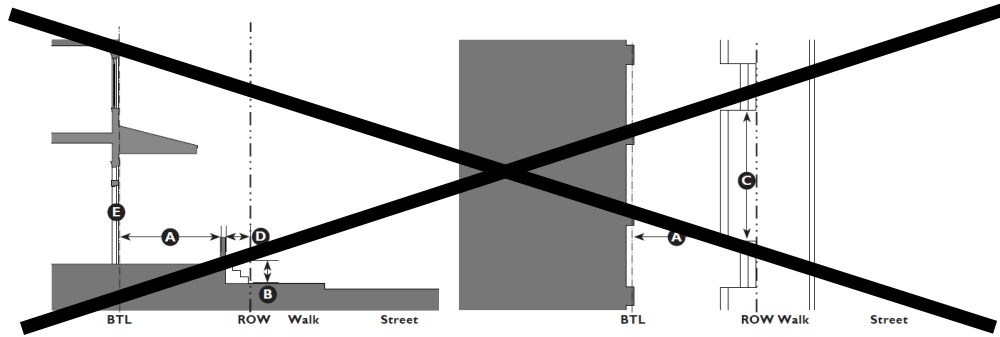


Key	
----	ROW/Property Line
----	Setback-Line
-----	BLT BTL - Build to Line (Transect Zones) BLB -Back of Landscape Buffer (Non-Transect Zones), which shall be measured from the right-of-way line in all situations, including Planned Residential Developments.

Figure 10-50.120.100 Shopfront

Section 39. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.120 Specific to Private Frontages, Section 10-50.120.110 Terrace Shopfront, to amend the graphic and the associated key, as follows – including adding gridlines and shading to the table:

10-50.120.110 Terrace Shopfront

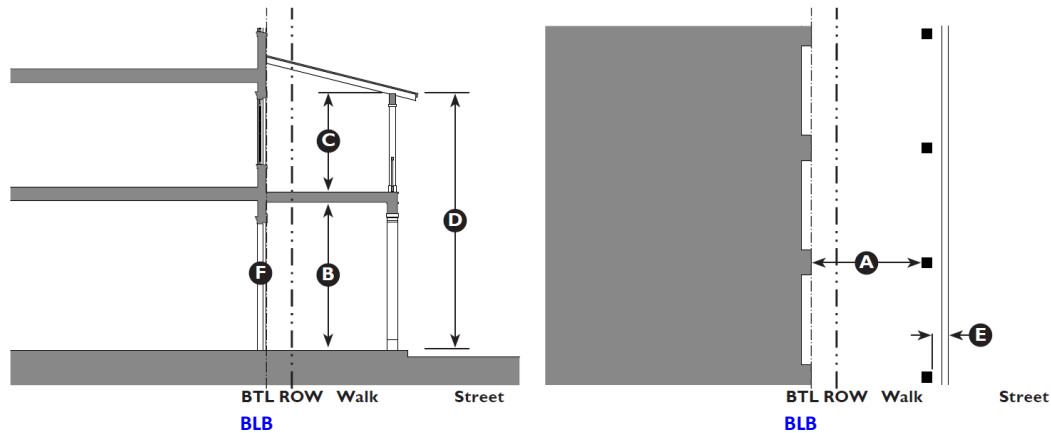


Key	
----	ROW/Property Line
---	Setback-Line
---	<p>BLT BTL- Build to Line (Transect Zones), unless a greater setback is required by the sum of the distance of A and D.</p> <p>BLB-Back of Landscape Buffer (Non-Transect Zones), which shall be measured from the right-of-way line in all situations, including Planned Residential Developments, unless a greater setback is required by the sum of the distance of A and D.</p>

Figure 10-50.120.110 Terrace Shopfront

Section 40. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-50.120 Specific to Private Frontages, 10-50.120.120 Gallery, to amend the graphic and the associated key, as follows – including adding gridlines and shading to the table:

10-50.120.120 Gallery



Key	
---	ROW/Property Line
---	Setback Line
---	BLT BTL - Build to Line (Transect Zones)
---	BLB-Back of Landscape Buffer (Non-Transect Zones), which shall be measured from the right-of-way line in all situations, including Planned Residential Developments.

Figure 10-50.120.120 Gallery

Section 41. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, and Building Functions, 10-80.20.010 Definitions "A", to delete the terms "Acreage, Gross", and "Acreage, Net", as follows:

~~**Acreage, Gross: Ground area, including all proposed and existing streets within a development or subdivision.**~~

~~**Acreage, Net: The remaining ground area after deleting all portions for proposed and existing streets within a development or subdivision**~~

Section 42. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, and Building Functions, 10-80.20.040 Definitions “D”, to delete the terms “Density”, modify “Development Site”, “Development, Multiple-Family”, and “Duplex”, and to add the terms “Density, Gross” and “Development Site Area” in alphabetical order, as follows:

~~Density: The number of dwelling units within a standard measure of land area, usually given as units per acre.~~

~~1. Density, Gross (GD): The quotient of the total number of dwelling units divided by the base site area of a site.~~

~~2. Density, Net (ND): The quotient of the total number of dwelling units divided by the net buildable site area on a site.~~

Density, Gross: is the number of dwelling units allowed on one acre of a development site. The density of a development is calculated by the total number of dwelling units divided by the total acreage of the Development Site Area.

Development - Multiple-Family: Is a development **(including a residential condominium)** consisting of any number of structures, or portion thereof, that contains a total of three or more dwelling units on a lot or parcel

Development Site: ~~Any~~ **Is any plot** lot or parcel of land, or combination of contiguous lots or parcels of land, whether under common ownership or multiple ownership, which constitutes a site on which development is proposed, ~~under construction,~~ or exists.

Development Site Area: Is the total area of a development site, excluding all existing dedications for public rights-of-way or private street tract(s).

Duplex: A residential building designed to be occupied by two families living independently of each other with two attached **or detached** dwelling units on one lot or parcel. ~~Said~~ If **attached, the** units may be attached front-to-back **or** side-to-side **with a common or party wall**, or stacked one atop the other **with a common ceiling-floor separating the units.**

~~1. Front to Back: An attached building type with two independent living units with one unit placed behind the other and sharing a common or party wall.~~

~~2. Side by Side: An attached building type with two side-by-side independent living units sharing a common or party wall.~~

~~3. Stacked: An attached building type with two independent living units stacked one on top of the other~~

Section 43. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, and Building Functions, Section 10-80.20.060 Definitions, “F”, pertaining to the terms “Finished Grade”, “Floor Area Ratio, Gross (GFAR)”, and delete “Floor Area Ratio, Net (FAR)”, as follows:

Finished Grade: ~~Existing~~ **Is the man-made** topography of a site at the completion of ~~construction~~ **grading.**

Floor Area Ratio, Gross (GFAR): An intensity measured as a ratio derived by dividing the total floor area **in square feet** of ~~a building or structure~~ **all buildings or structures** on a **development site** by the ~~base development site area in square feet (or lot area as modified for established development districts).~~

~~**Floor Area Ratio, Net (FAR):** An intensity measured as a ratio derived by dividing the total floor area of a building or structure by the net buildable site area.~~

Section 44. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.090 Definitions, “I”, the term Industrial, Heavy – General, as follows:

Industrial, Heavy – General: Construction, manufacturing, transportation, and public utilities, and those uses ~~which~~ **that may** have severe potential for negative impact on any uses located relatively close to them. Differs from light industrial uses in that it includes uses that require unenclosed structures that are large, tall, and unsightly, such as concrete batching plants. These uses also have ~~enormous~~ **the** potential for generation of dust, noise, and odor and may involve large amounts of exterior storage. Because of their scale, they are likely to have a regional impact. This term specifically includes, but is not limited to, the following uses:

Chemicals and allied products (except drugs)	Primary metal industries
---	--------------------------

Electrical distribution equipment	Processing of animal/fish oils and meat products
-----------------------------------	--

Electrical industrial apparatus	Railroad transportation
---------------------------------	-------------------------

Heavy construction contractors	Rubber and miscellaneous plastics
--------------------------------	-----------------------------------

Leather tanning	Sawmills, planing mills and storage of logs, paper, pulp, or paperboard mills
-----------------	--

Manufacturing of alcoholic beverages	Stone, clay and glass products including concrete plants
Machinery	Transportation equipment
Petroleum and coal products	Utility, production or processing facilities, but not offices or transmission or distribution

Section 45. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.110 Definitions “K”, to add the term “Key Lot” and the Figure 10-80.20.110. Key Lot., as follows:

Key Lot: is a lot or parcel that abuts a corner lot that has its side lot line in common with the rear lot line of the corner lot, or alley abutting rear lot line of the corner lot, and the lot fronts on to a street that forms the street side of the corner lot.

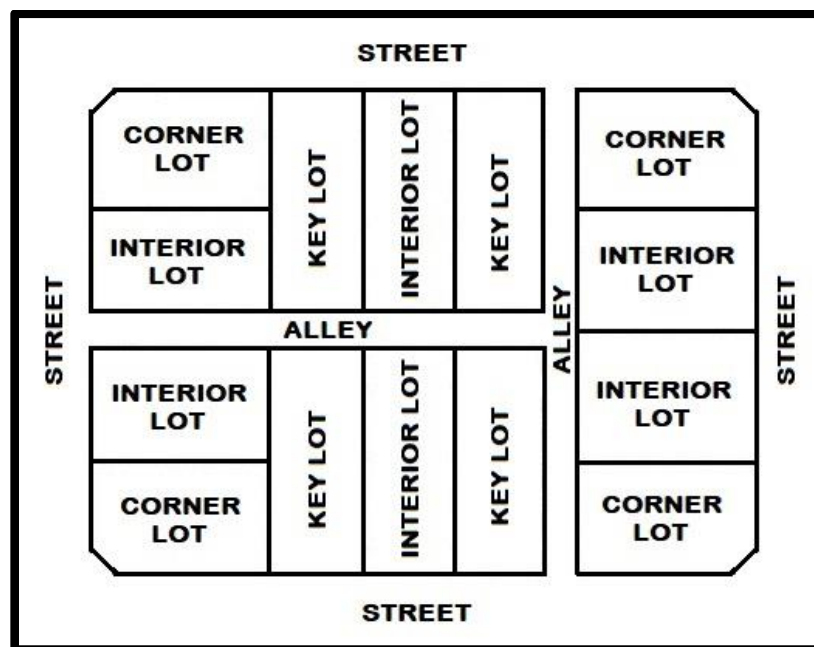


Figure 10-80.20.110. Key Lot.

Section 46. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.130 Definitions, “M”, for the term “Micro-brewery or Micro-distillery”, as follows:

10-80.20.130 Definitions, “M”

Micro-brewery or Micro-distillery: A facility engaged in the production, bottling, and packaging of beer and other fermented ~~malt~~ beverages or spirituous beverages **that contain ethanol alcohol. ~~on-site that may include a taproom in which guests/customers may sample or purchase the product.~~ A taproom may be included in a Micro-brewery or Micro-distillery, subject to the requirements of the Zoning Code.**

Section 47. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.140 Definitions, “N”, to add the term “Natural Grade”, as follows:

Natural Grade: is the natural terrain elevation of the land prior to any grading that disturbs the land.

Section 48. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.150 Definitions, “O”, for the terms

Outdoor ~~Storage or~~ Display: The ~~storage or~~ display of any personal or business materials, products, or equipment outside of a building.

Section 49. Amend Title 10 FLAGSTAFF ZONING CODE, Division 10-80.20: Definition of Specialized Terms, Phrases, and Building Functions, Section 10-80.20.180 Definitions, “R”, to add the term “Railroad Shop”, as follows:

Railroad Shop: is a facility that builds new and/or repairs locomotives and railroad cars, including the fabrication of parts.

Section 50. Amend Title 10 FLAGSTAFF ZONING CODE, APPENDICES, to repeal Appendix 2.0 Planning Fee Schedule, and adopt Appendix 2.0 Planning Fee Schedule, as follows:

**Appendix 2
Planning Fee Schedule**

- A. By separate ordinance, the City Council shall adopt applicable fees for planning and related applications and/or services.**
- B. The applicable fees shall be available at the Community Development Division.**

Daniel Symer

From: David Carpenter <dc@hopeaz.com>
Sent: Friday, January 24, 2020 5:23 PM
To: Daniel Symer
Cc: Tiffany Antol
Subject: Zoning Code Revisions

Follow Up Flag: Follow up
Flag Status: Flagged

Dan-

I watched your P&Z presentation from the 22nd and I had a few comments and questions on the latest zoning code revisions:

- The new footnote in table 10-40.30.040.C seems to reduce the by right 29 units/acre to 22 for parcels that are outside of the ped shed in the general plan. Previously density is only reduced to 22 if the property was in the RPO, and I'm not aware of any reference to the general plan in that part of the code. But it also hard to read, so it's hard to tell if maybe you are trying to restrict density outside the ped shed, or to grant increased density in the RPO if you are also in the ped shed. This might need some clarification.
- In the new basement and crawl section 10-50.25.020
 - A. Creating a hard fast 9 foot rule seems like a no brainer on a flat lot but will be very hard to follow if the lot has any slope.
 - B. 1. Creating a hard fast 5 foot rule creates a catch 22 in the flood plain where a crawl space may need to be up to 6-7 feet to meet the FEMA rules
 - B.1. Creating a hard fast 5 foot rule will be very hard to comply on slopped lots. I've seen houses with crawl spaces that go from 3' to 15' over sometimes as little as 20 feet. Maybe you are trying to govern the amount of stem wall seen that is made out of concrete, but the stem walls would be OK if framed and had siding? Its hard to know what your intention is here but the outright banning of crawls spaces taller than 5' will create many issues in our highly topographic city.
 - B. 2. Craws spaces and stem walls are not traditionally building materials that are consistent with the design of a building (they are more complementary). For instance a building with all wood siding would not have wooden siding on the foundation walls. These walls should be block, concrete, stucco, or stone. Maybe list the appropriate materials you are trying to see more of... what are you trying to prevent here?
- In the section about building height in the last paragraph C Exceptions to the building height, you are changing the intent by combining stairwells and elevators in with the other elements that are subject to a 20% max height calculation. This will mean that only buildings that are 50' or greater will be able to exceed max height for a stairwell or elevator. This is because a stairwell or elevator is always going to be 10-15' tall to be able to serve the roof for a stairwell, or the top story in the case of an elevator. So, ,for instance if you have a 3 story building that is 35' tall, the way your draft is written now the stairwell or elevator can only be 7' tall. It is impossible to serve a rooftop with a 7' staircase and renders this section moot for anything less than 50'. Previously stairwells and elevators we allowed to exceed but limited to a % of the roof area not a height constraint.
- In 10-50.60.040 non-residential landscape requirements adding a min 10' from the back of sidewalk is a lot of land in an urban setting. This may make a lot of sense for a larger lot or in a suburban setting , but is there a way to waive this requirement when the parcel is urban in nature similar to the way T5 and T6 are waived ? or

maybe reduce to a 5' minimum? A parkway, plus sidewalk, plus 10 feet just seems like a huge setback (and inconsistent with the actual setbacks) and inconsistent with the way the urban parts of the city look. Maybe parkway trees, planters, or street trees can take the place of this 10' buffer? There are thoughtful ways to get landscaping in an urban setting without pushing the building back an abnormal amount. I think a 5' minimum might be a good place to start.

- It does not make sense to require a 75' wide lot to build a triplex, we have proven that the triplex works fine on 50' x 130' lots (so long as there is an alley). All the lots in the urban part of the city are 50' wide, so you are effectively barring their construction and reducing density in the urban core of the city where we are trying to increase density. Maybe require alley loading parking as a new restriction to make them work better, but the 75' is really just a ban since the city lots are not that wide. You rational in justifying this change by saying that the triplex needs to have 2,500 SF per unit as noted in table/footnote 6 of the residential zone standards, does not make sense because the 2,500 SF requirement is for a residential building in a "non-transect" zone. There were always supposed to be advantages to switching to the transect zone built into the code on purpose. This increased density over the underlying zoning was the main incentive. What you get in trade off is 35' in height as apposed to 60' in the underlying HR zone.

If you could please respond and make my comments available to P&Z and council I would appreciate it.

Thank You,

David Carpenter



Hope Construction
495 S River Run Rd.
Suite 100
Flagstaff, AZ 86001

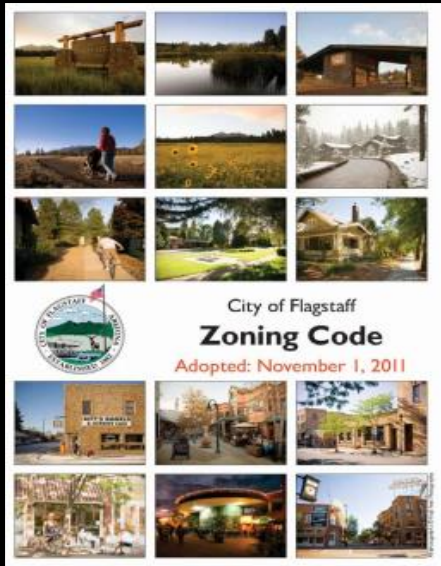
P 928-527-3159
F 928-527-0357
C 928-380-5808

City Council Work Session

City's Request to Amend the Zoning Code Case PZ-19-00125



Dan Symer, AICP
Zoning Code Manager



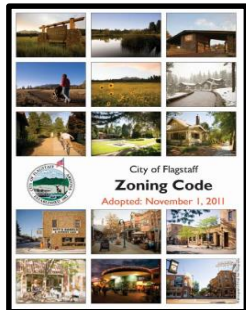


City Council Work Session



Work Session Objectives

- To inform the public, and allow for their suggestions and concerns to be heard
- To inform the City Council and allow for their suggestions, questions and discussion
- No action will be taken by the City Council at this work session





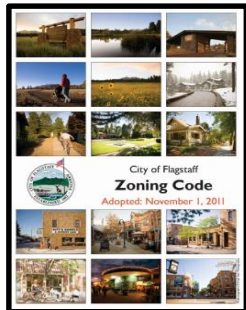
City Council Work Session



City's Proposed Zoning Code Text Amendment:

Purpose:

- **Resolve conflicts, incorporating technical and clarity corrections, simplify the requirements and remove redundancy, and**
- **Clarify and add to the definitions.**





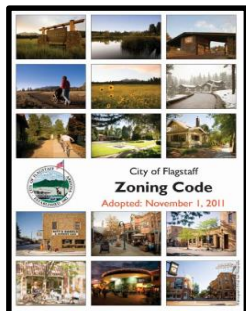
City Council Work Session



City's Proposed Zoning Code Text Amendment

Chapter 10-20: Administration, Procedures, and Enforcement:

- **Concept Plan Review**
 - **Expiration**
 - **One-time 90 day extension**
- **Site Plans**
 - **Expiration**
 - **One-time one-year extension**





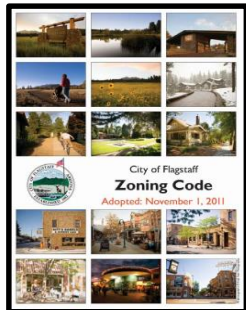
City Council Work Session



City's Proposed Zoning Code Text Amendment

Chapter 10-20: Administration, Procedures, and Enforcement:

- **Minor Improvement Permits**
 - **Exempting animal keeping shelters less than 50 square feet**
- **Initiation of Amendments**
 - **Zoning Map Amendment**
 - **Zoning Code Text Amendment**





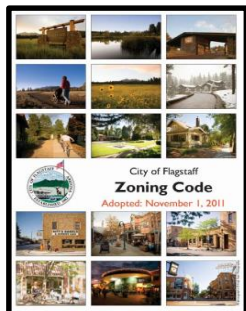
City Council Work Session



City's Proposed Zoning Code Text Amendment

Chapter 10-40: Specific to Zones:

- **Residential Non-Transect Zones,**
 - Incorporated modifications to standards for residential lots
 - Relocated the building height allowance for pitched roofs
 - Clarified Gross Floor Area Ratio (GFAR) requirements

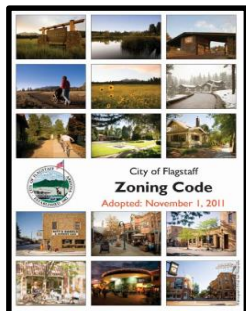




City's Proposed Zoning Code Text Amendment

Chapter 10-40: Specific to Zones:

- **Commercial Non-Transect Zones,**
 - Relocated the building height allowance for pitched roofs
 - Clarified Gross Floor Area Ratio (GFAR) requirements
 - Added Kennel, Animal Boarding to the Highway Commercial (HC) zone





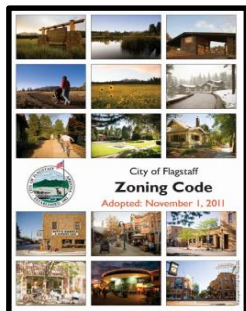
City Council Work Session



City's Proposed Zoning Code Text Amendment

Chapter 10-40: Specific to Zones:

- **Kennel, Animal Boarding,**
 - **Added use specific requirements in Highway Commercial (HC) zone**
 - **Maximum 10,000 square feet**
 - **No outdoor activities**
 - **Building sound attenuation**





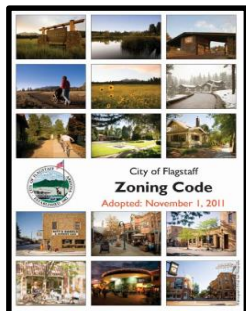
City Council Work Session



City's Proposed Zoning Code Text Amendment

Chapter 10-40: Specific to Zones:

- **Transect Zones,**
 - **Address conflicts between overlays and transect requirements**
 - **Incorporated exceptions to preserve historic nature or context of the property**





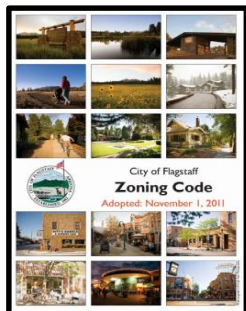
City Council Work Session

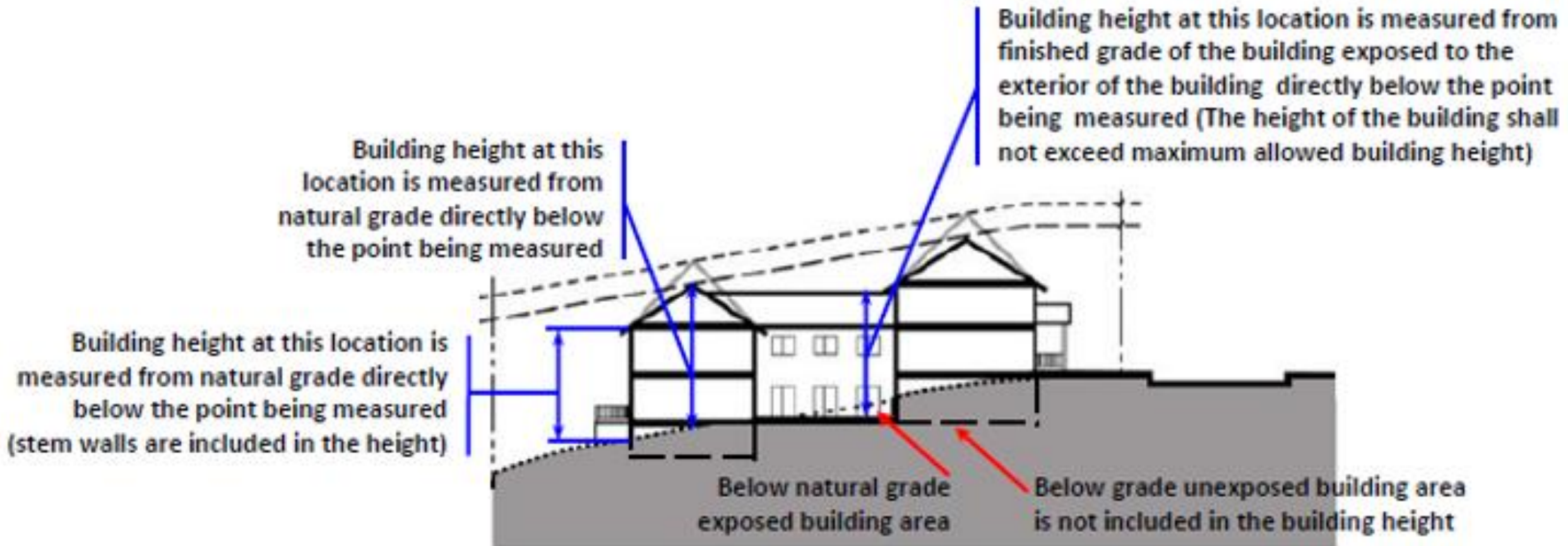


City's Proposed Zoning Code Text Amendment

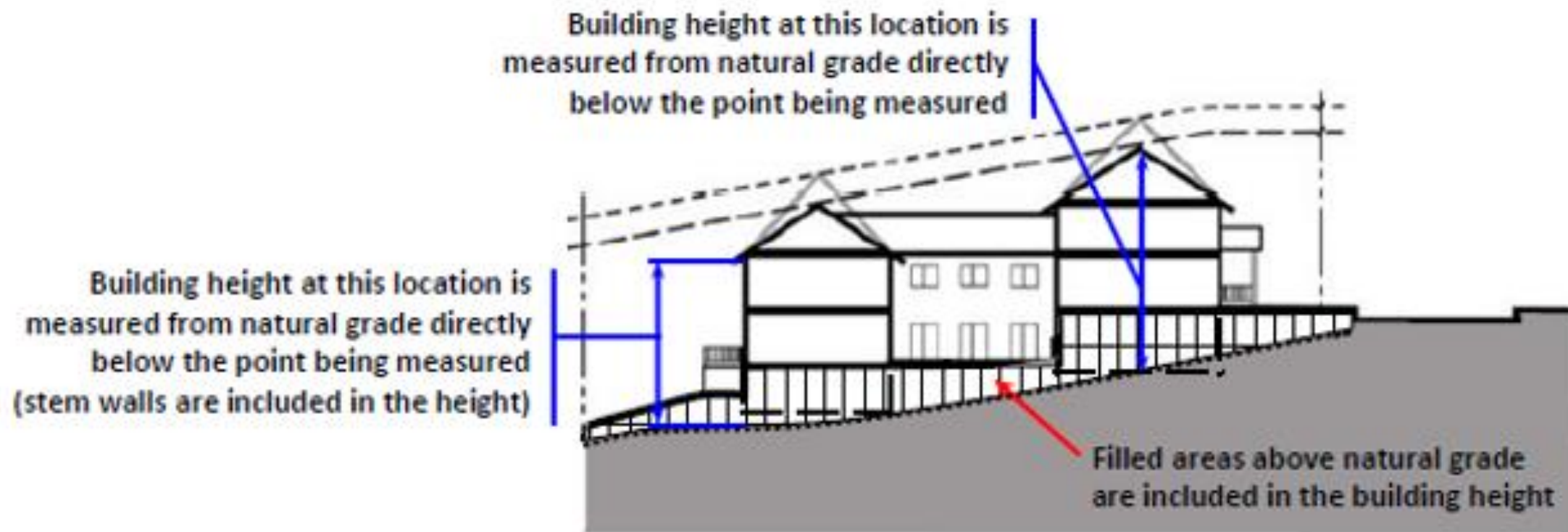
Chapter 10-50: Supplemental to Zones

- Clarified which façade changes are subject to Architectural Design Standards
 - Visible from a public way
- Relocated and clarified the design requirements for exterior walls.
- Clarified the building height measurement provision





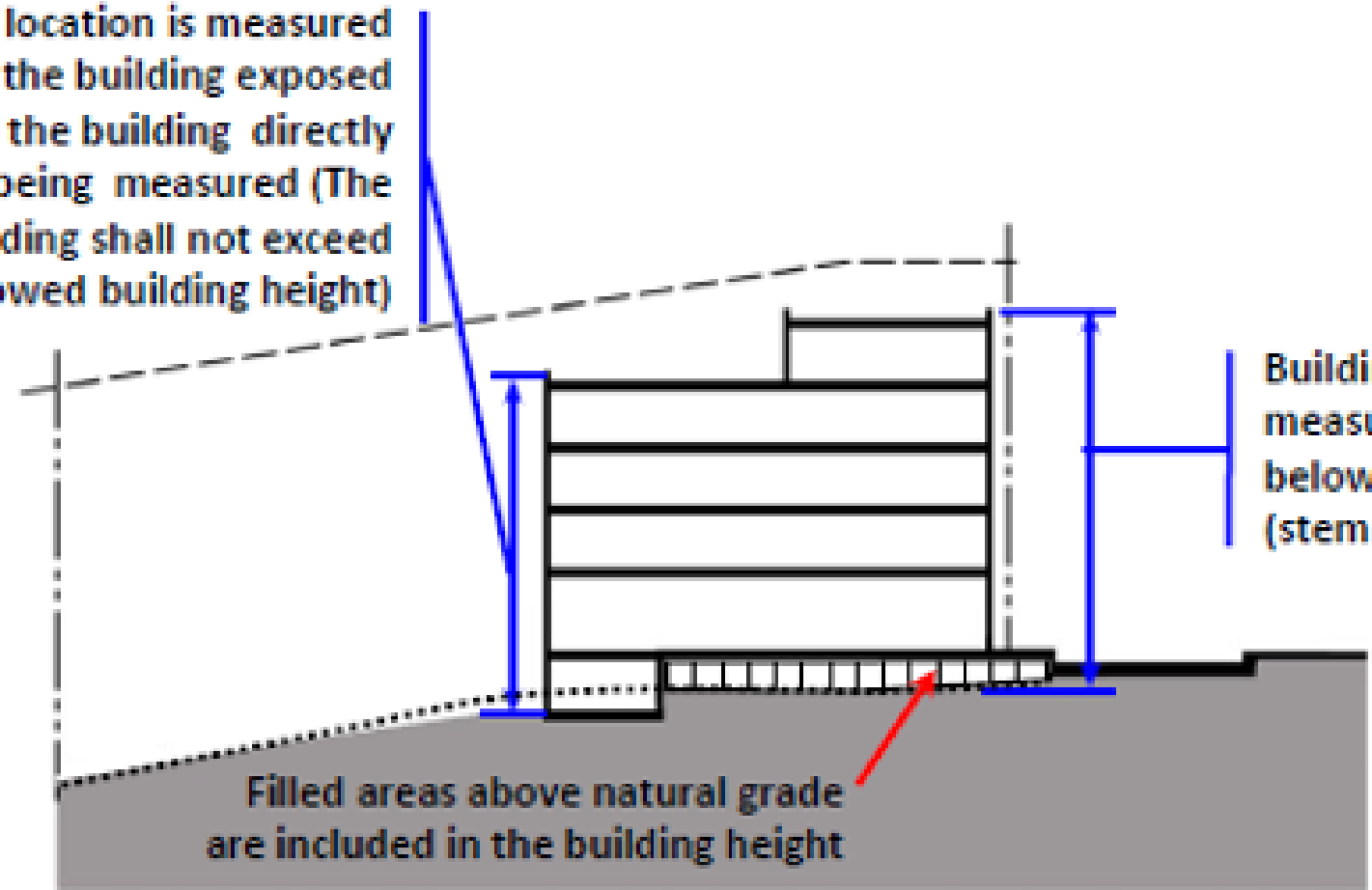
- | | |
|---|--|
| <u>Overall Building Height Plane</u> | Natural Grade |
| - - - - - Roof Pitch Less Than 6:12 | ———— Finished Grade |
| ----- 5 Foot Additional Height Allowance for Roof Pitches Equal to or Greater than 6:12 | - . - . - ROW/Property Line |
| | — — — — Below Grade Building Cover by Soil, etc. and Not Visible |



- Overall Building Height Plane
- - - - - Roof Pitch Less Than 6:12
 - - - - - 5 Foot Additional Height Allowance for Roof Pitches Equal to or Greater than 6:12

- Natural Grade
- Finished Grade
- . - . - ROW/Property Line
- - - - - Below Grade Building Cover by Soil, etc. and Not Visible

Building height at this location is measured from finished grade of the building exposed to the exterior of the building directly below the point being measured (The height of the building shall not exceed maximum allowed building height)



Building height at this location is measured from natural grade directly below the point being measured (stem walls are included in the height)

Filled areas above natural grade are included in the building height

- | | |
|---|--|
| <u>Overall Building Height Plane</u> | Natural Grade |
| - - - - - Roof Pitch Less Than 6:12 | ————— Finished Grade |
| ----- 5 Foot Additional Height Allowance for Roof Pitches Equal to or Greater than 6:12 | - . - . - ROW/Property Line |
| | — — — — Below Grade Building Cover by Soil, etc. and Not Visible |



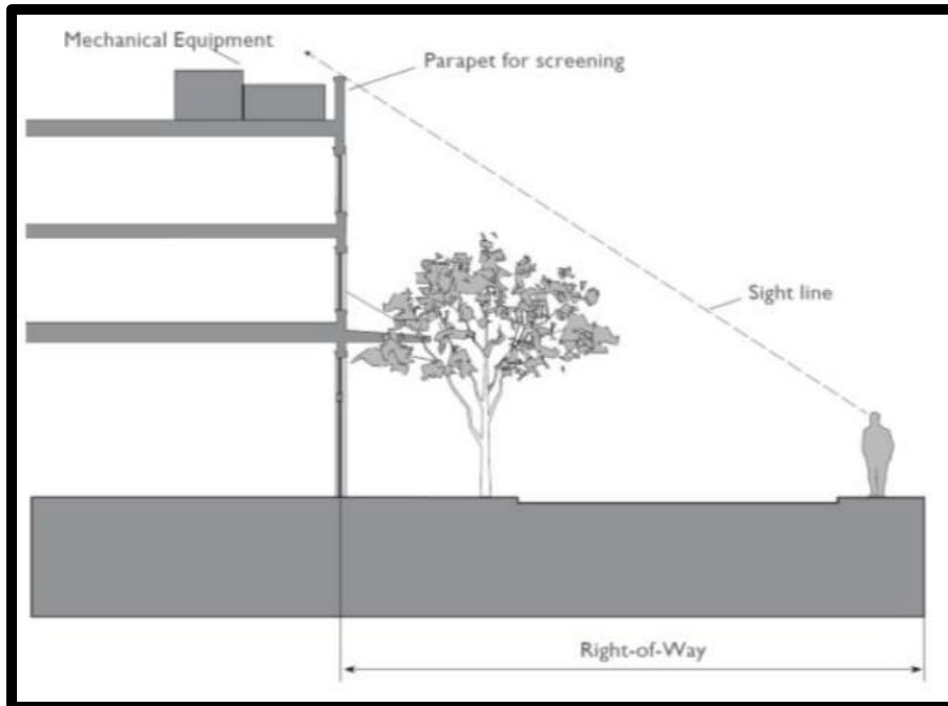
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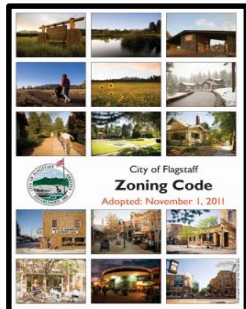
City's Proposed Zoning Code Text Amendment

Chapter 10-50: Supplemental to Zones

- Modified roof top equipment screening



Existing

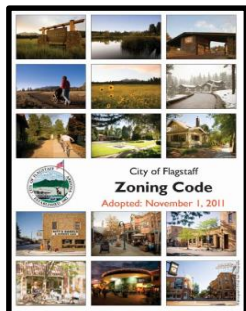
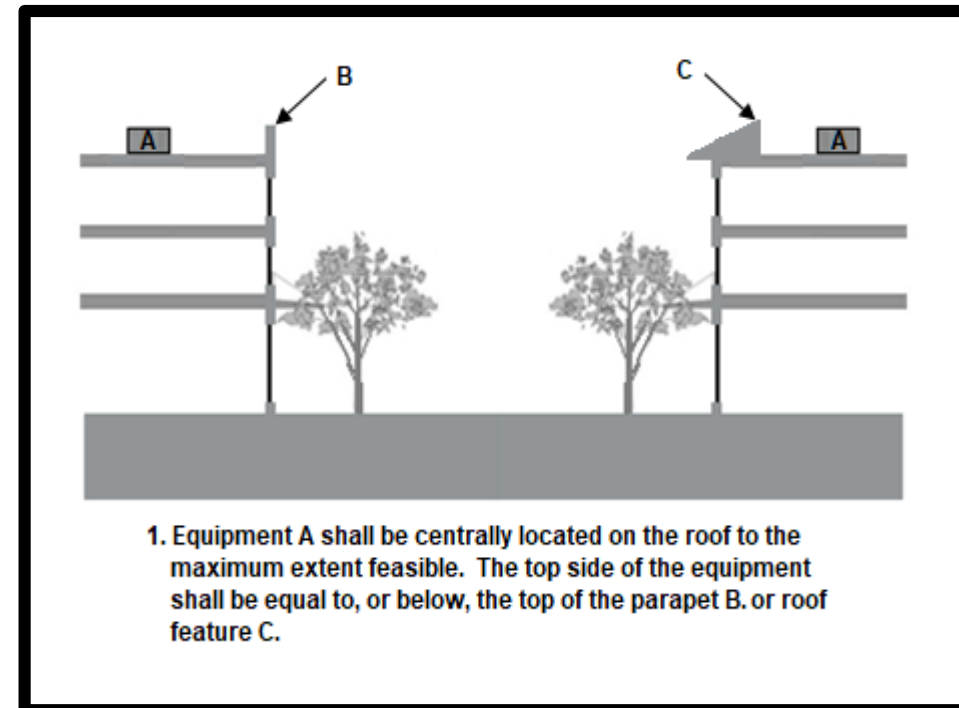
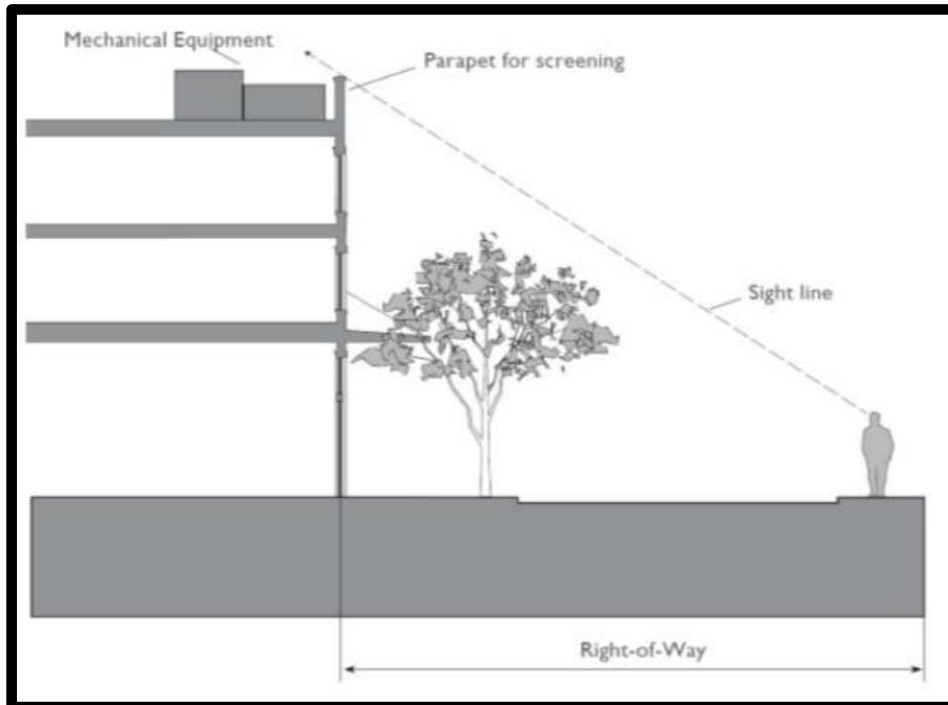




City's Proposed Zoning Code Text Amendment

Chapter 10-50: Supplemental to Zones

- Modified roof top equipment screening

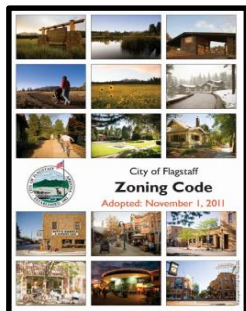




City's Proposed Zoning Code Text Amendment

Section 10-50.60.040 Landscape Location Requirements:

- Clarified requirements adjacent to street in multi-family and commercial zones
 - 5-feet adjacent to two lane roads
 - 10-feet adjacent to 4 lane roads
 - Incorporated criteria to reduce width to 5-feet





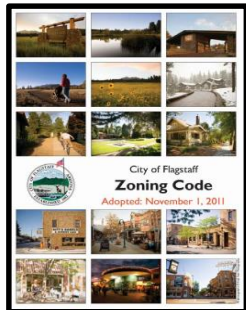
City Council Work Session



City's Proposed Zoning Code Text Amendment

Section 10-50.60.040 Landscape Location Requirements:

- **Industrial Zones**
 - **10-feet adjacent to any street, or**
 - **5-feet with a 6-foot wall or fence**



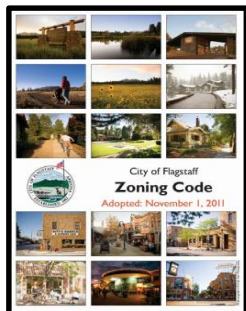


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City's Proposed Zoning Code Text Amendment

- **10-40.60.150 Day Care Home and Center**
 - **Update standards to comply with Arizona Revised Statutes**
- **10-40.60.250 Mini-Storage Warehousing**
 - **Outdoor storage of vehicle shall be operable and registered**

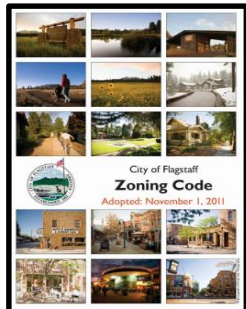
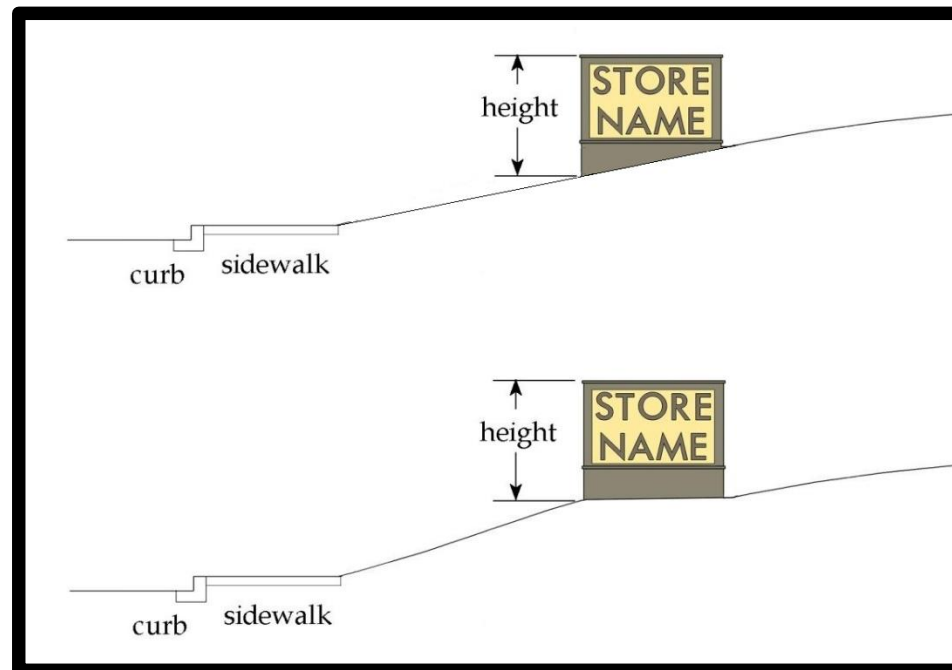




City's Proposed Zoning Code Text Amendment

Chapter 10-50: Supplemental to Zone- Signs

- Removed a sign image from the Central Sign District
- Clarified sign measurement provision





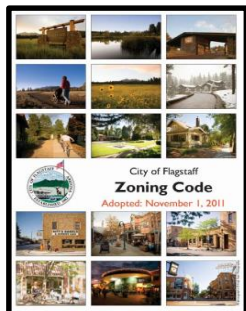
City Council Work Session



City's Proposed Zoning Code Text Amendment

Division 10-50.110: Specific to Building Types

- **Modified the Stack Triplex lot size requirement.**
 - **Existing 50 feet x 75 feet**
 - **Proposed 75 feet x 100 feet**

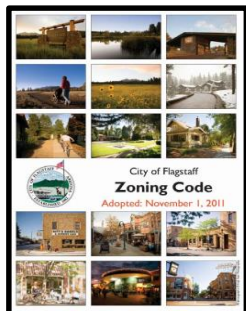
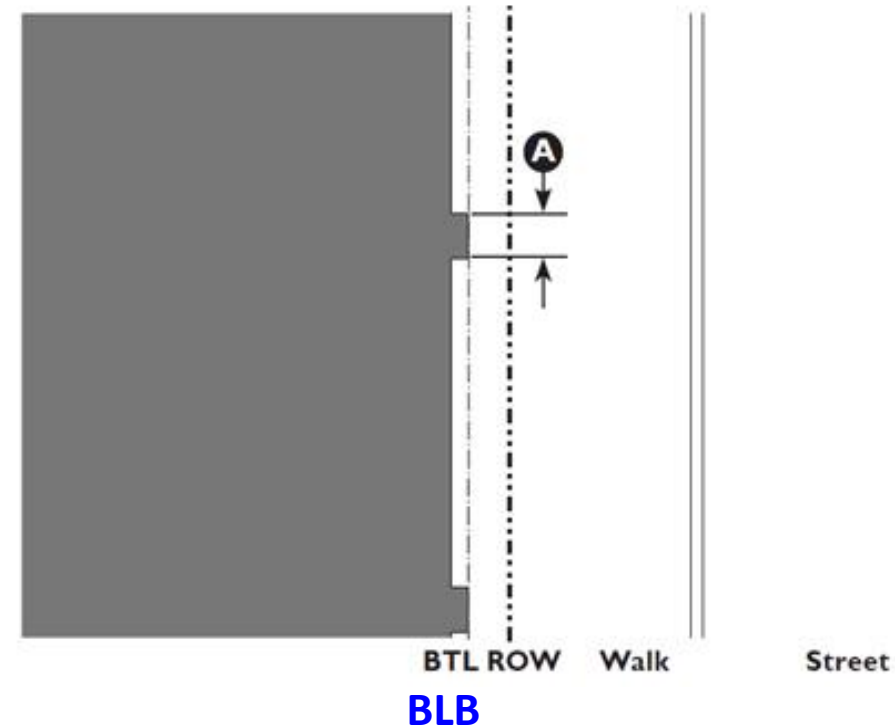
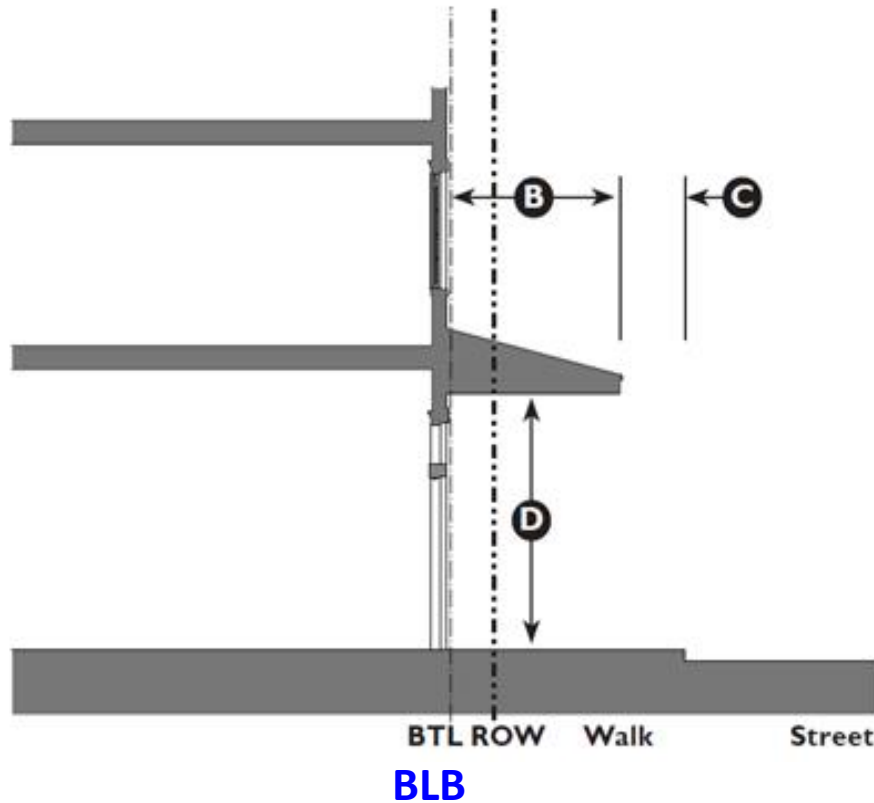




City's Proposed Zoning Code Text Amendment

Division 10-50.110: Specific to Building Types

- Clarified the building location requirements for non-transect developments





Revisions to Address the Public Comments:

- *Clarify the density allowance for commercially zoned properties in the Resource Protection Overlay and inside of a pedestrian shed of an activity center:*

Density Requirements Gross Density (units/acre) (max.) (Not Applicable to Mixed Use)	SC Zone	All Other Commercial Zones
Areas of the City without the Resource Protection Overlay (RPO)	13	29
Areas of the City inside of a pedestrian shed of an activity center delineated on the General Plan, with or without the RPO	13	29
Areas of the City with RPO, excluding areas of the City inside of a pedestrian shed of an activity center delineated on the General Plan.	13	22



Planning and Zoning Commission



Revisions to Address the Public Comments:

- *Modify and clarify building height exceptions for stairwells and elevators:*
- *The elevator and stairwell bulkheads shall be architecturally integrated with the building. Elevator and stairwells bulkheads are allowed an additional 15 feet above the maximum building height. The Director may approve a height greater than 15 feet when the additional height is necessary to accommodate an elevator or stairwell bulkhead, related equipment, or the requirements of the Building or Fire Code.*
- *Draft Section 12. (Table 10-40.30.030.C., Note 8) Page 7*
- *Draft Section 14. (Table 10-40.30.040.C., Note 9) Page 9*
- *Draft Section 16. (Table 10-40.30.050.C., Note 8) Page 11*



Revisions to Address the Public Comments:

- *Modify the maximum height of an exposed basement and basement garage wall; and,*
- *Consider a list of materials for stem walls.*
- *Basements and Basement Garages. The portion of an exterior wall of a basement or basement garage that projects above grade and is visible from a public or private street, or a driveway, shall not exceed **10 feet** in height, measured from the abutting finished grade to the finished floor of the first floor of the structure above the finished grade. **The exterior of the walls shall be finished with architectural materials and colors consistent with the design of the building. The Director may approve alternative materials and color that are consistent with the design of the building, provided that the alternative materials and color maintains a consistent design theme.***



Planning and Zoning Commission

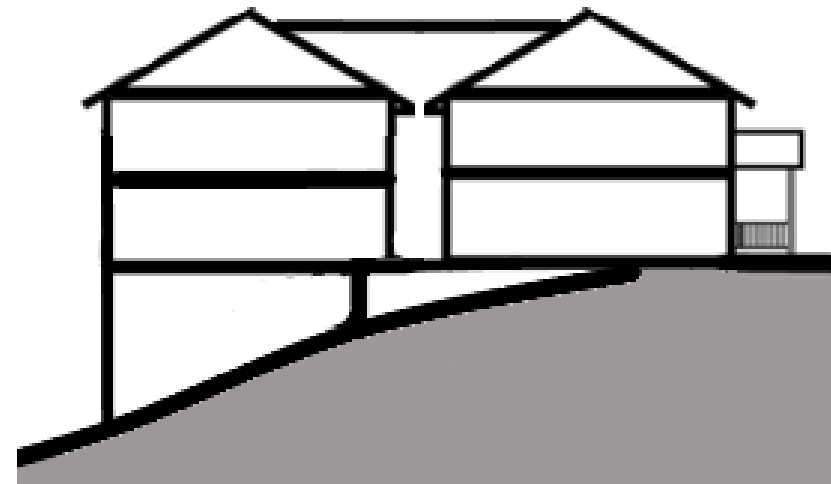


Revisions to Address the Public Comments:

- ***Consider allowing stem wall and crawl spaces greater than five feet;***
 - ***Existing Requirement: Unfinished crawl spaces shall not exceed five feet in height measured from the exterior finished grade to the finished floor of the floor above.***



Yes



No



Revisions to Address the Public Comments:

- *Modify the provisions to allow additional stem wall and crawl spaces to allow for FEMA floodplain requirements:*
- *The Director may approve a taller stem wall or crawl space up to height no greater than one-foot above the minimum regulatory flood elevation of the first lowest floor elevation that is required to comply with Title 12 Floodplains of the City Code. This allowance may only be approved for residential habitable areas of a development.*



Planning and Zoning Commission

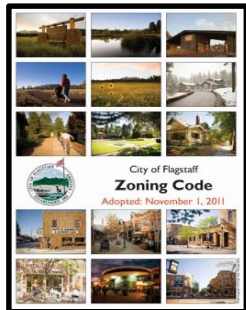


Revisions to Address the Public Comments:

- *Do change the triplex lot sizes, the existing 50' x 130' lots work fine:*

Modified the Stack Triplex lot size requirement.

- Existing 50 feet x 75 feet
- **Proposed 75 feet x 100 feet**





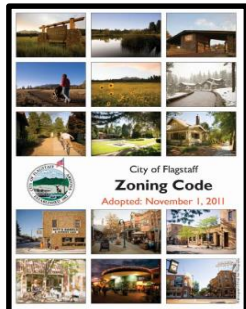
City Council Work Session



City's Proposed Zoning Code Text Amendment

Technical Additions and Modifications:

- **Miscellaneous**
 - **Various references and cross reference, scrivener's, technical, and table and formatting changes**
 - **Clarified and added definitions**



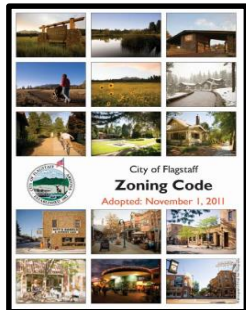


City Council Work Session



City's Proposed Zoning Code Text Amendment

City Council Comments, Questions and Discussion



CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Brandi Suda, Finance Director
Date: 03/02/2020
Meeting Date: 03/10/2020



TITLE

August 2020 Election - Permanent Base Adjustment to Expenditure Limitation

STAFF RECOMMENDED ACTION:

At the March 17 Council meeting, staff will be seeking City Council approval of a Resolution proposing a permanent adjustment of \$4.0 million to the 1979 -1980 base expenditure limitation of the City of Flagstaff be submitted to the voters at the August 4, 2020 Election.

EXECUTIVE SUMMARY:

The expenditure limitation limits the amount a City/Town can spend in a fiscal year. An increase in the expenditure limitation does not increase the City revenues but provides the City with the authorization to spend the revenues that are collected as promised. Due to increases in both operating budget and pay-as-you-go capital budget related to increases in local tax and other revenue increases since 2006, the City needs to permanently increase its base expenditure limitation to avoid invoking future penalties or limit current spending on revenues already authorized by the voters or Council.

It is recommended that:

- The City is requesting an additional \$4.0 million adjustment to the 1979 - 1980 base expenditure limitation as related to increases in local tax and other revenue increases since 2006. This base adjustment would subsequently increase the expenditure limitation of \$30 million to a total estimated \$205 million for FY 2021-2022.
- Ask the Flagstaff voters whether or not they wish to approve a permanent base adjustment to our expenditure limitation, for consideration at the August 4, 2020 election.

INFORMATION:

Please find the attached detailed analysis and presentation for the need for a permanent base adjustment to the City expenditure limitation.

Attachments: Presentation
Analysis for Expenditure Limitation

Expenditure Limitation Base Adjustment

March 10, 2020





What is a Base Expenditure Limitation?

- Established by legislation in 1980
- Places a limitation on how much cities are allowed to spend each year
- An increase in the expenditure limitation does not increase the City revenues but provides the City with the authorization to spend the revenues that are being collected as promised
- Flagstaff permanently adjusted the State imposed expenditure limitation in 1988 and 2006
- If a city exceeds their allowed expenditure limitation without authorization, State income taxes are withheld



Why Now?



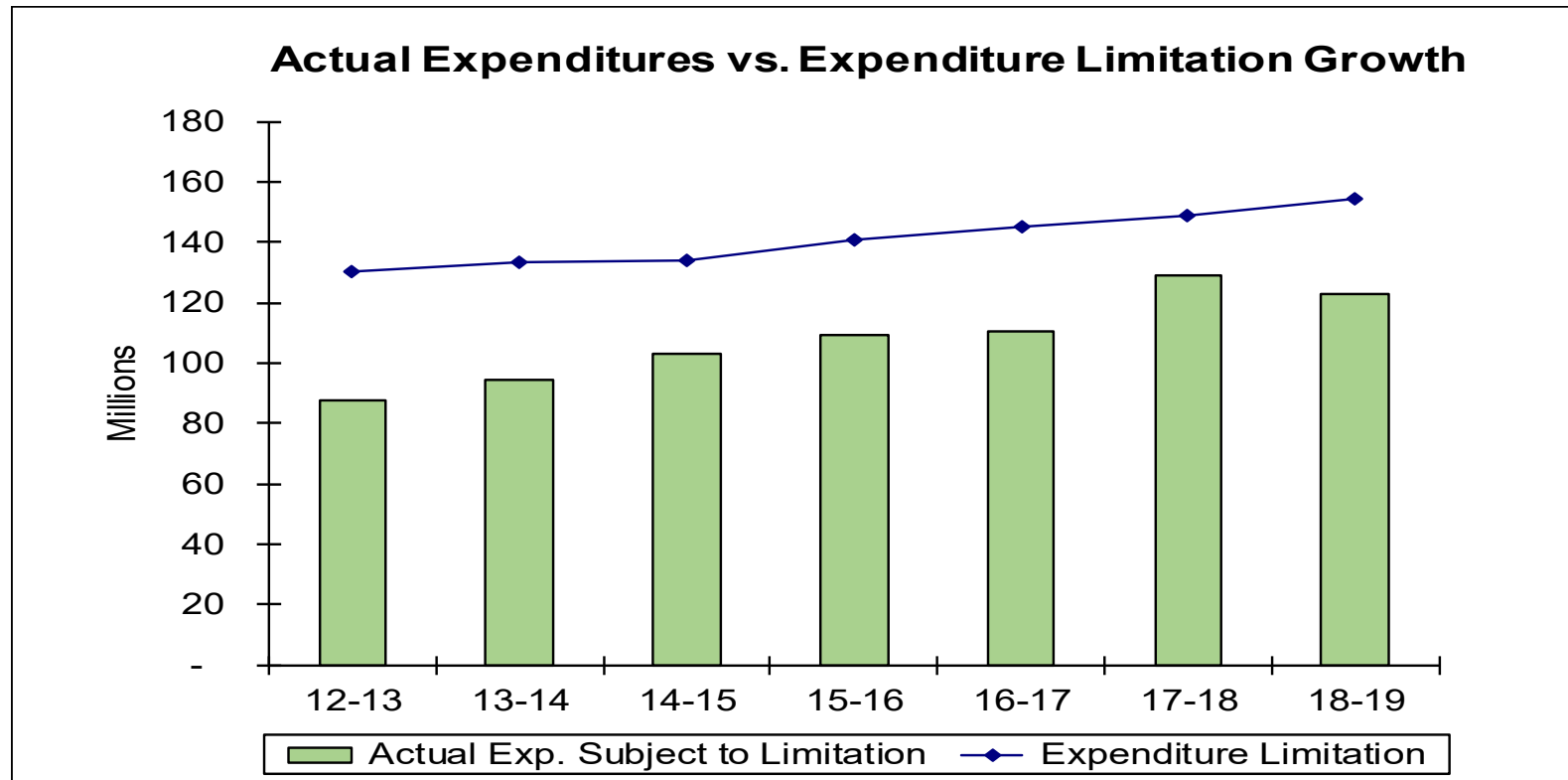
- FY 2019-20 Expenditure Limitation is \$162,133,141 vs. Budget Subject to Expenditure Limitation \$231M.
- FY 2017-18 actuals were \$19.7M below the limitation
 - The gap between actual expenditures and expenditure limitation continues to decrease
 - FY2018-19 actuals were \$31.5M below. Usually lower due to the timing of capital projects.
 - Anticipate FY 2019-2020 to continue to close the gap with the start and/or completion for many pay as you go capital projects.



Actuals vs Expenditure Limitation

FY 2012-2013 Gap: \$42.8M

FY 2018-2019 Gap: \$19.7M





What has changed since 2006?

- New revenues have been added or significant increases in expenses:
 - Road Repair and Street Safety Taxes - \$7M
 - Parking District - \$1.5M
 - Stormwater Rate Increases - \$3.6M (since FY 2005-2006)
 - Water Service Rate Increases - \$14.1M (since FY 2005-2006)
 - FHA - \$1.9M
 - Butler/Route 66 Bridge Taxes - \$4.8M
 - Pension Cost Increase - \$13M (since FY 2005-2006)
- Totaling \$45.9M



City Budget Growth

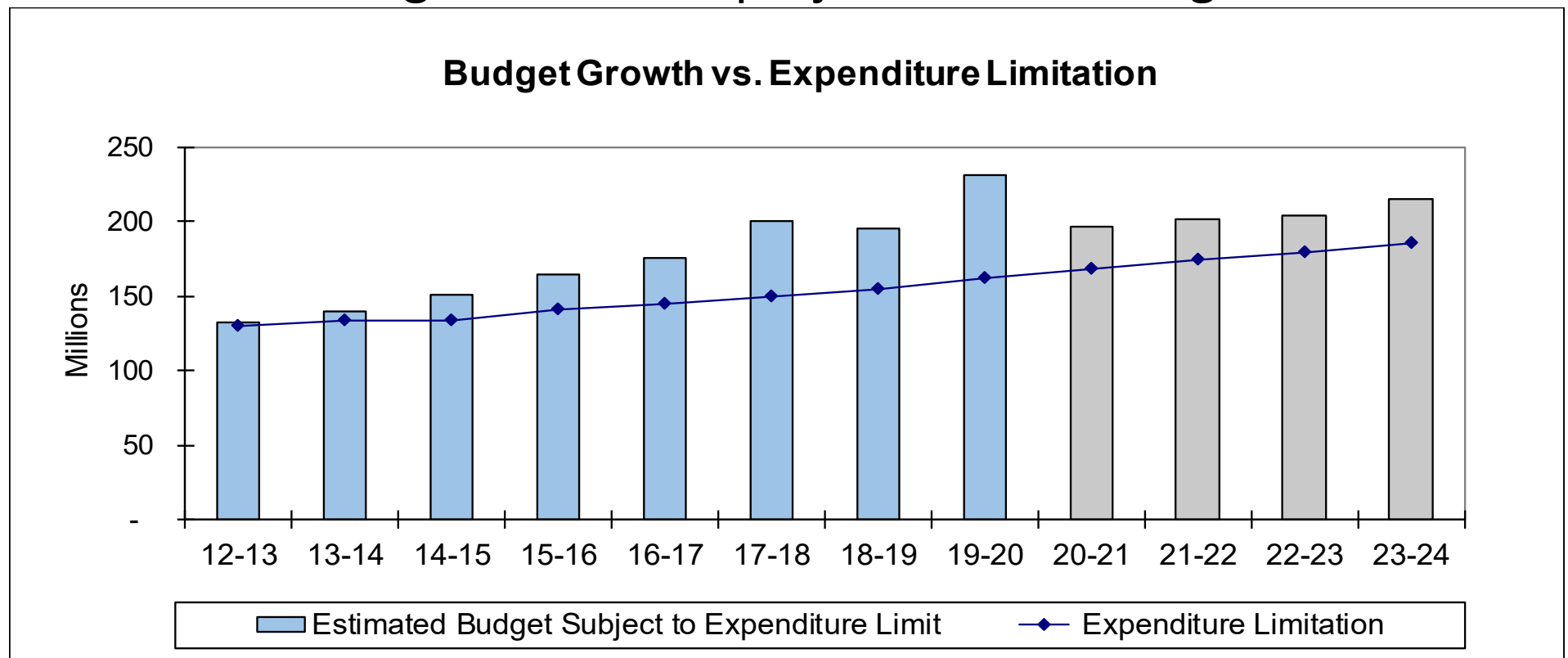
- Expenditure limitation growth is not keeping with City Budget growth
 - Since FY2012-13, the City's total budget has increased \$90.7M or 37%
 - Operating budgets subject to expenditure limitation have increased \$41.5M or 46%
 - Pay as you go capital budgets have increased \$56.3M or 135%
- Expenditure limitation over this same time frame increased \$31.8M or 24%.



Budget vs Expenditure Limitation

FY2019-20 budget \$69M over limitation

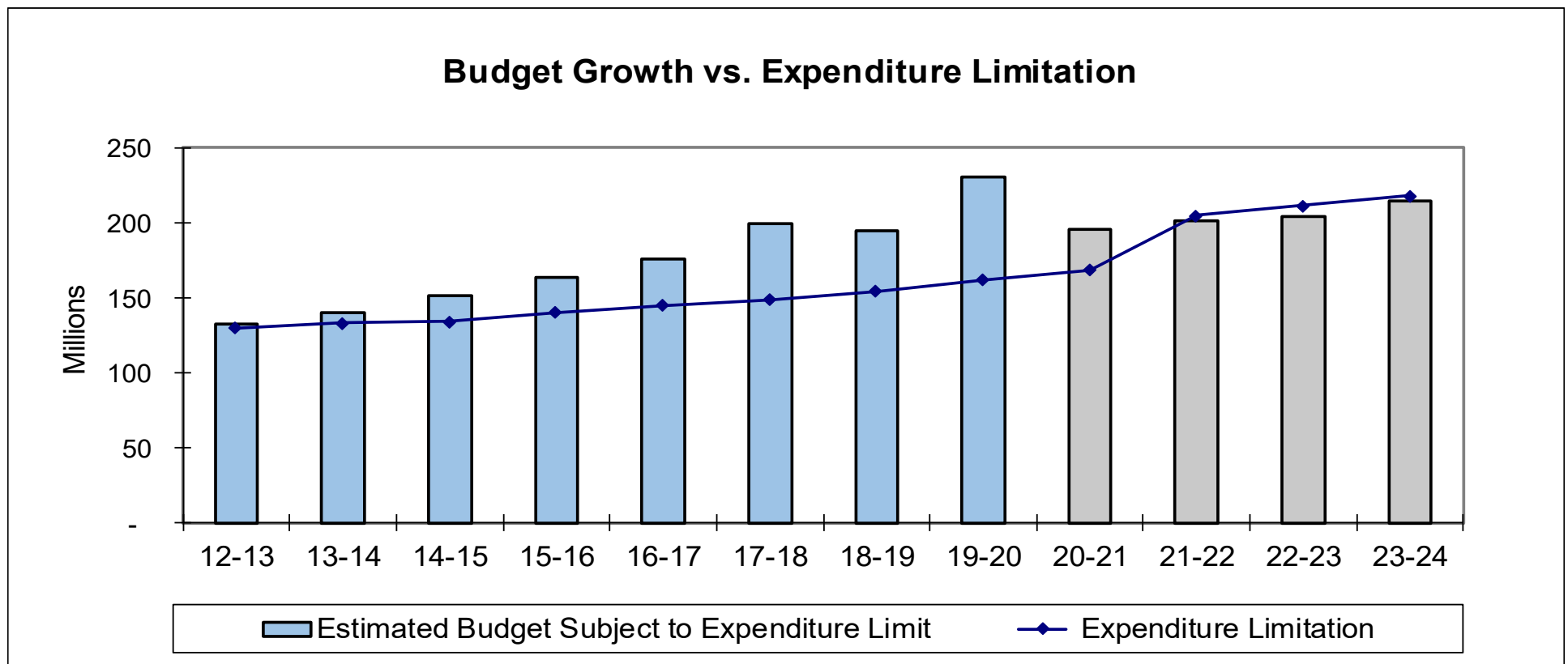
FY2020-21 through FY2023-24 projections — average \$27M over





Recommendation

- \$4.0M increase in base adjustment = \$30M increase for FY2021-22





Why August Instead of November?

- Education and outreach is extensive
- The question will not be competing with other City questions
- Other possible November ballot questions:
 - Affordable Housing
 - Parks, Recreation, Open Space
 - Save Shultz Meadows Initiative
 - City 1% General Sales Tax Renewal
 - Other City Questions
 - Other Community Questions
 - CCC
 - FUSD
 - County



2020 August Election Timeline

March: Council adopts resolution to approve permanent base adjustment

April:

- August Election called
- Must submit analysis to Auditor General for approval

May/June:

- Complete & mail publicity pamphlet
- Outreach begins

Election Date: August 4, 2020



Council Options



1. Move forward with an expenditure limitation adjustment ballot question for August 2020 election
2. Plan and prepare for an expenditure limitation adjustment ballot question for November 2020 election
3. Do not move forward with an expenditure limitation adjustment at this time

City of Flagstaff Expenditure Limitation and Permanent Base Adjustment

Background:

What is the City “expenditure limitation”?

The expenditure limitation is the maximum amount that the City may spend each year, even if it has more money available to spend. The expenditure limitation is recalculated by the State on an annual basis. For FY 2019-20 the City’s expenditure limitation is \$162,133,141.

Why is there a limitation?

We have an expenditure limitation because in 1980 Arizona voters approved an amendment to the Arizona Constitution, that set an annual expenditure limitation on all cities, counties, towns, and community college districts. The purpose of the expenditure limitation is to limit spending.

How is the expenditure limitation calculated?

The formula for calculating the expenditure limitation is found in the Arizona Constitution, Article IX, Section 20: the limitation “shall be determined by adjusting the amount of actual payments of local revenues for [the City] or fiscal year 1979-1980 to reflect the changes in the population of [the City] and the cost of living. The City “base expenditure limitation” was \$15,122,966 in 1980. Our current base limitation is \$22,522,966. The state Economic Estimates Commission (EEC) uses the base limitation to calculate our annual expenditure limitation by evaluating changes for population and inflation, per A.R.S. § 41-563.

Is there is a process for changing the expenditure limitation?

If a municipality needs to spend more revenues to meet community needs, the expenditure limitation may be changed by approving a “permanent base adjustment” under the Arizona Constitution, and A.R.S. § 41-563.03. At least 2/3 of the City Council members must pass a resolution referring the question to the voters. The City will then send a detailed analysis to State Auditor General. After the State Auditor General’s review, the question will be put on the ballot. A permanent base adjustment must be approved by a majority of the qualified electors voting in an election. Permanently increasing a city’s base expenditure limitation often is necessary when there is an increase in revenue, like the addition or increase of a city tax for example.

What happens if the City were to exceed the expenditure limitation, without authorization?

If the City were to exceed its expenditure limitation without authorization, the State will withhold shared income tax revenues from the City as follows:

- If the City’s excess expenditures are less than 5 percent of the limitation, the amount withheld is equal to the excess expenditures.
- If the excess expenditures are between 5 percent and 10 percent of the limitation or are less than 5 percent of the limitation but it is at least the second consecutive instance of excess expenditures, the amount withheld is equal to 3 times the excess expenditures.
- If the excess expenditures are equal to 10 percent or more of the limitation, the amount withheld is equal to 5 times the excess expenditures or one-third of its allocation of State income tax, whichever is less.

In case of disaster, however, that penalty would not apply.

Has the City changed its expenditure limitation in the past?

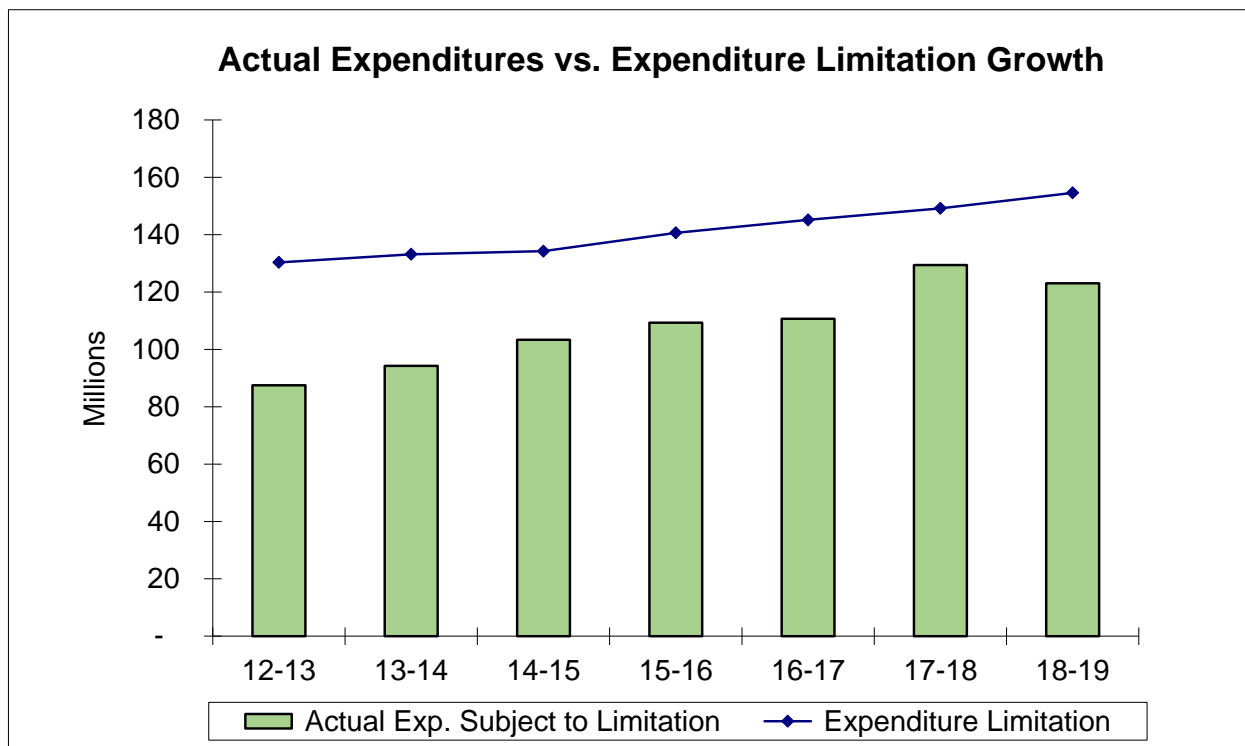
The City has been able to change its expenditure limitation in the past.

- In 1988 the City received a permanent base adjustment of \$1.9 million to allow for the expenditure of funds resulting from the addition of the 2% Bed, Board & Beverage tax.
- In 2006 the City received a permanent base adjustment of \$5.5 million which increase the total FY 2006-2007 expenditure limitation by \$25 million due to a 49.8% increase in primary property tax collections, a 26.4% increase in City sales tax, a 34.1% increase in auto lieu tax, a 37.4% increase in pay-as-you go capital, and an \$8 million increase in transportation tax.

Actual Expenditures vs. Our Expenditure Limitation – the Gap is Shrinking

As you can see from the graph below, City expenditures have grown by an average of 6% since 2012-2013, with a range of \$35.6 million. The growth is in both governmental and enterprise funds. In the same period, the maximum expenditure limitation only grew by an average of 3% with a range of \$24.2 million. In 2012-2013, a \$42.8 million gap existed between the City's expenditure limitation and reconciled expenditures. The gap has gradually decreased and for 2017-2018, it was \$19.7 million. For 2018-2019, the gap was \$31.5 million. The gap increased in FY2018-2019 due the timing of key capital projects. We anticipate the gap to shrink further in FY2019-2020.

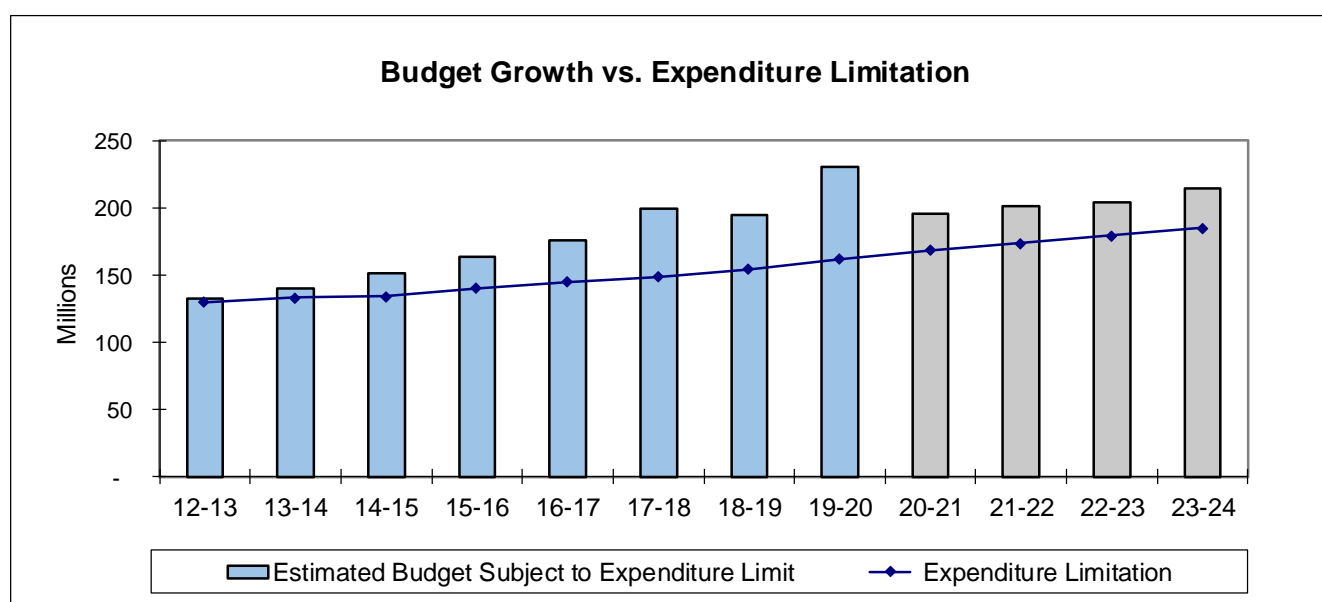
The City may be at risk for exceeding the expenditure limitation in the next few years, unless it slows down work on the pay as you go capital improvement project work using tax revenues approved by voters and/or Council approved fee increases.



The process of calculating the amount of City expenditure for the expenditure limitation report consists of reconciling base operating expenditure amounts by adding certain categorical items including capital and debt principal payments, deducting depreciation, bad debt, landfill post-closure costs, and

finally excluding bond proceeds, debt service requirements, grants, some Highway User Revenue Fund revenue, and contract revenue with other political subdivisions.

The graph below reflects the total operational budget, which consists of operating expenses, equipment, and pay-as-you-go capital. Debt and grant funded capital and other certain expenditures are not shown as they are excludable on the expenditure limitation. The graph indicates the possible risk of expenditure limitation increases each year especially in FY 2019-2020 (\$69 million over) and into the future. Since FY 2012-13, The City's overall budget growth has been 37%, or over \$90.7 million. Furthermore, the operating budget increased 46% or \$41.5 million and pay as you go capital increased 135% or over \$56 million since 2013. Conversely, the expenditure limitation has only grown by 24% or \$31.8 million. The future year projections are based on overall budget growth at 5% per year; pay as you go capital as depicted in the FY 2019-2020 budget 5-year capital plan; and expenditure limitation growth at 3.2% based on average increase since FY2012-13. These budget projections for FY 2020-21 through FY2023-24 average approximately \$27 million over the estimated expenditure limitation.



Since 2006, the City has adopted the following new revenues and taxes or experienced significant increases in expenditures that is causing the budget to exceed the expenditure limitation. They total \$45.9 million and include:

- New Road Repair & Street Safety taxes - \$7 million
- New Parking District - \$1.5 million
- Stormwater increase - \$3.6 million (since FY 2005-2006)
- Water Service Rate increases \$14.1 million (since FY 2005-2006)
- Flagstaff Housing Authority - \$1.9 million
- New Butler/Route 66 Bridge taxes - \$4.8 million
- Pension cost increase \$13 million (since FY 2005-2006)

As of FY 2018-2019, the City has accumulated carryforward amounts that can be used to abate exceeding the expenditure limitation. However, in evaluating longer term scenarios, the carryforward is likely not adequate to cover long term overage in the expenditure limitation. The current carryforward amounts are:

Governmental Funds	\$37,854,384
Enterprise Funds	\$19,022,674
Fiduciary Funds	\$835,149

Conclusion and Recommendation:

Due to increases in both operating and pay-as-you-go capital which are supported by local tax and other revenue increases, the City needs to permanently increase its base expenditure limitation to avoid invoking future penalties which could have significant revenue implications.

It is recommended that:

- The City request an additional \$4.0 million base adjustment as related to increases in local tax and other revenue increases as listed previously. This base adjustment would subsequently increase the expenditure limit \$30 million to an estimated \$205 million for FY 2021-2022.
- Ask the Flagstaff voters whether or not they wish to approve a permanent base adjustment to our expenditure limitation, for consideration at the August 4, 2020 election.

Next Steps:

1. City Council adopts a resolution for a permanent base adjustment.
2. A summary analysis and detailed analysis must be submitted to the Auditor General by the City at least 60 days before printing the publicity pamphlet and the election.
3. A review must be completed within 15 working days once received. Additional information may be requested by the Auditor General to clarify or correct the analyses. No revision may be made to the documents after the Auditor General review.
4. The City must provide a publicity pamphlet presenting the proposed permanent base limit adjustment to be voted upon.

A tentative timeline for this process is reflected below:

Sample Timeline						
	March	April	May	June	July	August
Present to Council						
Forward information to Auditor General						
Receive response from Auditor General						
Complete/mail publicity pamphlet						
Election						

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Anja Wendel, Senior Assistant City Attorney AW
Co-Submitter: Rick Barrett, City Engineer
Date: 03/03/2020
Meeting Date: 03/10/2020



TITLE

Unisource Energy Services (Natural Gas) Franchise - Preview to August 4, 2020 Special Election

STAFF RECOMMENDED ACTION:

At the April 7, 2020, Council meeting, staff will be recommending that the City Council adopt a Resolution 2020-XX pursuant to A.R.S. Section 9-502 finding that the grant of a franchise to Unisource Energy Systems is beneficial to the community, calling for an August 4, 2020, special election, and submitting the question to the qualified electors as to whether or not the franchise shall be granted.

EXECUTIVE SUMMARY:

Unisource Energy Services (UES) is a natural gas company and an Arizona public service corporation. UES is regulated by the Arizona Corporation Commission, per the Arizona Constitution, Art. 15, Section 3. UES has a franchise to use City right-of-way (ROW) and public utility easements (PUEs) for its natural gas transmission and distribution pipelines and facilities. The existing franchise is expiring in October 2020. UES requests that a new 25-year franchise be considered for approval at the August 4, 2020, special election. Per the Arizona Constitution, Art. 13, Section 4, only the voters may approve a franchise, and a franchise may not exceed 25 years. UES will be paying its fair share of the election costs.

UES pays a franchise fee of 2% of its gross receipts for gas sold in Flagstaff. UES also collects and remits local transaction privilege tax under the utilities category. As such, UES is a revenue resource for the City.

The proposed franchise is attached. It may be adjusted prior to Council approval on April 7, 2020.

The proposed franchise includes the following:

- grant to use ROW and PUE for gas pipelines and transmission facilities;
- provisions outlining when City vs. UES pays for utility relocation costs for capital projects;
- requirements that UES comply with City permitting and engineering standards for work in ROW and PUE;
- indemnification and insurance requirements;
- rates and charges to be established by the Arizona Corporation Commission;
- franchise fee equal to 2% of revenues, excluding regularly assessments and taxes;
- fee is in lieu of payment of permits for work in ROW for the gas pipelines and transmission facilities;
- 25-year term;

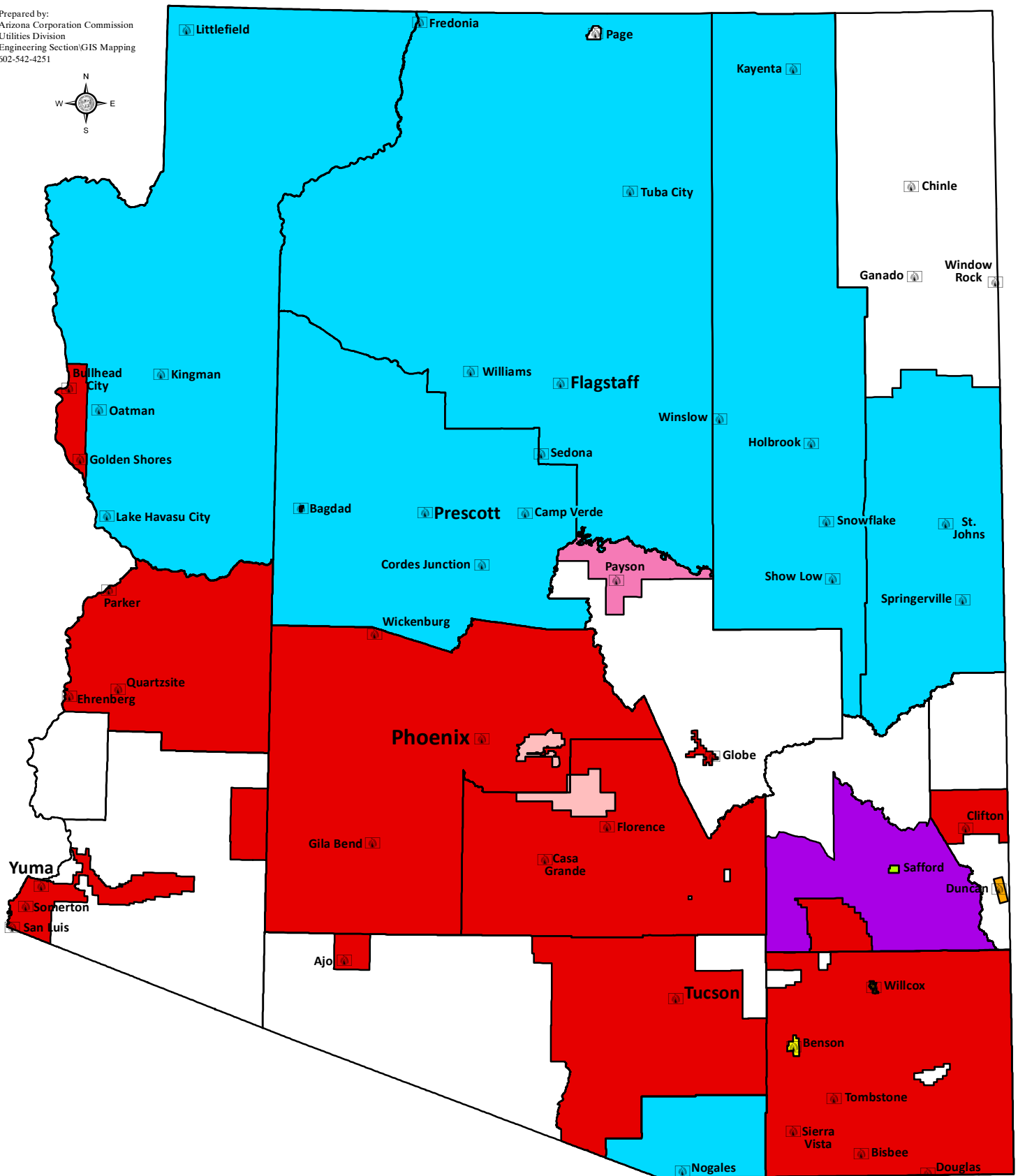
- franchise is contingent on voter approval.

INFORMATION:

Schedule:

- March 10: Work Session;
- April 7: Council may adopt Resolution 2020-XX finding that proposed franchise benefits the community, submit question to voters;
- June-July: Public outreach; publicity pamphlets; publish proposed franchise in newspaper for 30 days;
- August 4: Special election;
- By October: Declare election results and execute franchise if approved.

Attachments: Map
 !995 Franchise
 Proposed Franchise from UES
 Presentation



Revised January 1, 2017

STATE OF ARIZONA - GAS DISTRIBUTION

Alliant Gas, LLC	Graham County Utilities, Inc.	City of Benson	City of Willcox
Copper Market, Inc.	Southwest Gas Corporation	City of Mesa	
Duncan Valley Electric Co-op	UNS Gas, Inc.	City of Safford	



CITIZENS UTILITIES
Arizona Gas Division

2014 015

A-1463A

ACCEPTANCE OF FRANCHISE

STATE OF LOUISIANA)
)ss.
Parish of Jefferson)

Reference is made to Ordinance No. 1879 of the City of Flagstaff, Arizona, adopted on the 3rd day of October, 1995, by the Mayor and City Council of the city of Flagstaff, a municipal corporation, in Coconino County, State of Arizona, granting to CITIZENS UTILITIES COMPANY, a Delaware corporation, a Franchise for the service of gas in the City and the construction, maintenance and operation of necessary facilities therefor for a period of twenty-five (25) years.

Pursuant to Section 7 of such Franchise, CITIZENS UTILITIES COMPANY, a Delaware corporation, Grantee therein, hereby accepts such Franchise with the intention that this Acceptance shall be filed with the City of Flagstaff, Arizona.

DONE at Harvey, Louisiana, This 20th day of November 1995.

CITIZENS UTILITIES COMPANY
Delaware corporation

By: [Signature]
Vice President



ATTEST:

STATE OF ARIZONA)
) ss.
County of Coconino)

I, Linda Butler, Clerk of the City of Flagstaff, State of Arizona, hereby certify that the above and foregoing Acceptance of Franchise by CITIZENS UTILITIES COMPANY, a Delaware corporation, (contained in Ordinance No. 1879 and the Franchise granted by such Ordinance was received and duly filed in the records of my office as Clerk of the city of Flagstaff, Arizona, on the 27th day of, Nov. 1995.

[Signature]
Clerk of the City of Flagstaff, Arizona

Title _____

ITEM NO.:

A1463A
6C

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

REPORT TO THE CITY MANAGER

Linda Butler
Prepared by

FROM: CITY CLERK

DATE: 09/25/95

COUNCIL MEETING OF: 10/03/95

[Signature]
Department Head Signature

AGENDA ITEM:

CONSIDERATION OF CANVASS OF RETURNS OF SPECIAL GAS FRANCHISE ELECTION
HELD SEPTEMBER 19, 1995:

Council Approved:

Date: 10-3-95

For Action By:

STATEMENT OF SUBJECT:

L.B.

A Special Gas Franchise election was held on September 19, 1995, for the purpose of submitting the proposed Citizens Utilities Gas Franchise to the voters. Arizona Revised Statutes §16-642 requires that the Council canvass the returns of the election no more than 15 days following the election.

The returns of the Special Gas Franchise Election are as follows:

For the Franchise	618
Against the Franchise	111

A copy of the returns by voting district are attached.

RECOMMENDATION:

Declare the returns of the Special Gas Franchise Election official.

REVIEWED BY:	BY DATE
<u>CITY MANAGER</u>	<u> / </u>
<u>CITY ATTORNEY</u>	<u> / </u>
<u>CITY ENGINEER</u>	<u> / </u>
<u>UTILITIES DIR.</u>	<u> / </u>

	BY DATE
<u>FINANCE DIRECTOR</u>	<u> / </u>
<u>PLANNING DIRECTOR</u>	<u> / </u>
<u>PUBLIC WORKS DIR.</u>	<u> / </u>
<u>TOURISM DIRECTOR</u>	<u> / </u>

ORDINANCE NO. 1879

AN ORDINANCE GRANTING TO CITIZENS UTILITIES COMPANY, A DELAWARE CORPORATION, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN THE CITY OF FLAGSTAFF, STATE OF ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, WORKS, SYSTEMS AND PLANTS FOR THE HANDLING, PRODUCTION, MANUFACTURING, TRANSPORTING, STORING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF, AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND, AND OUTSIDE OF THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

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

SECTION 1: That the City of Flagstaff, a municipal corporation in Coconino County, Arizona, herein called the "Municipality," hereby grants to, and vests in, Citizens Utilities Company, a Delaware corporation, duly authorized to transact within this State a public service business as a gas utility, herein called the "Company," a franchise with the right to operate a gas plant, system, pipelines and works in the Municipality, as now or hereafter constituted, and the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in said Municipality, works or systems and plants to manufacture, use, sell, store, distribute, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of said Municipality and others, and to the Municipality whenever it may desire to contract therefor, gas for light, fuel, power, heat and any and all other useful purposes, and the Company hereby is granted passage, right-of-way and its right to occupy and use in any lawful way during the life of this franchise, every and any and all streets, avenues, alleys, highways, sidewalks, bridges and other

structures of said Municipality, both above and beneath the surface of the same, as said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures now exist or may be hereafter extended, for every and any such service, use, effect and lawful purpose as herein mentioned. The Municipality shall not be liable to the Company should the Company construct facilities pursuant to this franchise in any area over which the Municipality has erroneously exercised jurisdiction, except that the Municipality shall reimburse the Company for all fees paid to the Municipality attributable to the sale of gas within the said area.

SECTION 2: The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this franchise, provided the same do not unreasonably conflict with water or other pipes, sewers or other pre-existing underground installations, and that all work done in said streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, and bridges of said Municipality by the Company shall be done with the utmost diligence and the least inconvenience to the public or individuals, and the Company shall, within a reasonable time, restore such streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, and bridges excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the Municipality. The Company will make every effort to coordinate all work with the Municipality. The Company shall remove or relocate its lines and facilities as and when required by the Municipality; such removal or relocation shall be made as follows:

- A. The entire cost of relocation shall be borne by the Municipality if the Company is required by the Municipality to relocate facilities which are located in private easements or rights-of-way obtained by the Company prior to the dedication of the public street, alley or easement from which the facilities must be relocated. These prior rights of the Company would also be unaffected by any subsequent relocation.
- B. Except as covered in Paragraph A above and Paragraph G below, the Company shall bear the entire cost of relocating facilities located on public rights-of-way, the relocation of which is necessary for the Municipality's carrying out a function in the interest of the public health, safety or welfare. The Company's right to maintain its lines and facilities is subject to the paramount right of the Municipality to use its streets for all governmental purposes. Governmental purposes include, but are not limited to, the following functions of the Municipality:
 - 1. Any and all improvements to Municipality streets, alleys and avenues;

2. Establishing and maintaining sanitary sewers, storm drains, and related facilities;
 3. Establishing and maintaining municipal parks, parkings, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purposes of landscaping any street or public property. The Municipality will consult with the Company on the placement of landscaping in the public rights-of-way where there are existing Company facilities;
 4. Providing fire protection, which will be limited to construction of fire protection facilities and City installed water lines for fire protection purposes;
 5. Collection and disposal of garbage, which will be limited to the construction of collection and disposal facilities and will not apply to placement of dumpsters.
 6. Construction, maintenance and repair of all governmental buildings and facilities.
- C. The installation of pipe and other facilities to serve domestic water shall be considered both governmental and proprietary and, therefore, the actual cost of relocation shall be shared by the Company paying fifty percent (50%) and the Municipality paying fifty percent (50%).
- D. The Company shall bear the entire cost of relocation of existing facilities, irrespective of the function served, where the Municipality's facilities, or other facilities occupying a right-of-way under authority of a Municipality permit or license, are already located in the public right-of-way and the conflict between the Company's potential facilities and existing facilities can only be resolved expeditiously, as determined by the Director of Public Works, by the movement of the existing Municipality's or permittee's facilities.
- E. If the Municipality participates in the cost of relocation of the Company's facilities for any reason, the cost of relocation to the Municipality shall not include any betterment to the Company's facilities as they existed prior to relocation.
- F. The Municipality will not exercise its right to require utility facilities to be relocated in an unreasonable or arbitrary manner. The Company and the Municipality may agree to cooperate on the location and relocation of other facilities in the public right-of-way. The Company shall save the Municipality, its officers and agents, harmless from any and all liabilities proximately caused by the Company's negligence in the erection, construction, installation or operation hereunder of the Company's facilities. The Company shall obtain all necessary permits (without cost to the Company

pursuant to Section 6 hereof) for work in the public rights-of-way. All work in the public rights-of-way will be in compliance with applicable Municipal Codes, standards and regulations as they exist at that time. The Company will obtain, and pay for, all required building permits and buy-in fees for non-gas distribution facilities such as offices, garages, repair shops and like facilities. The Municipality will provide its normal inspection services for these construction projects. The Municipality will not, nor will it be required by the Company to, inspect, monitor or approve construction of any gas distribution facility.

- G. In the event that the Company relocates any of its facilities at the request of the Municipality for a "governmental purpose," as that phrase is defined in Section 2 B hereof, and the Municipality fails to either (1) exercise the function which constitutes such "governmental purpose" or (2) complete the improvement which constitutes such "governmental purpose" within three (3) years of completion of the relocation of the Company's facilities to accommodate such "governmental purpose," the Municipality shall reimburse the Company the entire and actual cost of such relocation within ninety (90) calendar days of such billing.

SECTION 3: The Municipality shall in no way be liable to or responsible for any accident or damage that may occur in the construction, operation or maintenance by the Company of its lines and appurtenances hereunder, and the acceptance of this grant shall be deemed an agreement on the part of the Company to indemnify said Municipality and hold it harmless from and against any and all claims, costs losses or expenses which may accrue to said Municipality as a result of the Company's activities as enumerated in Section 1.

The Company shall maintain throughout the term of this franchise, liability insurance, a program of self-retention or general assets to adequately insure and/or protect the legal liability of the Company with respect to the installation, operation and maintenance of the gas distribution facility, together with all the necessary and desirable appurtenances authorized herein to occupy the public right-of-way. Such insurance, self-retention or general asset program will provide protection for bodily injury and property damage, including contractual liability and legal liability for damages arising from explosion, collapse and underground incidents.

The Company shall file with the Municipality documentation of such liability insurance, self-retention or general asset program within sixty (60) days following the effective date of this franchise, and thereafter upon request of Municipality.

SECTION 4: The rates and charges to be charged by the Company for furnishing gas service hereunder and the rules and regulations to be

made and enforced by the Company for the conduct of its business shall be those from time to time on file and effective with the Arizona Corporation Commission applicable to such service.

SECTION 5: The Company shall have the right and privilege of assigning this franchise and all rights and privileges granted herein, and whenever the word "Company" appears herein, it shall be construed as applying to its successors, lessees, and assigns.

SECTION 6: The Company, its successors, lessees, and assigns, for and in consideration of the granting of this franchise and as rental for the occupation and use or easement over, upon and beneath the streets, avenues, easements, rights-of-way, highways, alleys, sidewalks, and bridges in said Municipality, shall pay to the Municipality, commencing with the first full billing period after the effective date of this franchise and continuing each year during all the time this provision shall remain in force and effect, a total aggregate sum of two percent (2%) of the gross receipts of the Company, its successors, lessees and assigns, during such year, for gas sold within the corporate limits of the Municipality, subject to the limitations hereinafter stated; such gross receipts to consist of the total amount collected from users and consumers on account of gas sold and consumed within the corporate limits of the Municipality under the Company's rates in existence at the time, excepting therefrom, however, the gross receipts for gas sold to industrial consumers under special contract, and the gross receipts for gas sold to the Municipality for its own use. Notwithstanding the provisions of this Section, should the Company enter into any franchise with any entity of this State which provides for a higher percentage of Company gross receipts payment than two percent (2%) the Municipality shall automatically receive the same higher percentage rate payment. The Company shall make such payments semi-annually on or before the last day of January and July in each such year while this provision shall remain in full force and effect. If the Company fails to deposit said fees with the Municipality's finance department by the twentieth (20th) day of the month immediately succeeding the date the fee became due and payable, the Company shall be assessed (i) a ten percent (10%) late fee, and (ii) interest at the rate of twelve percent (12%) per annum on any unpaid balance (exclusive of late fees), said interest being calculated from the first day the payment became due. For the purpose of determining such revenue, the books of the Company shall at all times be subject to inspection by duly authorized municipal officials. Said payments shall be in lieu of any and all other franchise, license, privilege, instrument, occupation, excise or revenue taxes and all other exactions or charges (except general ad valorem property taxes, special assessments for local improvements, and except municipal privilege, sales or use taxes authorized by law and collected by the Company from users and consumers of gas within the corporate limits of the Municipality) upon the business, revenue, property, gas lines, installations, gas systems, conduits, storage tanks, pipes, fixtures or other appurtenances

of the Company and all other property or equipment of the Company, or any part thereof, relating to the sale and distribution of natural gas in said Municipality during the term of this franchise; provided that, anything to the contrary herein notwithstanding, said payment shall continue only so long as said Company is not prohibited from making the same by any lawful authority having jurisdiction in the premises, and so long as the municipality does not charge, levy or collect, or attempt to charge, levy or collect other franchise, license, privilege, occupation, excise or revenue taxes or other exactions or charges hereinabove mentioned, and if any lawful authority having jurisdiction in the premises hereafter prohibits said payment, or the Municipality does levy, charge or collect or attempt to levy, charge or collect such other franchise, license, privilege, occupation, excise or revenue taxes, or other exactions or charges, the obligation to make such payments hereinabove provided for shall forthwith cease.

SECTION 7: This franchise shall be accepted by the Company in writing, which acceptance shall be filed with the Municipality within sixty (60) days after the passage of this Ordinance, and when so accepted, this Ordinance shall be a contract duly executed by and between the Municipality and the Company.

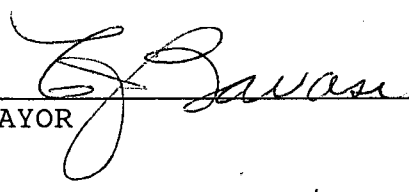
SECTION 8: If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional, except that if Section 6 be adjudged invalid or unconstitutional, in whole or part, this Franchise shall, at the Municipality's option immediately terminate and be of no further force or effect.

SECTION 9: This franchise shall continue in full force and effect for a period of twenty-five (25) years from the date of passage of this Ordinance.


SECTION 10: All plant, system, pipelines, works, and all other physical property installed by the Company in accordance with the terms of this franchise shall be and remain the property of the Company, and upon expiration of this franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the streets, avenues, easements, rights-of-way, alleys, highways, sidewalks, bridges and other structures of said Municipality for the purpose of removing any and all such plant, system, pipelines, works and other property of the Company, at any time within six months after termination of this franchise or any such extension or renewal thereof. Upon removal of Company property, the Company shall repair the property of the Municipality per the requirements of Section 2.

SECTION 11: The immediate operation of this Ordinance is necessary for the preservation of the public peace, health and safety of the City of Flagstaff, Arizona, and an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its adoption by the City Council of the City of Flagstaff and its approval by the Mayor thereof.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this 3rd day of October, 1995.


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

ORDINANCE NO. _____

AN ORDINANCE GRANTING TO UNS GAS,, INC. AN ARIZONA PUBLIC SERVICE CORPORATION, ITS LEGAL REPRESENTATIVES, SUCCESSORS, LESSEES AND ASSIGNS, CERTAIN POWERS, LICENSES, RIGHTS-OF-WAY, PRIVILEGES AND FRANCHISE TO CONSTRUCT, OPERATE AND MAINTAIN IN THE CITY OF FLAGSTAFF, STATE OF ARIZONA, AS NOW OR HEREAFTER CONSTITUTED, WORKS, SYSTEMS AND PLANTS FOR THE HANDLING, PRODUCTION, MANUFACTURING, TRANSPORTING, STORING, SALE AND DISTRIBUTION OF GAS INTO, OUT OF, AND THROUGH SAID MUNICIPALITY, AND FOR THE DISTRIBUTION AND SALE OF SUCH GAS TO SAID MUNICIPALITY, ITS INHABITANTS AND OTHERS, INCLUDING CUSTOMERS INSIDE, BEYOND, AND OUTSIDE OF THE LIMITS OF SAID MUNICIPALITY; AND TO USE THE STREETS, AVENUES, EASEMENTS, RIGHTS-OF-WAY, ALLEYS, HIGHWAYS, SIDEWALKS, BRIDGES AND OTHER STRUCTURES AND PLACES AND PUBLIC GROUNDS IN SAID MUNICIPALITY FOR A PERIOD OF TWENTY-FIVE (25) YEARS; AND PRESCRIBING IN CONNECTION THEREWITH CERTAIN RIGHTS, DUTIES, TERMS AND CONDITIONS HEREIN MENTIONED; AND PROVIDING FOR THE PAYMENT TO SAID MUNICIPALITY OF A PERCENTAGE OF CERTAIN REVENUES OF GRANTEE FROM ITS OPERATIONS THEREIN; AND DECLARING AN EMERGENCY.

Section 1- Grant of Franchise:

The City of Flagstaff, a municipal corporation in Coconino County, Arizona, hereinafter called the "Municipality", hereby grants to and vests in UNS Gas, Inc., an Arizona public service corporation, hereinafter called the "Company", a non-exclusive franchise (the "Franchise") with the right to operate a gas plant, system, pipelines and works in the Municipality, as now or hereafter constituted, and the authority, license, power and privilege to maintain, construct, build, equip, conduct or otherwise establish and operate in the Municipality, works or systems and plants to manufacture, use, sell, store, distribute, convey or otherwise establish, conduct, serve, supply or furnish the inhabitants of the Municipality and others, and to the Municipality whenever it may desire to contract therefore, gas for light, fuel, power, heat, and the Company hereby is granted passage, right-of-way and the right to occupy and use in any lawful and reasonable way during the life of this Franchise every and any and all Municipality streets, alleys and other dedicated public rights-of-way, both above and beneath the surface of the same, now existing or may be hereinafter extended (the "Premises"), for the service, use, effect and lawful purpose as herein stated. This ordinance supersedes in totality that franchise previously granted under Ordinance No. 1879. The rights afforded to the Company herein shall include the right to make reasonable upgrades or changes to the Company's facilities in response to changes in technology in order to enhance service to the Company's customers.

Section 2 Use of Premises and Relocation of Facilities:

The Company is hereby authorized, licensed and empowered to do any and all things necessary and proper to be done and performed in executing the powers and utilizing the privileges herein mentioned and granted by this Franchise, provided the same do not unreasonably conflict with water or other pipes, sewer, or other pre-existing underground installations, and that all work done in the Premises by the Company shall be done with the utmost diligence and the least practicable inconvenience to the public or individuals, and that the Company shall, within a reasonable time, restore the Premises excavated by it to their original condition as nearly as practicable, subject to the reasonable approval of the Municipality. The Company will make every effort to coordinate all work with the Municipality. The Company shall remove or relocate its facilities as and when required by the Municipality to accommodate improvements within the Premises for the public benefit. and any removal or relocation shall be made at the sole cost and expense of the Company, unless the Company can demonstrate that its facilities were lawfully installed prior to the dedication to or acquisition by the Municipality of the property in question. Completed or "as-built" plans of any facilities installed or relocated by the Company shall be submitted by the Company to the Municipality as may be required by the Municipality's Public Works Director. All work and other actions as may be otherwise required or contemplated under this Franchise by the Company and/or its agents shall be in accordance with applicable federal and state laws, industry codes and Municipality codes, policies and the Company's Rules and Regulations approved by the Arizona Corporation Commission.. Such removal or relocation shall be made as follows:

- A. The entire cost of relocation shall be borne by the Municipality if the company is required by the Municipality to relocate facilities which are located in easements or rights-of-way obtained by the Company prior to the dedication of the public street, alley or easement from which the facilities must be relocated. These prior rights of the Company would also be unaffected by any subsequent relocation.
- B. Except as covered in Paragraph A above and Paragraph G below, the Company shall bear the entire cost of relocating facilities located on public rights-of-way, the relocation of which is necessary for the Municipality's carrying out a function in the interest of the public health, safety or welfare. The Company's right to maintain its lines and facilities is subject to the paramount right of the Municipality to use its streets for all governmental purposes. Governmental purposes include, but are not limited to, the following functions of the Municipality:
 - 1. Any and all improvements to Municipality streets, alleys and avenues;
 - 2. Establishing and maintaining sanitary sewers, storm drains, and related facilities;

3. Establishing and maintaining municipal parks, parkings, parkways, pedestrian malls, or grass, shrubs, trees and other vegetation for the purposes of landscaping any street or public property. The Municipality will consult with the Company on the placement of landscaping in the public rights-of-way where there are existing Company facilities;
 3. Providing fire protection, which will be limited to construction of fire protection facilities and Municipality installed water lines for fire protection purposes;
 4. Collection and disposal of garbage, which will be limited to the construction of collection and disposal facilities and will not apply to placement of dumpsters.
 5. Construction, maintenance and repair of all governmental buildings and facilities.
- C. The installation of pipe and other facilities to serve domestic water shall be considered both governmental and proprietary and, therefore, the actual cost of relocation shall be shared by the Company paying fifty percent (50%) and the Municipality paying fifty percent (50%).
- D. The Company shall bear the entire cost of relocation of existing facilities, irrespective of the function served, where the Municipality's facilities, or other facilities occupying a right-of-way under authority of a Municipality permit or license, are located in the public right-of-way before such right-of-way is occupied by the Company and the conflict between the Company's potential facilities and other existing facilities can only be resolved expeditiously, as determined by the Director of Public Works, by the movement of the existing Municipality's or permittee's facilities.
- E. If the Municipality participates in the cost of relocation of the Company's facilities for any reason, the cost of relocation to the Municipality shall not include any betterment to the Company's facilities as they existed prior to relocation.
- F. The Municipality will not exercise its right to require utility facilities to be relocated in an unreasonable or arbitrary manner. The Company and the Municipality may agree to cooperate on the location and relocation of other facilities in the public right-of-way. The Company will obtain, and pay for, all required building permits and buy-in fees for non-gas distribution facilities such as offices, garages, repair shops and like facilities. The Municipality will provide its normal inspection services for these construction projects. The Municipality will not, nor will it be required by the Company to, inspect, monitor or approve construction of any gas distribution facility.

- G. In the event that the Company relocates any of its facilities at the request of the Municipality for a "governmental purpose," as that phrase is defined in Section 2.B hereof, and the Municipality fails to either: (1) exercise the function which constitutes such "governmental purpose" or; (2) complete the improvement which constitutes such "governmental purpose" within three years of completion of the relocation of the company's facilities to accommodate such "governmental purpose," the Municipality shall reimburse the Company the entire and actual cost of such relocation within ninety (90) calendar days of such billing.

Section 3 Company's Compliance with Municipality Code; Plan Submitted for Approval; Construction near Municipality Facilities:

3.1 The Company shall obtain all necessary permits (without cost, or related fees or other financial obligation to the Company pursuant to Section 8 hereof) for work in the public rights-of-way. All work in the public rights-of-way will be in compliance with applicable Municipal Codes, standards and regulations as they exist at that time. Prior to commencing any work in a right-of-way (except in emergency circumstances), the Company shall submit plans of work to be performed to the Municipality's Public Works Director for review and approval, and obtain any permit necessary for such work. The Company, upon receipt from the Municipality of any finalized plans that would require construction or relocation of Company facilities, shall advise the Municipality on the estimated amount of work required and the anticipated necessary timeframe of such work within 90 days of receipt of such plans. For purposes of budgeting and asset allocation by the Company, the Company shall have six months from the receipt of such finalized plans in which to design and to complete construction or relocation of the necessary facilities.

3.2 Representatives of the Municipality and the Company shall, during the entire term of this Franchise, meet at least once in each calendar year to review any projects involving the construction or modification of Municipality rights-of-way within the subsequent five-year period in order for both parties to adequately plan and budget for such actions and to determine the extent of work required of the Company, if any, for such projects.

Section 4 Indemnification:

The Company shall defend, indemnify and hold harmless the Municipality against all liabilities, claims, demands or judgments, excluding the portion of such liabilities proximately caused by the Municipality's own negligence, for injury to any person or property caused by the acts or omissions of the Company in whole or in part, in the construction, operation, repair, extension or maintenance of its property or facilities, and in the event of a determination of liability shall indemnify the Municipality.

Section 5 Insurance:

The Company agrees that at all times during the existence of this Franchise, that it will maintain in force, at its own expense, a general liability insurance, self-retention or general asset program to adequately insure and/or protect the legal liability of the Company with respect to the installation, operation, and maintenance of its facilities, together with all the necessary and desirable appurtenances authorized by this Franchise, to occupy the Premises. Such insurance program will provide protection for bodily injury and property damage arising from the operation by the Company of its facilities. The Company shall file with the Municipality documentation of such liability insurance, self-retention or general asset program within 30 days following the request of the Municipality. The policy limits or any insurance maintained in compliance with this section shall not limit the Company's indemnification requirements under Section 4 of this Franchise.

Section 6 Applicable Rates and Charges:

The rates and charges to be charged by the Company for furnishing gas service hereunder and the rules and regulations to be made and enforced by the Company for the conduct of its business shall be those on file and in effect with the Arizona Corporation Commission applicable to the service.

Section 7 Assignment:

The Company shall have the right and privilege of assigning this Franchise and all rights and privileges granted herein, as long as prior notice of such assignment is presented to the Municipality, and whenever the word "Company" appears herein, it shall be construed as applying to its successors, lessees and assigns.

Section 8 Franchise Fee; Additional Fees and Taxes:

8.1 The Company shall pay to the Municipality in consideration of the grant of this Franchise a sum equal to two percent (2%) of all revenues of the Company, but excluding regulatory assessments, transaction privilege taxes and similar governmental impositions, from the retail sales and/or delivery by it and other charges for services attendant to the retail sale and/or delivery of natural gas delivered through the Company's distribution system within the present and any future corporate limits of the Municipality, as shown by the Company's billing records. Payments shall be in lieu of any and all fees or charges assessed by the Municipality in any way associated with the Company's use, construction or inspection of the Premises. Beginning on the Effective Date of this Franchise as set forth herein, payment as described herein shall be payable in quarterly amounts within 30 days after the end of each calendar quarter.

8.2 Notwithstanding any provision contained herein to the contrary, the Company shall pay, in addition to the payment provided herein, the following charges, taxes and fees as may be established in a code or ordinance properly adopted by the Municipality: (a) general ad valorem property taxes; (b) transaction privilege and use tax as authorized by law and collected by the Company for its retail sales to its customers within the present and future corporate limits of the

Municipality; and (c) other charges, taxes or fees levied upon businesses generally throughout the Municipality, provided said charge, tax or fee is a flat fee per year and that the annual amount does not exceed the amount of similar fees paid by any other business operated within the Municipality.

8.3 If any lawful authority having jurisdiction in the Municipality hereafter prohibits payments, the obligation to make such payments hereinabove provided for shall forthwith cease. For the purpose of verifying amounts payable hereunder, the books and records of the Company shall be subject to inspection by duly authorized officers or representatives of the Municipality at reasonable times.

Section 9 Approval and Acceptance of Franchise:

This Franchise shall be accepted by the Company in writing, which acceptance shall be filed with the Municipality Clerk within 60 days after the passage of an Ordinance. After approval by voters pursuant to Section 13 herein and adoption of an Ordinance pursuant to the Municipality Code, this Agreement shall be a contract duly executed by and between the Municipality and the Company.

Section 10 Independent Provisions:

If any section, paragraph, subdivision, clause, phrase or provision hereof shall be adjudged invalid or unconstitutional, the same shall not affect the validity hereof as a whole, or any part or provision other than the part so decided to be invalid or unconstitutional.

Section 11 Term:

This Franchise shall continue in full force and effect for a period of 25 years from the first day of the first month following the election approving this Franchise (the "Effective Date"), which shall be entered in the space provided herein. However, the Municipality may terminate this Franchise in the event the Municipality formally finds, after notice and hearing that the Company has failed to comply with any material provisions of this Franchise or has failed to correct any failure after 30 days written notice.

Section 12 Ownership of Company Property:

All plant, system, pipelines, facilities, works, and all other physical property installed or operated by the Company in accordance with the terms of this Franchise shall be and remain the property of the Company, and upon expiration of this Franchise or any extension or renewal thereof, the Company is hereby granted the right to enter upon the Premises for the purpose of removing any and all plant, system, pipelines, facilities, works and other property of the Company, at any time within six months after termination of this Franchise or any extension or renewal thereof.

Section 13 Voter Approval:

The terms of this Agreement shall only become effective after its approval by a majority vote of the qualified electors of the City at a regular election or at a special election duly and regularly called by the City Council of the City of Winslow for that purpose. The Company shall pay all of the City's expenses incurred in conducting the franchise election, but if more than one item is on the same ballot, the Company shall pay only that portion of the City's election expenses determined to be directly attributable to Company or otherwise as reasonably practicable, by dividing all of the City's expenses by the total number of measures or offices, presented on the ballot and adding any expenses, as may be required by Arizona Revised Statutes, associated directly with this Franchise election.

Section 14 Adoption:

The immediate operation of this Ordinance is necessary for the preservation of the public peace, health and safety of the Municipality of Flagstaff, Arizona, and an emergency is hereby declared to exist and this Ordinance shall be in full force and effect from and after its adoption by the City Council of the city of Flagstaff and its approval by the Mayor thereof.

PASSED AND ADOPTED by the Council and approved by the Mayor of the City of Flagstaff, this ____ day of _____, 2019.

CITY OF FLAGSTAFF, an Arizona
municipal corporation

UNS GAS, INC., an Arizona public service
corporation

Mayor

By:_____

Name: Susan Gray

Date

Title: Vice President

ATTEST

Date:_____

City Clerk

APPROVED AS TO FORM

, City Attorney

UES GAS FRANCHISE

PREVIEW TO THE
AUGUST 4, 2020 ELECTION





UES GAS FRANCHISE



Unisource Energy Services (UES)

- UES is a public service corporation
 - Regulated by the Arizona Corporation Commission
 - Rates and safety
 - Provides natural gas to northern Arizona
- Representatives here tonight
 - Jason Garrett, District Manager



UES GAS FRANCHISE



What is a Franchise?

- A franchise gives a public service corporation the legal right to construct, install, and maintain its pipelines and facilities in City right-of-way (ROW) and public utility easements (PUEs).
- Unisource (gas) and APS (electricity) both have franchises.



UES GAS FRANCHISE



Current Franchise

- Approved by voters in Sept. 1995, for a 25-year term
- Expires October 2, 2020
- Allows use of ROW and PUEs for gas pipelines and facilities
- Requires payment of an annual fee equal to 2% of the gross receipts for gas sold in Flagstaff
 - 2% is typical
 - Also collects and remits local transaction privilege tax under utilities category



UES GAS FRANCHISE



Why do we need an Election?

- Arizona Constitution requires an election. Art. 13, Sec. 4
- UES's existing franchise is expiring in October 2020.
- UES will pay its fair share of election costs, per a cost sharing agreement.



UES GAS FRANCHISE



What happens if the Voters don't approve a Franchise?

- Most likely, the City would declare an emergency, and allow UES to continue operations until a new election is held.
- Natural gas service is essential for community.



UES GAS FRANCHISE



Engineering Information

- UES obtains permits to work in the ROW and PUEs, per City Code, cost is covered via franchise fee
- Must comply with all applicable codes
- UES has to blue-stake its lines, to avoid conflicts
- Safety record in Flagstaff
- Upgrade or expansion plans for Flagstaff



UES GAS FRANCHISE



New Franchise - Proposed

- 25-year term
- Grants use of ROW and PUEs for gas pipelines and facilities
- Requires payment of a franchise fee equal to 2% of the revenues from gas sold in Flagstaff
- Explains who pays for relocation costs for utilities in case of capital project conflicts (depends on project, prior rights)
- Calls for insurance, indemnification
- Franchise terms may be adjusted prior to April 7, 2020



UES GAS FRANCHISE



Next Steps – Any Questions?

- April 7 Council may adopt resolution finding that granting the franchise is beneficial, and submitting it to the voters for approval
- June-July Public outreach; publicity pamphlets; franchise published in newspaper for 30 days
- August 4 Special election
- By October Declare election results, execute franchise

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Walt Miller, Deputy Chief
Co-Submitter: Patrick Brown
Date: 02/21/2020
Meeting Date: 03/10/2020



TITLE

Discuss consideration of additional funding for High Country Humane for animal shelter services.

STAFF RECOMMENDED ACTION:

Provide staff direction for funding of High Country Humane (HCH).

EXECUTIVE SUMMARY:

Animal shelter service provider High Country Humane (HCH) has approached the City of Flagstaff and Coconino County requesting additional funding to their existing contract. After a joint City/County RFP process HCH was awarded a five (5) year contract for animal shelter services. In October of 2018 an IGA was signed between the City of Flagstaff, Coconino County and Paw Placement DBA High Country Humane. The IGA will expire at the end of June 2024.

INFORMATION:

High Country Humane is located in a state-of-the-art facility located at 11665 N. Highway 89. This is the former facility of Second Chance Center for Animals, which was built in 2005 and was designed specifically for animal care. In October of 2018 an IGA was signed with Coconino County and HCH opened their door to the public on January 2, 2019. Under the IGA High Country provides a variety of services some of which include adoption, sheltering, spaying, and neutering, licensing, vaccinations, veterinarian care, euthanasia and community outreach.

Acting Executive Director Elizabeth Bohlkee has been in contact with City and County staff informing us that HCH is experiencing a structural deficit as they underestimated startup costs, equipment repairs, cost and number of medical cases and most notably their veterinarian costs. As these expenses continued to rise HCH began to use their reserves for day to day operations. After further analysis it has been determined by HCH that they could continue their operations with an additional \$145,000 per year and would need \$48,332 for the remainder of this year so they may bring their reserves back up. The City's portion of this amount would be \$79,200 per year and \$26, 583 for the remainder of this year. Currently the annual fee for services to the City with High Country Humane is \$280,500 plus the additional amount of \$12,390 for facility maintenance, for a total amount of \$292,890 annually.

Attachments: HCH-County presentation

2018-2019 HCH Data

High Country Humane

Presentation to the Flagstaff City Council
March 10, 2020



Why We Are Here

- Our collective commitment to bring our City/County shelter services up to industry standards and implement best practices
- To share the successes of this first year
- To ask your assistance in addressing a fiscal imbalance in providing the services for which we were contracted



Successes

What Is Working Well



Community Contributions

- \$300,000 in donations
- \$60,000 in in-kind equipment donations
- \$40,000 in grants
- 294 volunteers donated over 13,230 hours with an in-kind value of more than \$300,000*

**Based on IndependentSector.org April 2019 values \$25.43*



Additional Community Partnerships

- One AZ Credit Union
- Findlay Toyota
- Nestle Purina
- Coconino Community College (Veterinarian Tech Program)
- Arizona Humane Society
- Local Veterinarians
- Northern Arizona University
- Petsmart
- Lumberyard Brewing Company



Community Services

- Providing low-cost bi-monthly vaccine & microchip clinics
- Increased services to local rescue organizations including spay/neuter
- Opened low-cost spay/neuter clinic
- Collaborating with Coconino Community College to establish a Veterinary Technician program



Health & Safety

- Full-time, on-site Veterinary Clinic with a dedicated quarantine area and protocol, reducing the spread of infectious disease into our communities
- Low-Cost Vaccine and Spay/Neuter Clinic is allowing financially challenged community members to get much needed preventive treatment for their animals
- Community Cat program is managing the population and health of feral cats by providing spay/neuter and rabies vaccines in alliance with national standards



Veterinarian Support

Quotes from local Veterinarians:

“I am so thrilled that High Country Humane is providing care for low-income families...I have not had to treat newly adopted puppies for diseases such as parvovirus and distemper from HCH, because they have been well screened by a skilled veterinarian prior to adoption.”

“Having a dedicated shelter veterinarian elevates the care of the animals received and helps with disease control.”



What We Have Learned

- Best practices for implementing industry standards in shelter operations
- A better method of assessing and estimating of the number of sick but treatable animals
- New strategies for raising sustainable funding



Year End Actuals

Actual operating budget last year was \$1,262,000

- Total contribution of City and County \$536,000
- Total leveraged dollars from High Country Humane \$603,000
- Loss of \$120,000 covered by agency reserves



Contributing Factors

- Number of sick animals with treatable conditions was much higher than anticipated
- Cost of outsourced clinical veterinarian care increased significantly in the first 4 months
- Started in-house veterinarian clinic 8 months early
- Unexpected facility repairs were required in order to be compliant with health & safety regulations



What We Are Asking

- For Fiscal-Year 2019-2020 an additional \$48,332
 - \$26,583 from the City and
 - \$21,749 from the County
- For Fiscal Years 2020-2021 and 2021-2022, increase the contract amount by **\$145,000 per year:**
 - \$79,200 from the City and
 - \$65,800 from the County



Our Commitment to Fiscal Responsibility

Defining the line between public and private use of dollars

- High Country Humane will continue to be good stewards of County and City dollars, as well as individual and business donations
- High County Humane will ensure funds are spent on services that meet industry standards for animal welfare and community health and safety as per the contract
- An independent third-party audit report is in process and will be shared with City and County and community members



Our Commitment to You

High Country Humane will continue to

- prudently manage County and City contract dollars
- strengthen our public private partnership through increased opportunities for communication
- seek additional grant funding opportunities
- fundraise for private individual & business donations
- work with the City and County to explore additional opportunities for increasing awareness and financial support



We are here for the long term

- We are committed to the long term sustainability of the vision and the promise, and in bringing long term benefits that increase the quality of life for our pet owning families for many years to come.

Our Values

- **Compassion**
We will seek to preserve dignity and demonstrate compassion, empathy, and kindness for all animals and people.
- **Commitment**
We are deeply committed to excellence, to the highest standards of animal care, and to advocacy for those without a voice.
- **Integrity**
We are transparent in our actions, we are great stewards of the resources entrusted to us, and will act with honor and integrity.
- **Community**
We believe in the collaboration of diverse communities to better serve our animals and the people who care for them, and we value all staff, volunteers, and donors who make our mission achievable.



High Country Humane																		
Animal Intakes & Outcomes																		
12/28/2018-12/31/2019																		
Summary page																		
	DOG				CAT				WILDLIFE				OTHER				TOTAL	
Intakes	County	City	Public	Total	County	City	Public	Total	County	City	Public	Total	County	City	Public	Total		
Stray	159	464	3	626	25	200	4	229	0	1	0	1	1	7	3	11	867	
Public Stray	344	275	30	649	222	287	7	516	0	0	0	0	1	3	4	8	1173	
Owner Surrender	106	85	17	208	88	75	11	174	0	0	0	0	1	5	6	12	394	
Bite Cases	2	34	1	37	2	4	1	7	0	0	0	0	0	0	0	0	44	
Accident Cases	3	3	3	9	0	2	0	2	0	0	0	0	0	0	0	0	11	
Arrest Cases	31	43	1	75	10	5	0	15	0	0	0	0	3	0	0	3	93	
Hospital Cases	13	32	0	45	2	0	0	2	0	0	0	0	1	4	0	5	52	
Cruelty Cases	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Returns (Adoption)	19	27	4	50	4	5	4	13	0	0	0	0	0	0	0	0	63	
Submit for Testing	1	0	0	1	2	1	0	3	8	24	1	33	0	0	0	0	37	
Trapped/Captured	2	0	0	2	11	10	0	21	2	0	0	2	2	0	0	2	27	
Born in Care	16	0	0	16	0	0	3	3	0	0	0	0	0	0	0	0	19	
Transfer In	2	1	12	15	1	0	14	15	0	0	0	0	0	0	0	0	30	
DOA	3	3	0	6	1	6	0	7	8	11	1	20	0	1	0	1	34	
Total Intakes	701	967	71	1739	368	595	44	1007	18	36	2	56	9	20	13	42	2844	
Outcomes																		
Adoption				782				655				0				23	1460	
Return To Owner				596				63				0				4	663	
Transfer Partner				215				62				0				0	277	
Return To Field (TNR)				0				32				4				0	36	
Euthansia				56				69				6				1	132	
Died In Care/Vet				13				34				2				2	51	
DOA/Testing				2				1				38				3	44	
Total Outcomes				1664				916				50				33	2663	
Ambulance Runs		4		4		3		3									7	
Fees Collected	County	City																
Redemption	6,050.00	11,790.00																
Rabies	332.00	0.00																
License	3,304.00	5,847.00																
Total *	9,686.00	17,637.00																
City License Fees to County	5,847.00	(5,847.00)																
	\$ 15,533.00	\$ 11,790.00																
*County: Include Redemption, Rabies vaccine, and County & City Dog License																		