

WORK SESSION AGENDA

A M E N D E D

CITY COUNCIL WORK SESSION
TUESDAY
SEPTEMBER 29, 2020

STAFF CONFERENCE ROOM
SECOND FLOOR - CITY HALL
211 WEST ASPEN AVENUE
3:00 P.M.

ATTENTION

**IN-PERSON AUDIENCES AT CITY COUNCIL MEETINGS HAVE BEEN SUSPENDED UNTIL
FURTHER NOTICE**

The meetings will continue to be live streamed on the city's website
(<https://www.flagstaffaz.gov/1461/Streaming-City-Council-Meetings>)

PUBLIC COMMENT PROTOCOL

**The process for submitting a public comment has changed and public comments will no longer be
read by staff during the Council Meetings.**

All public comments will be taken either telephonically or accepted as a written comment.

Public comments may be submitted to publiccomment@flagstaffaz.gov

If you wish to address the City Council with a public comment by phone you must submit the
following information:

First and Last Name
Phone Number
Agenda Item number you wish to speak on

If any of this information is missing, you will not be called. We will attempt to call you only one
time. We are unable to provide a time when you may be called.

All comments submitted otherwise will be considered written comments and will be documented
into the record as such.

If you wish to email Mayor and Council directly you may do so at council@flagstaffaz.gov.

AGENDA

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 October 6, 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. COVID-19 Impacts on the Economy and Local Businesses: The Economic Policy Institute from Northern Arizona University's Franke College of Business Presentation on COVID-19 Impacts.

7. Flagstaff Local - My Actions Matter Movement Results and Path Forward

8. Discussion: Plan on how to move forward with the development of affordable housing on the Schultz Pass Parcel (the triangle at Schultz Pass Road at Hwy 180) including the discussion of a \$500K general obligation bond ballot question or something similar for repayment of affordable housing monies allocated/spent on Schultz Pass Property in a future election.

9. Sales Tax and Revenue Update

10. **COVID-19 Update**
11. **Public Participation**
12. **Informational Items To/From Mayor, Council, and City Manager; future agenda item requests**
13. **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: John Saltonstall, Business Retention & Expansion Manager

Co-Submitter: David McIntire

Date: 09/15/2020

Meeting Date: 09/29/2020



TITLE:

COVID-19 Impacts on the Economy and Local Businesses: The Economic Policy Institute from Northern Arizona University's Franke College of Business Presentation on COVID-19 Impacts.

DESIRED OUTCOME:

The desired outcome is for Council to gain additional insight into the impacts of the pandemic on the local and regional business community that may be useful in governmental decision making. This presentation is being provided in lieu of the quarterly Business Listening Tour that would typically be held this week with Council.

EXECUTIVE SUMMARY:

The City of Flagstaff Economic Vitality Division has invited Dr. Joseph Guzman to provide information as to the COVID-19 impacts on the economy and local businesses.

Dr. Guzman leads the Economic Policy Institute for the Franke College of Business at Northern Arizona University. He and his team have conducted a series of surveys to help understand the direct and indirect impacts of COVID-19 on local and regional businesses. He is working in collaboration with Chris Pasterz, Coconino County Economic Development Manager, who has convened a group of practitioners (the City of Flagstaff being one of them) and community leaders to help businesses navigate through the COVID-19 pandemic.

INFORMATION:

The City of Flagstaff Economic Development Program works with several local and regional business and service providers. The Business Listening Tours bring businesses, regional economic developers, and Council together for greater mutual understanding. Under normal circumstances, every fifth Tuesday has been an opportunity for the Economic Development Staff to invite business representatives to share their experiences of locating, operating, and growing their businesses in Flagstaff.

During this time of COVID-19, the Economic Development Offices have partnered with economic development practitioners throughout the region including the Economic Policy Institute at NAU Franke College of Business, led by Dr. Joseph Guzman. Dr. Guzman will present on the effort to survey regional businesses to learn of their direct unique experiences during COVID-19.

Attachments: Presentation

Impacts of COVID-19 On Business Leaders Economic Sentiment in Flagstaff, AZ

ECONOMIC POLICY INSTITUTE

September 29, 2020

AGENDA

- INTRODUCTION/BLUF/BACKGROUND
- SURVEY PULSE SUMMARIES
- HOW TO ASSIST RECOVERY
- QUESTIONS/COMMENTS/CONCLUSION

INTRODUCTION

2020 AND BEYOND

REGIONAL IMPACT, TRIBAL ECONOMIC DEVELOPMENT,
LEADERSHIP IN TECHNOLOGY POLICY

Center for Business Outreach

Center for American Indian
Economic Development

Seventh Generation Money
Management (7GMM)

Center for Civic and
Financial Leadership *

AZ Hospitality Research
& Resource Center

Rural Policy Institute

NAU Roads Scholar

Leaders On Fast Track *

Join us for the 45th annual
**Economic Outlook
Conference**

*Bringing economic forecasts to
the Northland for 45 years*

THURSDAY, NOVEMBER 12TH, 2020

MANY THANKS TO TASK FORCE PARTICIPANTS

- Coconino County
- City of Flagstaff
- City of Page
- City of Sedona
- City of Williams
- Town of Tusayan
- Page and Lake Powell Chamber of Commerce
- NAU Community Relat'ns
- Economic Collaborative of Northern Arizona
- Flagstaff Downtown Business Alliance
- Flagstaff Downtown Development Council
- Flagstaff Lodging and Hotel Association

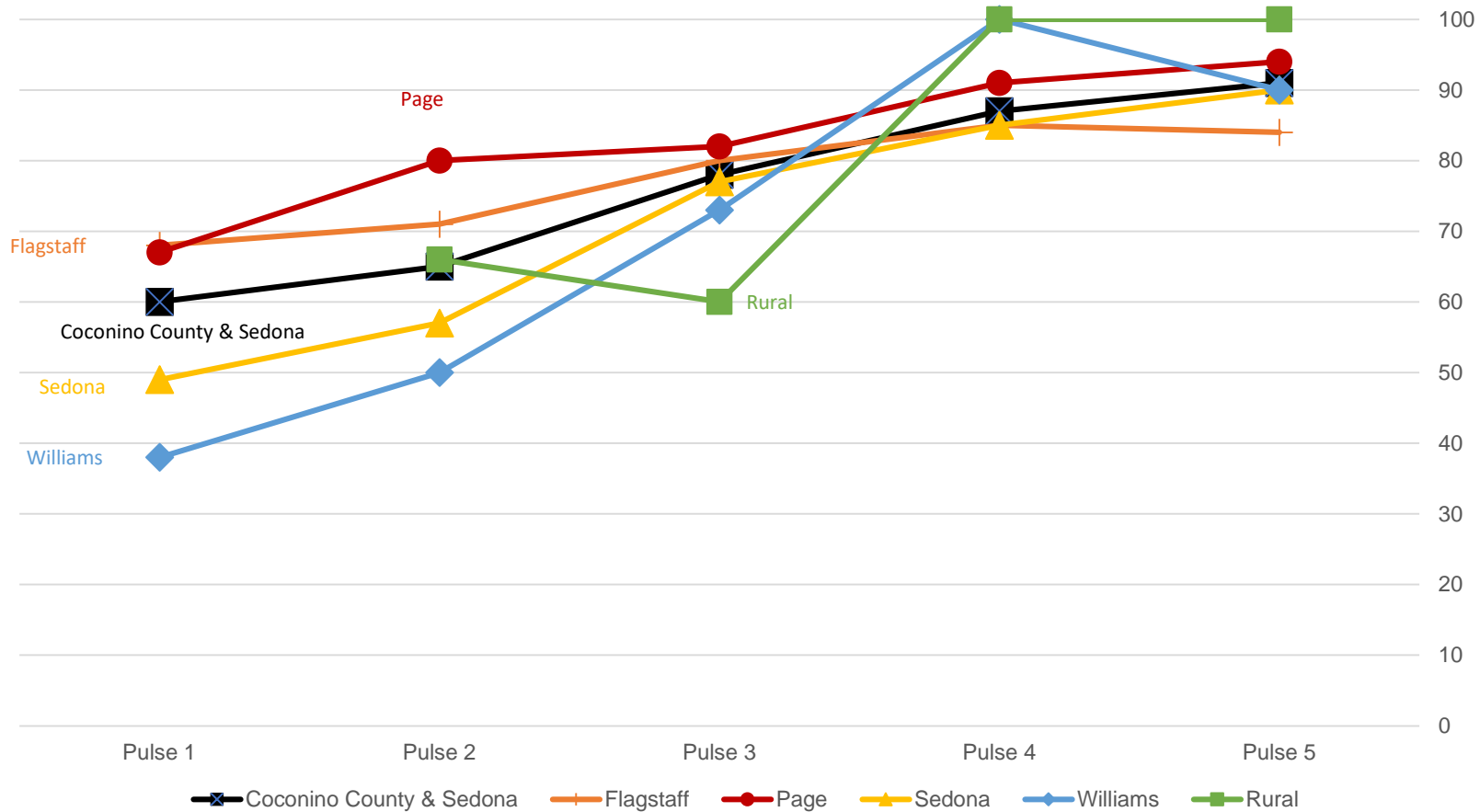
SURVEY BACKGROUND



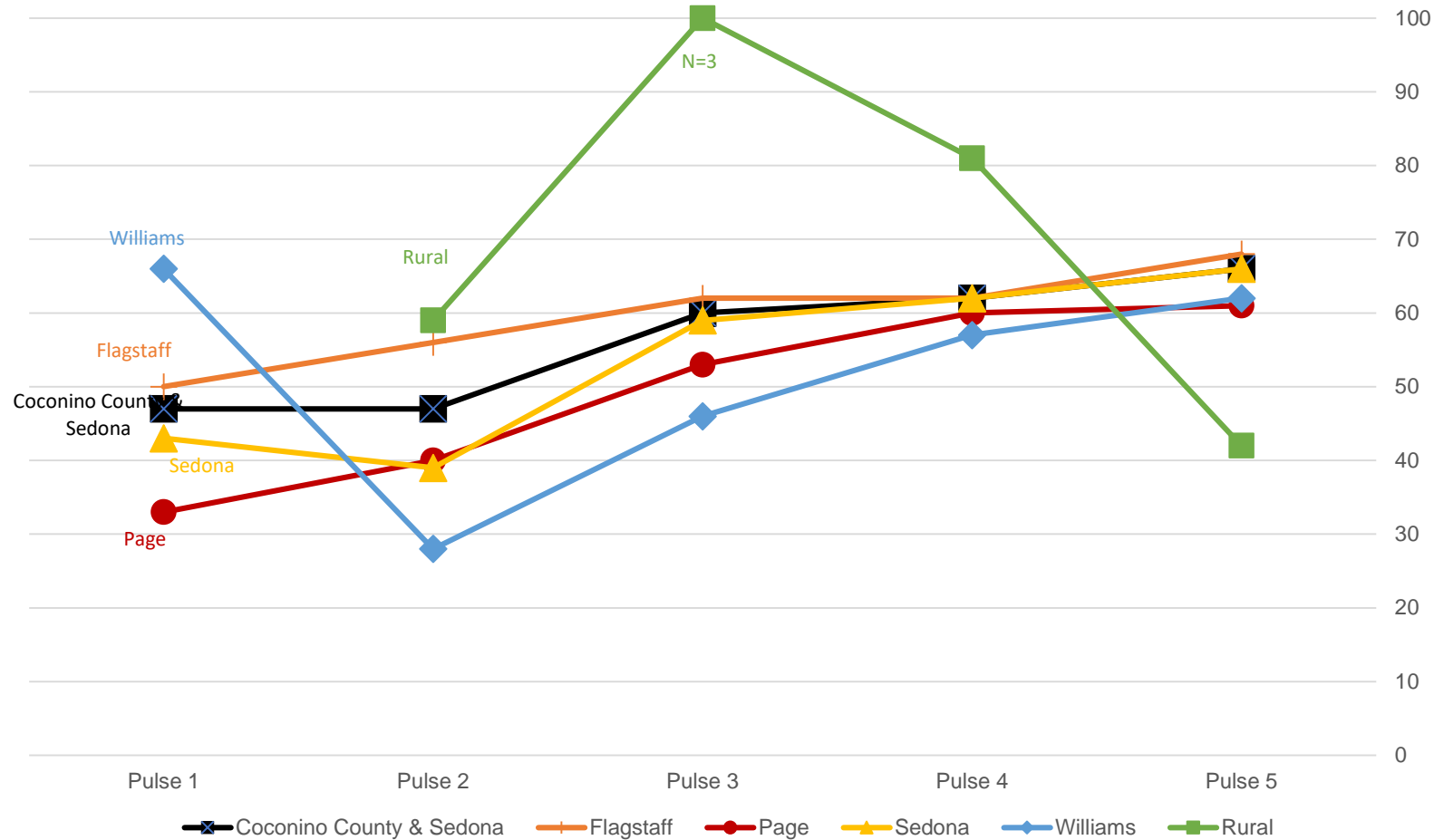
BOTTOM LINE UP-FRONT

- **NOTEWORTHY SMALL BUSINESS RESILIENCE**
- **CONSISTENT IMPROVEMENT IN INDICATORS WITH FEWER-THAN-EXPECTED BUSINESS CLOSURES**
- **SIGNIFICANT VARIATIONS IN SECTOR PERFORMANCE**
- **RECOVERY MAY BE SLOWING**

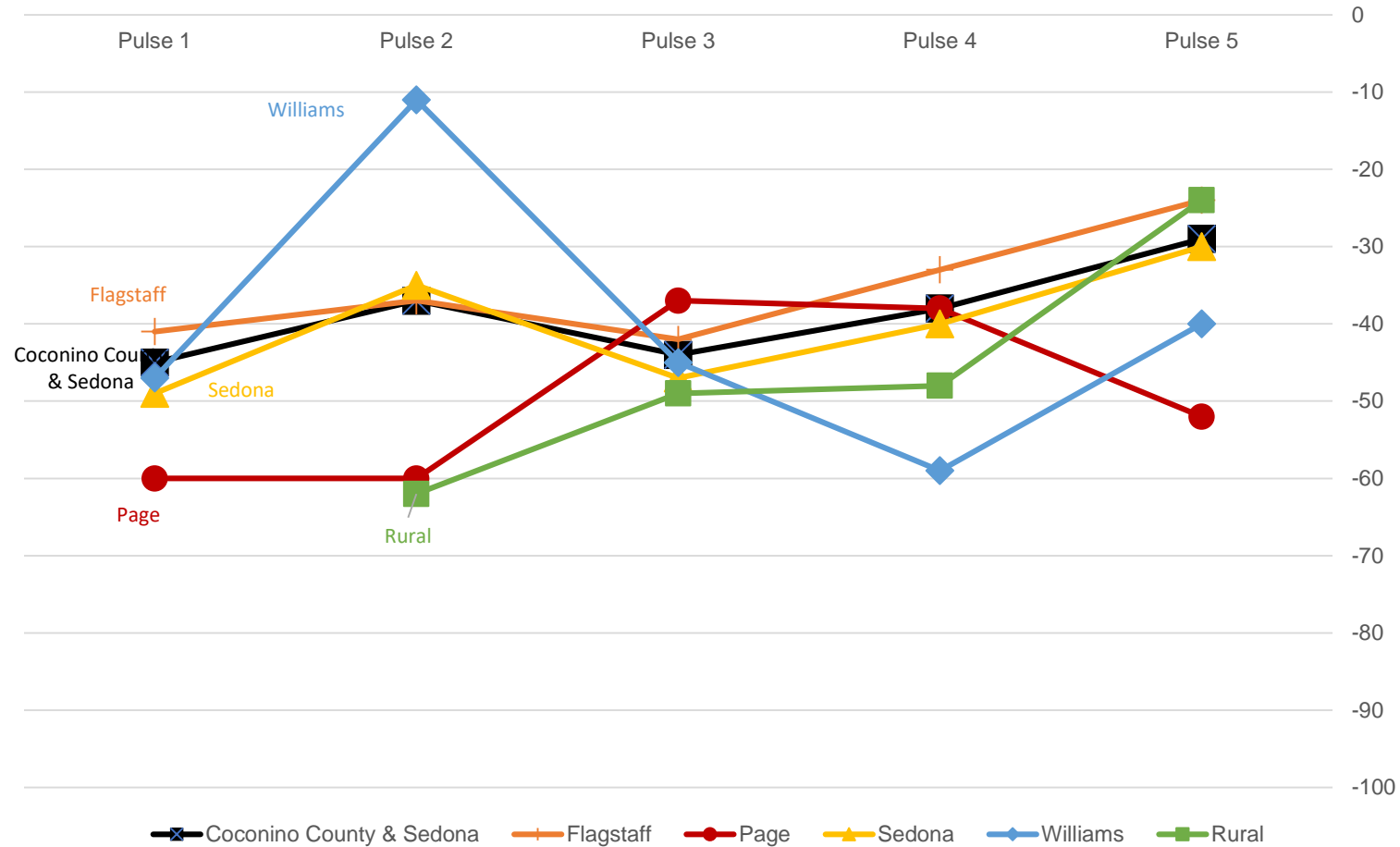
Coconino County and Sedona Percent of Businesses Open



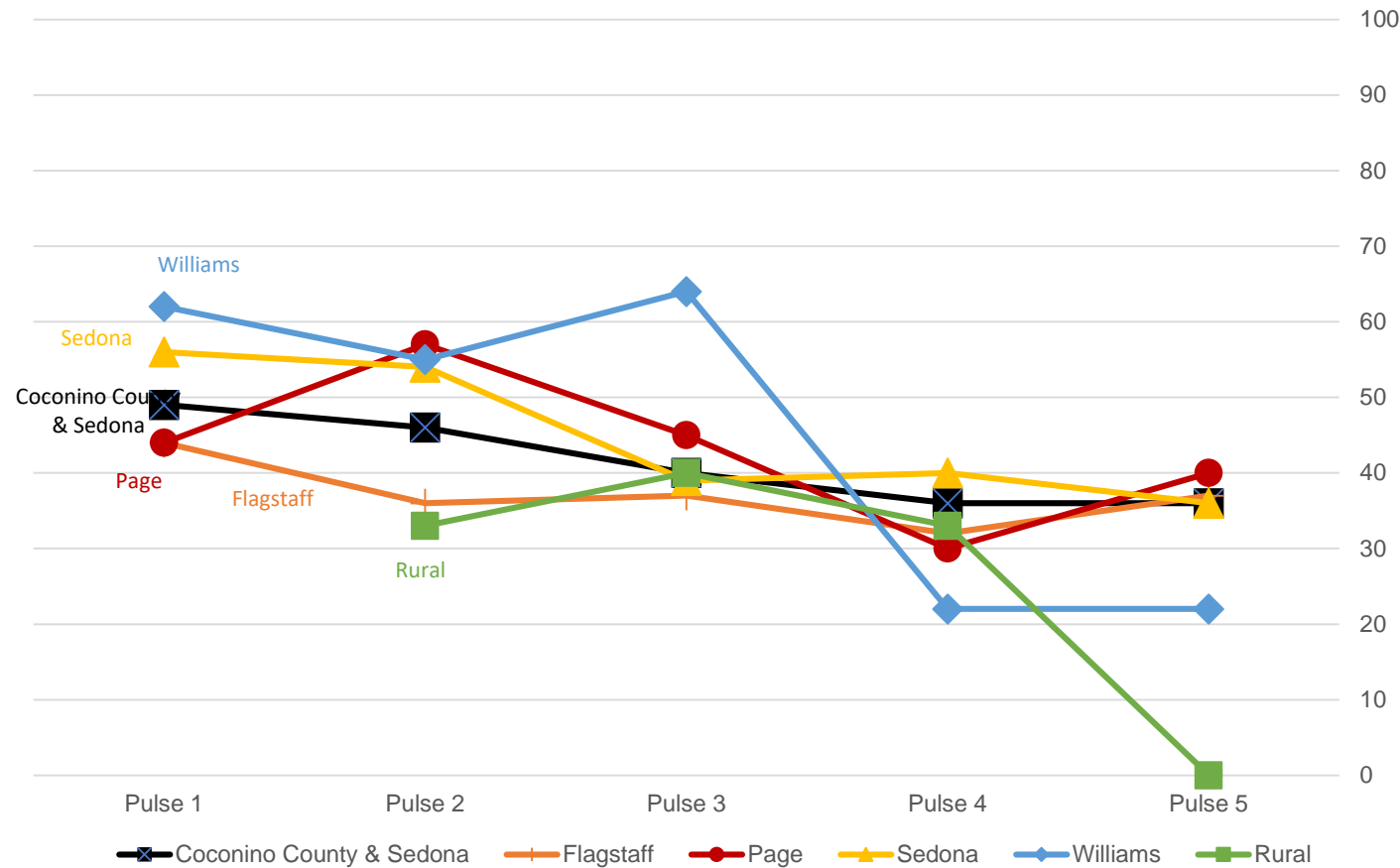
Coconino County and Sedona Percent Operating Capacity



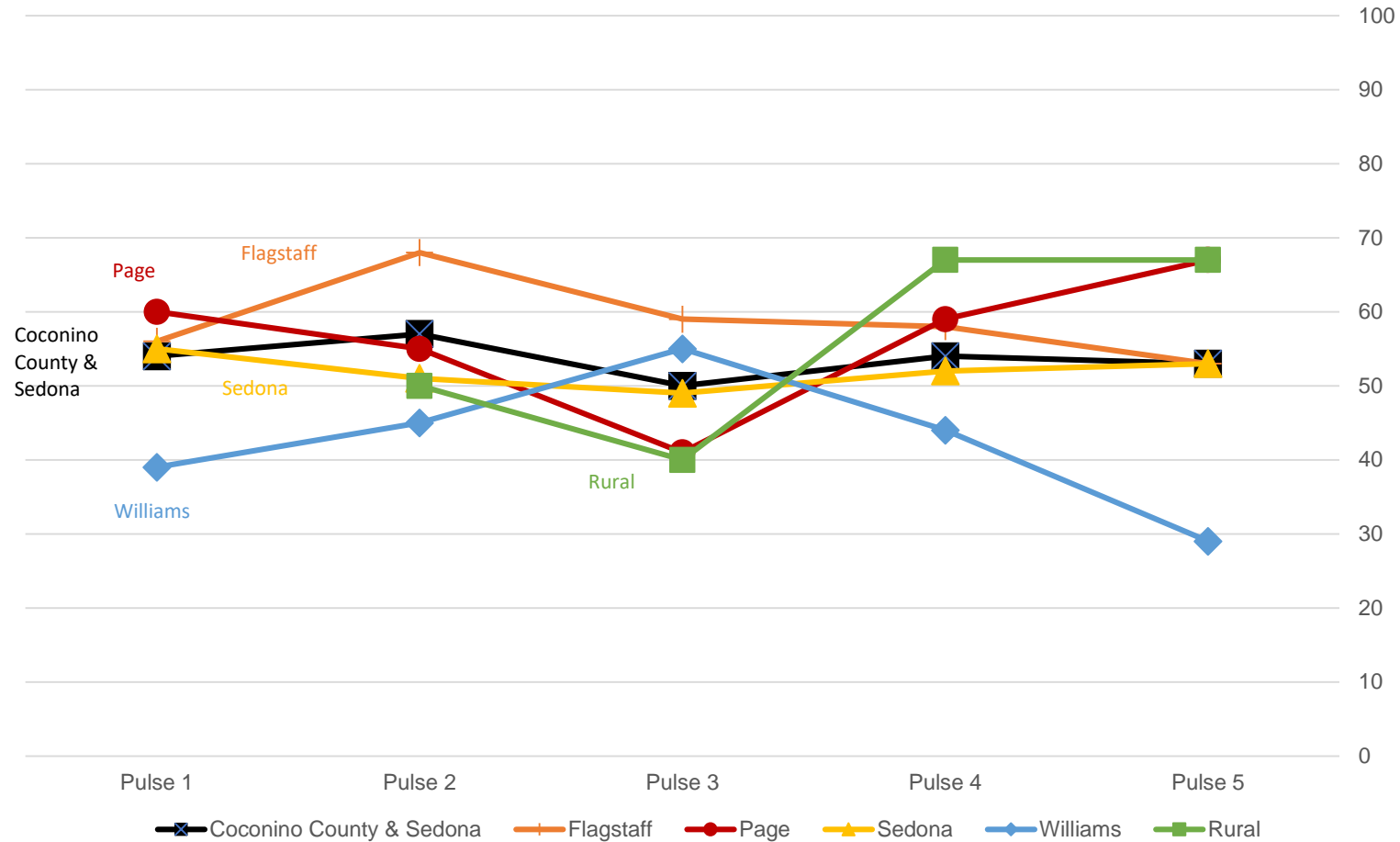
Coconino County and Sedona Percent Change in Revenue



Coconino County and Sedona Percent Layoffs/Furloughs

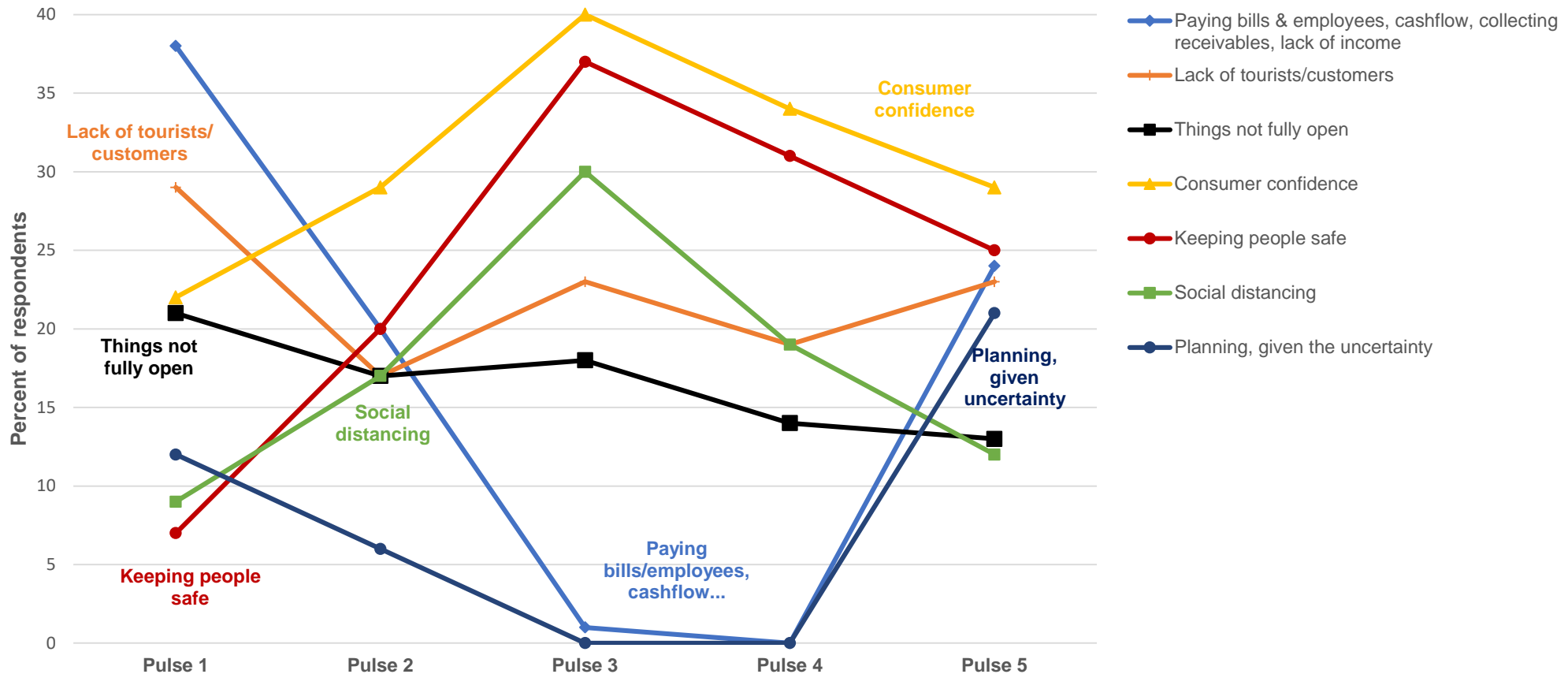


Coconino County and Sedona Percent Applied for Aid



Flagstaff

What is the biggest hurdle to the return of your business?



DOWNTOWN

Flagstaff

Pulse 5: September 8-17, 2020

What business sector is your organization in? (N=112)

	Column %
Other	1%
Manufacturing	2%
Transportation	2%
Commercial Rental	3%
Tourism/Attractions	6%
Lodging/Hotel	7%
Restaurant/Prepared Food	10%
Supplier	
Construction	10%
Professional	12%
Retail	13%
Medical	13%
Services	23%
Total	100%

Downtown Flagstaff

Pulse 5: September 8-17, 2020

What business sector is your organization in? (N=30)

	Column %
Commercial Rental	3%
Construction	3%
Lodging/Hotel	7%
Professional	10%
Retail	17%
Medical	17%
Services	17%
Restaurant/Prepared Food	27%
Supplier	
Manufacturing	0%
Transportation	0%
Tourism/Attractions	0%
Other	0%
Total	100%

DOWNTOWN

Flagstaff

Pulse 5: September 8-17, 2020

Which business sector is your organization in
by are you open for business? (N=112)

Are you open for business?

	No, perm. closed Row %	No, temp. closed Row %	Yes, partially open Row %	Yes, fully open Row %
Lodging/Hotel			13%	88%
Restaurant/Prepared Food Supplier			82%	18%
Commercial Rental				100%
Construction			9%	91%
Retail			29%	71%
Manufacturing				100%
Transportation				100%
Medical		21%	21%	57%
Tourism/Attractions		14%	86%	
Services	4%	15%	38%	42%
Professional			38%	62%
Other			100%	

Downtown Flagstaff

Pulse 5: September 8-17, 2020

Which business sector is your organization in
by are you open for business? (N=30)

Are you open for business?

	No, perm closed Row %	No, temp. closed Row %	Yes, partially open Row %	Yes, fully open Row %
Lodging/Hotel				100%
Restaurant/Prepared Food Supplier			100%	
Commercial Rental				100%
Construction				100%
Retail			40%	60%
Manufacturing				
Transportation				
Medical		20%	20%	60%
Tourism/Attractions				
Services		20%	60%	20%
Professional			33%	67%
Other				

DOWNTOWN

Flagstaff

Pulse 5: September 8-17, 2020

Which business sector is your organization in by operating capacity (N=99) and revenue (N=96) compared to normal?

	Percent Operating Capacity Mean	Percent Change in Revenue Mean
Commercial Rental	90%	3%
Construction	79%	-4%
Professional	78%	-8%
Retail	73%	-6%
Medical	72%	-32%
Services	70%	-20%
Lodging/Hotel	62%	-39%
Other	61%	-47%
Manufacturing	56%	-55%
Transportation	55%	-47%
Restaurant/Prepared Food Supplier	52%	-36%
Tourism/Attractions	44%	-64%

Downtown Flagstaff

Pulse 5: September 8-17, 2020

Which business sector is your organization in by operating capacity (N=26) and revenue (N=26) compared to normal?

	Percent Operating Capacity Mean	Percent Change in Revenue Mean
Construction	100%	22%
Professional	90%	15%
Commercial Rental	79%	-18%
Medical	74%	-29%
Retail	66%	-19%
Services	56%	-36%
Restaurant/Prepared Food Supplier	48%	-33%
Lodging/Hotel	47%	-45%
Other	.	.
Tourism/Attractions	.	.
Transportation	.	.
Manufacturing	.	.

Flagstaff

Pulse 5: September 8-17, 2020

Have you let any workers go as a result of the economic downturn, if so how many by organization sector? (N=32)

If you had to let workers go, how many did you let go?

	Responses	Average number of laid off workers	Total laid off workers
Lodging/Hotel	5	27	136
Restaurant/Prepared Food Supplier	8	21	165
Commercial Rental	0	.	.
Construction	0	.	.
Retail	4	1	5
Manufacturing	0	.	.
Transportation	1	4	4
Medical	2	2	3
Tourism/Attractions	5	4	18
Services	5	5	25
Professional	1	1	1
Other	1	1	1

Downtown Flagstaff

Pulse 5: September 8-17, 2020

Have you let any workers go as a result of the economic downturn, if so how many by organization sector? (N=13)

If you had to let workers go, how many did you let go?

	Responses	Average number of laid off workers	Total laid off workers
Lodging/Hotel	1	30	30
Restaurant/Prepared Food Supplier	6	26	156
Commercial Rental	0	.	.
Construction	0	.	.
Retail	1	1	1
Manufacturing	0	.	.
Transportation	0	.	.
Medical	2	2	3
Tourism/Attractions	0	.	.
Services	2	4	7
Professional	1	1	1
Other	0	.	.

DOWNTOWN

Flagstaff

Pulse 5: September 8-17, 2020

If you let workers go as a result of the economic downturn, what percent did you hire back?

(N=24)

If you let workers go, and you hired some back, what percent did you hire back?

	Responses	Average percent hired back
Lodging/Hotel	4	47%
Restaurant/Prepared Food Supplier	7	43%
Commercial Rental	0	.
Construction	1	1%
Retail	3	81%
Manufacturing	0	.
Transportation	0	.
Medical	0	.
Tourism/Attractions	4	55%
Services	3	46%
Professional	1	99%
Other	1	100%

Downtown Flagstaff

Pulse 5: September 8-17, 2020

If you let workers go as a result of the economic downturn, what percent did you hire back?

(N=10)

If you let workers go, and you hired some back, what percent did you hire back?

	Responses	Average percent hired back
Lodging/Hotel	1	19%
Restaurant/Prepared Food Supplier	5	59%
Commercial Rental	0	.
Construction	0	.
Retail	2	71%
Manufacturing	0	.
Transportation	0	.
Medical	0	.
Tourism/Attractions	0	.
Services	1	51%
Professional	1	99%
Other	0	.

Flagstaff

How can city and/or county leaders assist in the recovery of your business?

Have them reach out.

Do not raise minimum wage. Encourage people to get out and travel.

Let our customers assume the risks themselves instead of making us close down.

Thanks for your concern. There is assumed risk in business, that is part of free enterprise and our capitalist system. I don't feel things of this nature should be your focus.

Please continue to implement measures to keep people safe.

Bring more tourists in winter months - maybe a designated snow play area. Without foreign tourists, we need to figure out how to market to guests that can drive here and spend money in our town.

Keep parking free and suspend business license fees.

Establish clear guidelines to move forward.

Enforce rules and regs to encourage consumer confidence.

Find ways of keeping NAU accountable to mitigate the risk to our community.

Loosen regulations for enclosed patio dining. Allow for flexibility for pop-up kitchens and food trucks on city property.

Do not limit capacity for outdoor recreational attractions.

Fully reopen our community.

Better communication on when COVID restrictions will be reduced. Give accurate information to people and let them make decisions.

Restaurants do not have a business model that works at 50% capacity. We need to have all restrictions removed, as they are completely out of proportion to the current COVID threat.

Creating a newspaper that's available to the consumer and the public. Allowing consumers to publicize their location, hours of operation, and website.

Grant money. Tax breaks. Government funding.

Support local government and laid off employees.

Lower property taxes.

We need alternative solutions that keep businesses open and ensure public safety at the same time. i.e. Outdoor dining, block off downtown streets so that businesses can move outdoors.

Continue to promote Flagstaff. Get employees and community to support local restaurants.



Economic Policy Institute

QUESTIONS/COMMENTS/CONCLUSION

NOTE: PULSE-BY-PULSE DATA AVAILABLE AT

**[https://in.nau.edu/economic-policy-
institute/covid-19](https://in.nau.edu/economic-policy-institute/covid-19)**

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Heidi Hansen, Economic Vitality Director
Date: 09/18/2020
Meeting Date: 09/29/2020



TITLE:

Flagstaff Local - My Actions Matter Movement Results and Path Forward

DESIRED OUTCOME:

Council to provide feedback on the Flagstaff Local - My Actions Matter movement results and path forward.

EXECUTIVE SUMMARY:

The **Flagstaff Local - My Actions Matter** movement was created as a result of a request from our previous city manager. The Economic Vitality Division, the marketing arm for the City, was asked to work on messaging to our community on the importance of shopping locally.

The Economic Vitality Director gathered a team consisting of staff from the Convention and Visitor Bureau, Community Investment, and Library programs to begin working on the request. To gain more insight into the subject, we included other partners in the discussion, such as the Downtown Business Alliance and Northern Arizona University. Additional meetings with partners such as the Flagstaff Chamber of Commerce, Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA), and more also occurred where we sought input and shared the concept of the program we were putting together.

After a series of team meetings, it was decided that a campaign on shopping local is important, but there are additional issues and actions that also need attention and can be included in our overall messaging to the community. From that, we came up with the following actions: shop Flagstaff, volunteer, be eco-friendly, donate, support education, mentor, and vote. While putting together the campaign, the team realized it was more than a campaign; it needed to be a real movement. A movement where our community shares and works toward common goals for a stronger outcome.

In summary, Staff will present our first year's results as well as a Phase II approach for the future of the program. This approach will share how we plan to educate, motivate, and engage our existing audience as well as work to gain a larger interest community-wide.

INFORMATION:

Background: The following explains the **Flagstaff Local - My Actions Matter** movement: (This information resides on the flagstafflocal.com website)

Flagstaff Local - My Actions Matter is a community movement that encourages and celebrates residents that choose to shop Flagstaff, volunteer, be eco-friendly, donate, support education, mentor, and vote. By taking part in the Flagstaff Local movement, you are connecting what you love about Flagstaff and living here, with your everyday actions.

Choosing to buy coffee from a neighborhood coffee house or buying your next vehicle from a Flagstaff dealer directly results in your money staying here. Simply said, when you spend in Flagstaff, your money stays in Flagstaff. Equally important, when you volunteer, be eco-friendly, donate, support education, mentor, and vote you are also contributing to everyone's overall quality of life.

You love Flagstaff. We love Flagstaff. Let's come together, share our actions, and be the city where people continue to visit, discover, grow, and thrive.

Shop Flagstaff: By shopping Flagstaff you support all of the working people of this amazing community. Experience the excellent and readily available customer service, plus that unexpected "find". Whether you want information on a product or need to return merchandise, brick-and-mortar stores are generally faster and easier to deal with compared to online stores.

You can: Learn about the local businesses and get to know the community members that work there, use local services whenever possible, support restaurants that source part or all of their product locally which makes a smaller carbon footprint, bank locally which translates to more personal service, and the list of reasons to shop local goes on.

Volunteer: By volunteering you learn new skills, connect to your community, and make it a better place. People who engage in altruistic activities report a greater sense of purpose and meaning in their lives.

You can: Connect with any of our 300+ non-profit organizations, care for a rescue animal, be company for a senior, lend time to our libraries, and offer your professional skill set to a charity.

Be Eco-friendly: Environmentally friendly people recycle, conserve water and fuel, and make conscious choices that lessen their impact on the environment.

You can: Purchase sustainable products, re-use and recycle, pick up trash when walking or hiking, work with our sustainability organizations on how to make your home or office eco-friendlier, choose to bike, carpool or take the bus when possible.

Donate: Giving makes you happy. Donating to the causes you care about not only benefits the charities themselves, but it can be deeply rewarding for you, too. Millions of people give to charity with time, talent, and treasure to support causes they believe in, as well as for the positive effect it has on their own lives and community.

You can: Donate to a non-profit, school, or organization of your choice.

Support Education: Education benefits children, society, and the world as a whole. It enables children to thrive and adults to read, learn, reason, communicate, and make informed choices about their lives.

You can: Volunteer in a classroom or a lunchroom, serve as a chaperone on a school field trip or assist in a technology lab, and encourage students to utilize library resources.

Mentor: Be a source of wisdom, knowledge, and support. Share your experiences to foster professional development and positive growth.

You can: Enhance relationships within your community, gain a better understanding of other cultures,

develop a greater appreciation for diversity, and help change someone else's life for cultures, and help change someone else's life for the better.

Vote: Voting matters. Your vote is your voice. Vote so you can support the ideas, philosophy and public policy you believe in and be the change you want to see.

You can: Register to vote, educate yourself about the candidates and issues, cast your vote in person or by mail.

Marketing to the community: To help our community understand the **Flagstaff Local - My Actions Matter** movement, we performed marketing and outreach that shared how community members can get involved, why they want to be involved, and the steps to share their actions. We will also explained how a local could sign up, log their actions, earn points and be rewarded which are elements to the overall movement. We also shared stories from our locals about the reward of giving back. The movement is ongoing, but the reward aspect of the movement went from mid-November 2019 to June 2020.

Geographic boundaries: Council agreed to use the Flagstaff Unified School District (FUSD) boundary map.

Attachments: Flagstaff Local Results and Path Forward

Flagstaff Local- My Actions Matter

Results and Path Forward





Flagstaff Local – My Actions Matter



. . . a movement, not just a campaign

My actions matter

WHO: Flagstaff Local is a community movement that encourages and celebrates residents that choose to shop Flagstaff, volunteer, be eco-friendly, donate, support education, mentor and vote. By taking part in the Flagstaff Local movement, you are connecting what you love about Flagstaff and living here, with your everyday actions.

WHY: Choosing to buy coffee from a neighborhood coffee house or buying your next vehicle from a Flagstaff dealer directly results in your money staying here. Simply said, when you spend in Flagstaff, your money stays in Flagstaff. Equally important, when you volunteer, be eco-friendly, donate, support education, mentor, and vote you are also contributing to everyone's overall quality of life.

You love Flagstaff. We love Flagstaff. Let's come together, share our actions, and be the city where people continue to visit, discover, grow, and thrive.



Flagstaff Local – My Actions Matter



WHAT:



SHOP FLAGSTAFF



VOLUNTEER



BE ECO-FRIENDLY



DONATE



SUPPORT EDUCATION



MENTOR



VOTE



... a movement, not just a campaign

How it works:

It's simple...

1. Sign up at flagstafflocal.com.
2. Share your actions.
3. Earn Points.
4. Be Rewarded.



Flagstaff Local – My Actions Matter



. . . a movement delivering brand awareness

Target Audience:

Flagstaff residents who value our environment, our people, and our overall quality of life.

Timeline:

October 30 – November 15, 2019: Introductory with program education.

November 16, 2019 – June 1, 2020: Movement participation dates.

June 6: Grand prize awarded during Flagstaff Hullabaloo.



Flagstaff Local – My Actions Matter



FLAGSTAFF LOCAL
My actions matter

TAKE ACTION

- SHOP FLAGSTAFF
- VOLUNTEER
- BE ECO-FRIENDLY
- DONATE
- SUPPORT EDUCATION
- MENTOR
- VOTE

**EARN POINTS
BE REWARDED**

**Sign-up at
flagstafflocal.com**

Premier reward sponsor:  **pepsi**

Reward sponsors:  

Brought to you by the City of Flagstaff |  @FlagLocal

Deborah,
community organizer

*"Bringing people together
creates a stronger and more
vibrant community."*



FLAGSTAFF LOCAL
My actions matter

TAKE ACTION

- SHOP FLAGSTAFF
- VOLUNTEER
- BE ECO-FRIENDLY
- DONATE
- SUPPORT EDUCATION
- MENTOR
- VOTE

**EARN POINTS
BE REWARDED**

**Sign-up at
flagstafflocal.com**

Premier reward sponsor:  **pepsi**

Reward sponsors:  

Brought to you by the City of Flagstaff |  @FlagLocal

Jay,
third generation Ulibarri

*"My family supports education by
teaching and volunteering at local
schools and attending NAU."*



FLAGSTAFF LOCAL
My actions matter

TAKE ACTION

- SHOP FLAGSTAFF
- VOLUNTEER
- BE ECO-FRIENDLY
- DONATE
- SUPPORT EDUCATION
- MENTOR
- VOTE

**EARN POINTS
BE REWARDED**

**Sign-up at
flagstafflocal.com**

Premier reward sponsor:  **pepsi**

Reward sponsors:  

Brought to you by the City of Flagstaff |  @FlagLocal

Gene,
citizen of the year

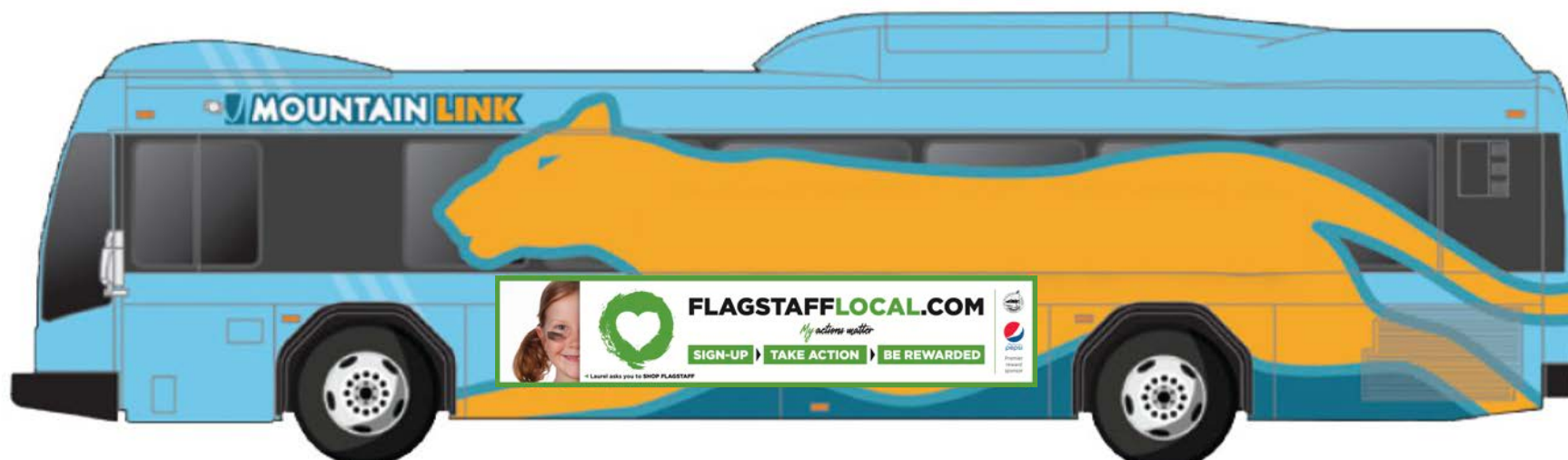
*"My most rewarding time is reading
to the young children at
our local schools."*



Flagstaff Local – My Actions Matter



9 NAIPTA buses, king panels and tails





◀ Sarah asks you to **SHOP FLAGSTAFF**



FLAGSTAFFLOCAL.COM

My actions matter

SIGN-UP ▶ **TAKE ACTION** ▶ **BE REWARDED**



Premier reward sponsor



Flagstaff Local – My Actions Matter



Flagstafflocal.com

Bill stuffers

TAKE ACTION. EARN POINTS. BE REWARDED.

OUR RESIDENTS ARE CENTRAL TO THIS MOVEMENT

FLAGSTAFF LOCAL IS A COMMUNITY MOVEMENT that encourages and celebrates residents that choose to Shop Flagstaff, Volunteer, Be Eco-Friendly, Donate, Support Education, Mentor, and Vote. By taking part in the Flagstaff Local movement, you are connecting what you love about Flagstaff and living here, with your everyday actions.

SHOP FLAGSTAFF VOLUNTEER BE ECO-FRIENDLY
DONATE SUPPORT EDUCATION MENTOR VOTE

SIGN UP TO JOIN THE MOVEMENT

No purchase necessary. Must be a resident in one of these ZIP codes to qualify for rewards: 86001, 86004, 86005, 86033, 86051.

Name

☐ I am 21 years or older

☐ I am 20 years or younger

If 17 years or younger, I confirm that I have parental/guardian permission. Age 20 and younger are eligible to win prizes valued up to \$10 and are not eligible for the grand prize drawing.

☐ I am a City of Flagstaff Employee

City employees are eligible for the weekly drawings but are excluded from the grand prize drawing.

Email

SIGN UP

EARN POINTS

Voluntarius est enim sapienter quando aliquando inus ita bene videtur, officii autem et hinc solutur
sorum sequitur enim et in rebus non sequi amodo cum ipse Flagstaff doliqutiles di

Welcome to the Flagstaff Local rewards tracker.

Take an action and show your participation by uploading a picture. Learn more about actions here.

97 : 00 : 38 : 29

Days Hours Minutes Seconds

FLAGSTAFF LOCAL

My actions matter

	Shop Flagstaff	5 POINTS
	Volunteer	2 POINTS
	Be Eco-Friendly	2 POINTS
	Donate	5 POINTS
	Support Education	2 POINTS
	Mentor	2 POINTS
	Vote	10 POINTS
	Share entry	1 POINTS

Details	Points	Balance
There remains 27	Earn points	Total remains 41
Sign out		Flagstafflocal.com / Privacy

Content powered by Rewards Fuel

[TAKE ACTION](#) | [ABOUT](#) | [PARTNERS](#) | [PRIZES](#) | [EARNING POINTS](#) | [FAQ/CONTACT](#) | [PRIVACY POLICY](#)

Brought to you by the City of Flagstaff and our partners to highlight the importance of keeping our collective actions local.

1 1/4" x 4 1/2"

When you spend in Flagstaff, your money stays in Flagstaff. Equally important, when you volunteer, be eco-friendly, donate, support education, mentor, and vote, you are also contributing to everyone's overall quality of life.

JOIN THE *free* MOVEMENT

Flagstaff Local encourages and celebrates residents that choose to shop Flagstaff, volunteer, be eco-friendly, donate, support Education, mentor, and vote. By taking part, you are connecting what you love about Flagstaff and your everyday actions.

TAKE ACTION. EARN POINTS. BE REWARDED.

SIGN-UP: [FLAGSTAFFLOCAL.COM](#)

One of many ways you can contribute and earn rewards within the DONATE pillar:

When you donate to qualified charitable organizations through the Flagstaff Tax Credit Coalition, you change lives and can claim a dollar-for-dollar state tax credit of up to \$800 if married filing jointly, or \$400 if filing individually. Donate securely online at [www.flagstafftaxcredit.org](#)



Flagstaff Local – My Actions Matter



Table tents



Window clings



Stickers



Customizable retail posters





Social Media Post: Flagstaff Local – My Actions Matter



Sign up for Flagstaff Local and be rewarded for your actions and get the chance to win tons of awesome prizes. Flagstaff Local is a community movement that encourages and celebrates residents that choose to Shop Flagstaff, Volunteer, Be Eco-Friendly, Donate, Support Education, Mentor, and Vote. By taking part in the Flagstaff Local movement, you are connecting what you love about Flagstaff and living here, with your everyday actions.

Here's a look at this week's prizes:

2... See More



1,522
People Reached

84
Engagements

Boost Post



Mayor Coral Evans is asking you to Take the Pledge, the time is now. [#WeareFlagstaff](#) [#FlagstaffStrong](#) [#FlagstaffProud](#)



FLAGSTAFFLOCAL.COM

Take the Pledge

Learn More

2,077
People Reached

318
Engagements

Boost Again



Still looking for a way to support local businesses and help out in the community? For every meal purchased, [Diablo Burger](#) will donate one meal to a local emergency room or an organization feeding hungry school kids or other under-served populations in our community. [#donateFlagstaff](#) [#FlagstaffStrong](#) [#WeAreFlagstaff](#) [#FlagstaffLocal](#)



Diablo Burger

April 6 · Instagram ·

Thanks to the support of our loyal customers, we were able to feed 49 nurses across various departments in the Flagstaff Medical Center this past weekend. More d... See More

225
People Reached

28
Engagements

Boost Unavailable



We businesses who support first responders. The Home Depot is donating N95 masks to the Flagstaff Police Department, who are continuing their jobs and protecting our community. Stay strong Flagstaff. [#Flagstafflocal](#)



Flagstaff Police Department is at The Home Depot (1325 W Route 66, Flagstaff, AZ).

March 25 · Flagstaff ·

We have the best community! The Flagstaff Police Department would like to thank Home Depot for donating N95 masks. They will not go unused and will be put to ... See More

224
People Reached

16
Engagements

Boost Unavailable



Social Media Post: Flagstaff Local – My Actions Matter



Flagstaff Local
May 12 · 🌐

We ❤️ the donating spirit in our community. Don't forget to upload your donation as a photo or receipt to [FlagstaffLocal.com](https://www.flagstafflocal.com) so we can reward you for your great community spirit!



Diablo Burger

May 8 · Instagram · 🌐

The donations haven't stopped! Last we we provided 40 meals to the healthcare workers in the COVID units at Flagstaff Medical Center. 🍔

Thank you Tucson and... See More

143
People Reached

6
Engagements

Boost Unavailable

Flagstaff Local
August 18 · 🌐

"My lemonade stand raised money to help my friend in need."

Your donation = 😊

Sydney - Fundraiser extraordinaire

Your actions matter more than ever! <https://www.flagstafflocal.com/>
... See More



417
People Reached

39
Engagements

Boost Post

Flagstaff Local
June 23 · 🌐

The Flagstaff Local Grand Rewards winners were randomly selected from a pool of qualifiers. We would like to congratulate our grand prize winner Myrna on winning Pepsi Summer Retreat Package and \$1,000 cash. <https://www.flagstafflocal.com/> Flagstaff Visitor Center
Nackard Pepsi Bottling #Flagstafflocal #myactionsmatter #FlagstaffStrong



1,760
People Reached

245
Engagements

Boost Post

Flagstaff Local
May 29 · 🌐

"I encourage youth in the classroom and the theater to become future leaders."

- Jamey, advocate

Take action, earn points and be rewarded! Take the Pledge! Sign up here: <https://www.flagstafflocal.com/>... See More



191
People Reached

10
Engagements

Boost Post



Flagstaff Local – My Actions Matter



Harkins video to be shown during presentation



Flagstaff Local – My Actions Matter



846 SIGN-UPS!





Flagstaff Local – My Actions Matter



Ways to earn Rewards

- Sign-Up/Take the Pledge
- Earn Points

Over 200 rewards donated

- Weekly drawings
- 3 Grand Prize winners





Results: Flagstaff Local – My Actions Matter



First Reward Prize Winner
Myrna Rodriguez Carter



Second Reward Prize Winner
Doug Arnett



Third Reward Prize Winner
Mark Cox





Sign-up Statistics: Flagstaff Local – My Actions Matter



Contest audience

Audience	Number Of Visits
Female 25-34	339
Female 45-54	300
Female 35-44	276
Male 25-34	228
Female 55-64	210
Male 35-44	153
Female 65+	147
Male 45-54	141
Male 55-64	129
Female 18-24	103

Device summary

4,501

Desktop Views

268

Tablet Views

2,912

Mobile Views

Contest summary

7,681

Contest Views

7,591

Contest Entries



Results: Flagstaff Local – My Actions Matter



SHOP FLAGSTAFF

5,800 Entries Points

1,160 Entries

\$128,099 spent locally



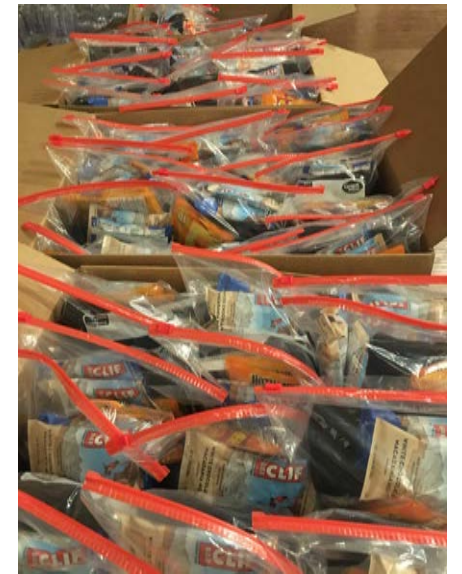


Results: Flagstaff Local – My Actions Matter



DONATE

275 Entries Points 55 Entries



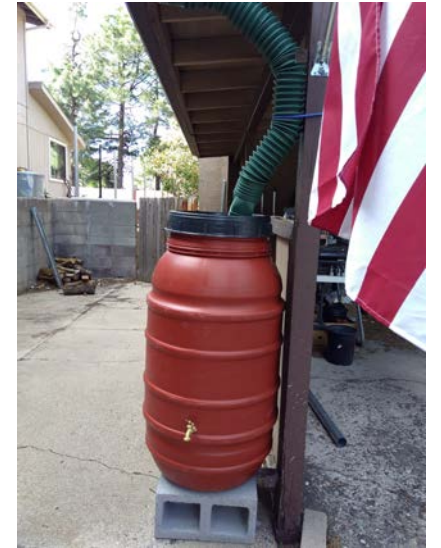


Results: Flagstaff Local – My Actions Matter



BE ECO-FRIENDLY

232 Entries Points
116 Entries



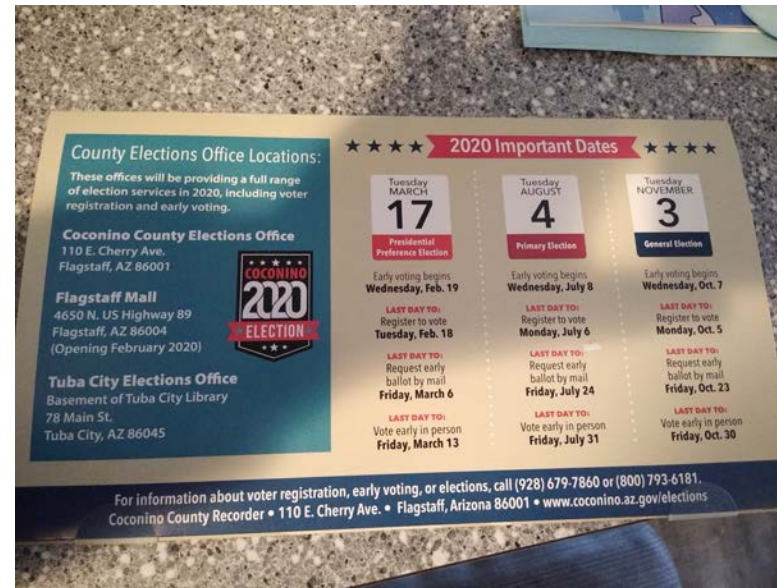


Results: Flagstaff Local – My Actions Matter



VOTE

220 Entries Points
22 Entries





Results: Flagstaff Local – My Actions Matter



VOLUNTEER

142 Entries Points

71 Entries





Results: Flagstaff Local – My Actions Matter



SUPPORT EDUCATION

58 Entries Points
29 Entries





Results: Flagstaff Local – My Actions Matter



MENTOR

20 Entries Points
10 Entries





Survey Information: Flagstaff Local – My Actions Matter



Do you agree or disagree with the following statement:
Logging into the flagstafflocal.com website was easy and convenient.

Strongly agree	22.8%
Agree	38.0%
Neither agree or disagree	26.1%
Disagree	12.0%
Strongly disagree	1.1%

“I had my login info saved so that made it easy.”

“Somewhat slow loading and hard to navigate.”

“It remembered my password, everything was easy.”



Survey Information: Flagstaff Local – My Actions Matter

Do you agree or disagree with the following statement:

The process of uploading “actions” such as photos and receipts was easy and convenient.

Strongly agree	14.1%
Agree	19.6%
Neither agree or disagree	42.4%
Disagree	18.5%
Strongly disagree	5.4%

“Not a hard process, but too busy to take the time most of the time. I was a bit nervous about sharing receipts with name, etc. in a public forum.”

“I never did this. It seemed bothersome to me, and I lose interest if things seem too complex and I don't have enough time.”

“Never did it. I encourage the power of technology but having a non-tech version would be great.”



Survey Information: Flagstaff Local – My Actions Matter



Do you agree with the following statement: I would have logged more actions if an App were available.

Yes	46.7%
No	22.8%
Not Sure	30.4%

“It wasn't totally difficult, but it was more effort than an app.”

“Didn't have any trouble logging in.”

“I would log in and have all my 'actions' ready at once, so I didn't have to go in and out of the website.”



Survey Information: Flagstaff Local – My Actions Matter



What would you like to see added to the program in the future?

“I love the concept of acting and shopping locally, and the lovely graphics and intent. The video and visuals are beautifully done. I just did not have the bandwidth to engage as I'd hoped.”

“Notifications would have been very helpful for my memory.”

Were the rewards an incentive to participate?

Yes	62.0%
No	38.0%



Survey Information: Flagstaff Local – My Actions Matter



What did "Flagstaff Local - My Actions Matter" movement mean to you?

"It reminded me how much the community of Flagstaff looks out for each other."

"A chance to support our community and local businesses."

"Locals supporting locals. I like seeing faces I recognize."

"It moved the entire community to action should they have joined."

"I thought this was a GREAT movement. Given the pandemic circumstances, it is more important than ever to support local businesses."

"We tried to focus on expanding how much we spend on local, small businesses as a means to support neighbors and community members."



Survey Results: Flagstaff Local – My Actions Matter



How did you learn about “Flagstaff Local – My Actions Matter” movement?

Social Media (Facebook, Instagram, Twitter)	28.3%
Arizona Daily Sun	25.1%
Referred by a friend	18.6%
Mountain Line buses	7.7%
Flagstaff Business News	7.6%
KAFF / The Mountain radio stations	5.3%
Mayor Evans video and pledge	5.2%
KOLT / The Wolf / The Talker radio stations	2.2%



Path Forward: Flagstaff Local - My Actions Matter



Flagstaff Local - PHASE II

- Recommending to move away from what was perceived to be a rather cumbersome point tracking system.
- Phase II will be focused on social media.
- Social media allows us to engage with an already existing and larger audience and to grow it, while providing an easy and more effective way for engagement.



Path Forward: Flagstaff Local - My Actions Matter



Flagstaff Local - PHASE II:

More social platforms

Facebook	957
Instagram	1,027
Twitter	133

Total	2,117
--------------	--------------

Website

Flagstafflocal.com will continue to be live and encourage the pledge and also serve as a platform to engage.

E-Newsletter

We will stay engaged with the **846 participants** via e- newsletters.

Visitor Center assistance

The Visitor Center will continue accommodate submissions from individuals that may not have access to computers, smart devices or the internet.



Path Forward: Flagstaff Local - My actions matter



Flagstaff Local - PHASE II:

Educate, Motivate and Engage

Timeline:

October 2020 - June 2021

Strategy:

- To educate on all the pillars via social posts.
- To motivate through actions taken and local opportunities via social posts.
- Monthly engagement giveaway; residents can engage by posting any actions on any of the pillars, by entering into the giveaway on any of the three social media channels or through the website and will then be entered for a chance to win rewards.

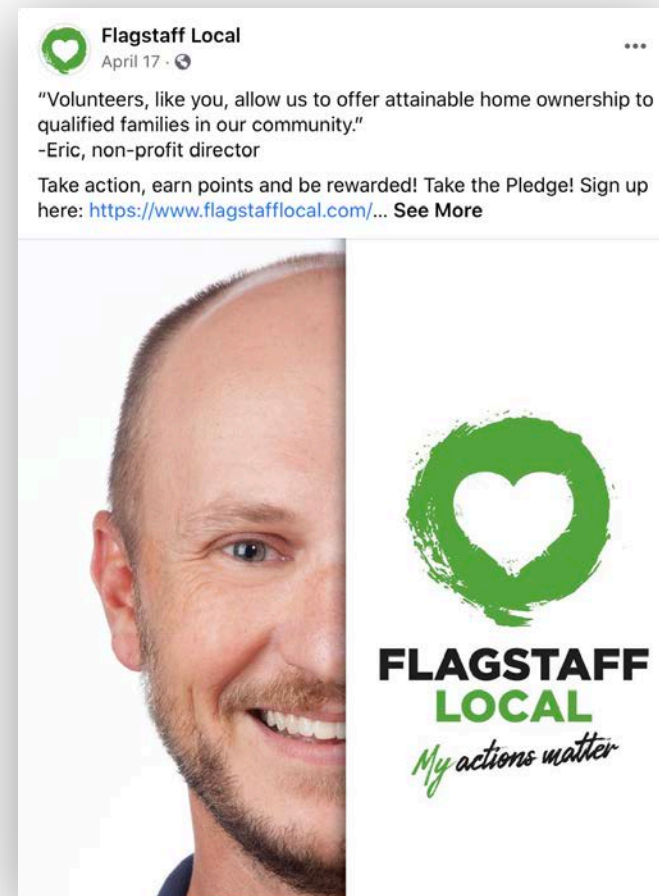
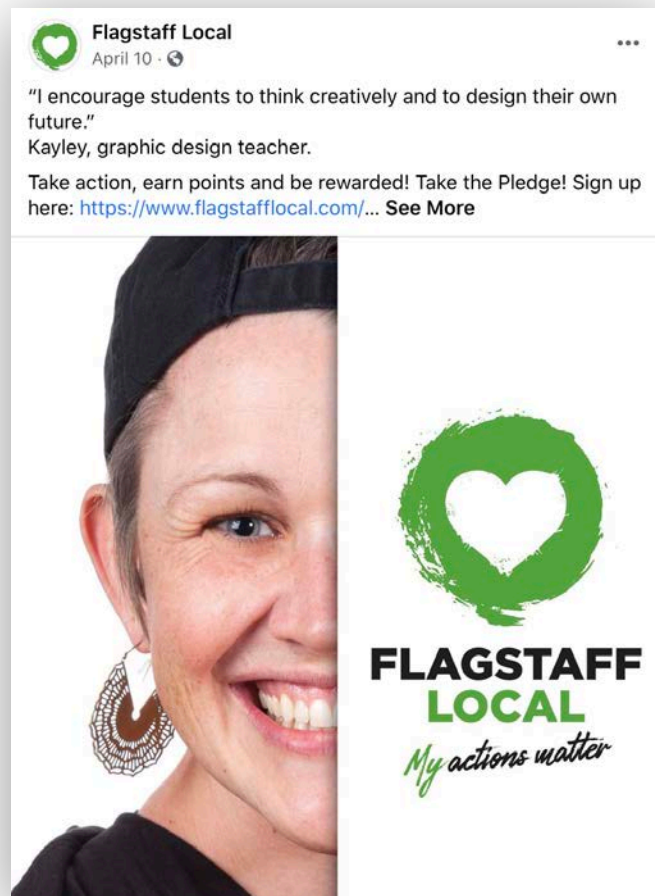
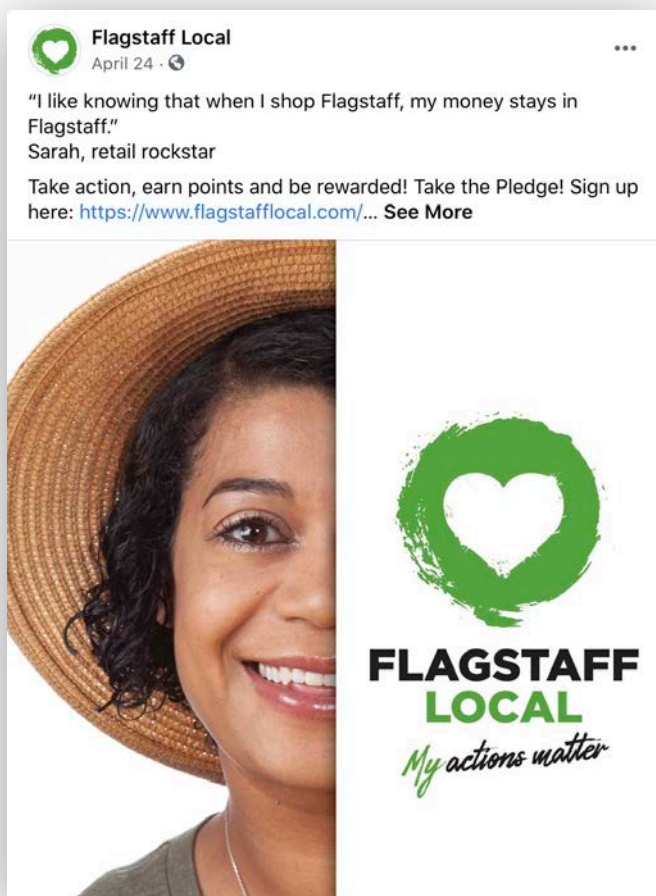


Path Forward: Flagstaff Local - My Actions Matter



Educate -

To educate on all the pillars via social posts.



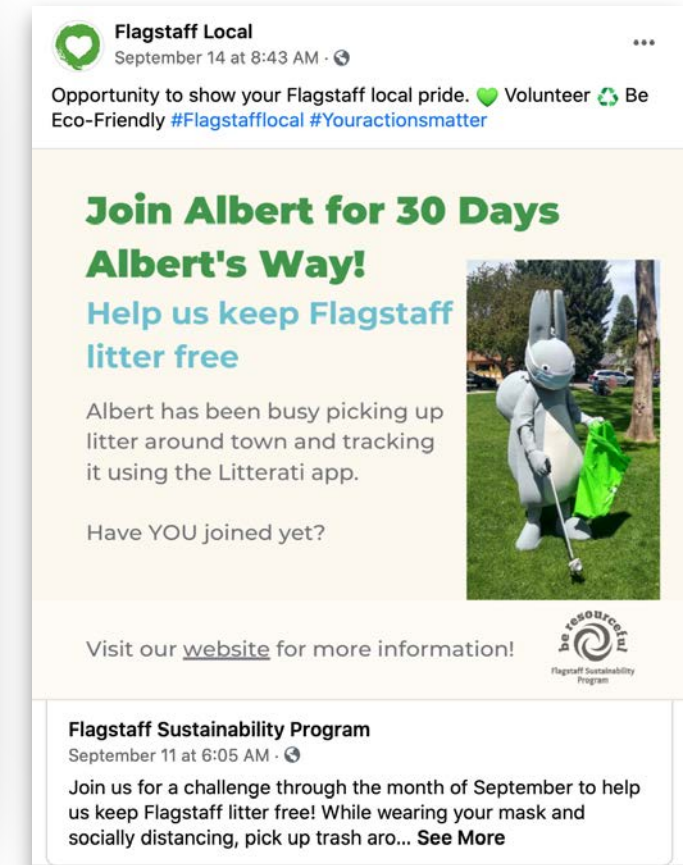


Path Forward: Flagstaff Local - My Actions Matter



Motivate -

To motivate through actions taken and local opportunities via social posts.





Path Forward: Flagstaff Local - My Actions Matter



Engage -

Monthly acts of engagement giveaway

Accessible through social channels on Facebook, Instagram, Twitter and the website.

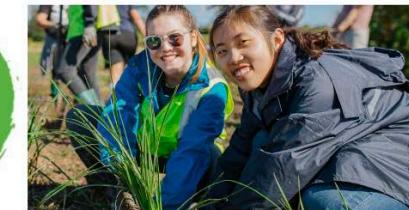
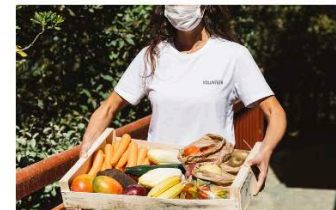
Residents may submit a photo, video or a brief description of how they engaged with any of the pillars that they would like to share to be entered for a chance to win.

SEND US YOUR BEST PHOTO OF YOU MAKING YOUR ACTIONS MATTER

By the end of the month:

A random winner

will be awarded great local prizes!



Get a photo of yourself doing amazing things to show your Flagstaff Local Pride: Shop Flagstaff, Volunteer, Be Eco-Friendly, Donate, Support Education, Mentor, and Vote.

www.flagstafflocal.com



SHOP FLAGSTAFF ♥ VOLUNTEER ♻️ BE ECO-FRIENDLY
DONATE 🎓 SUPPORT EDUCATION 🧠 MENTOR 🗳️ VOTE



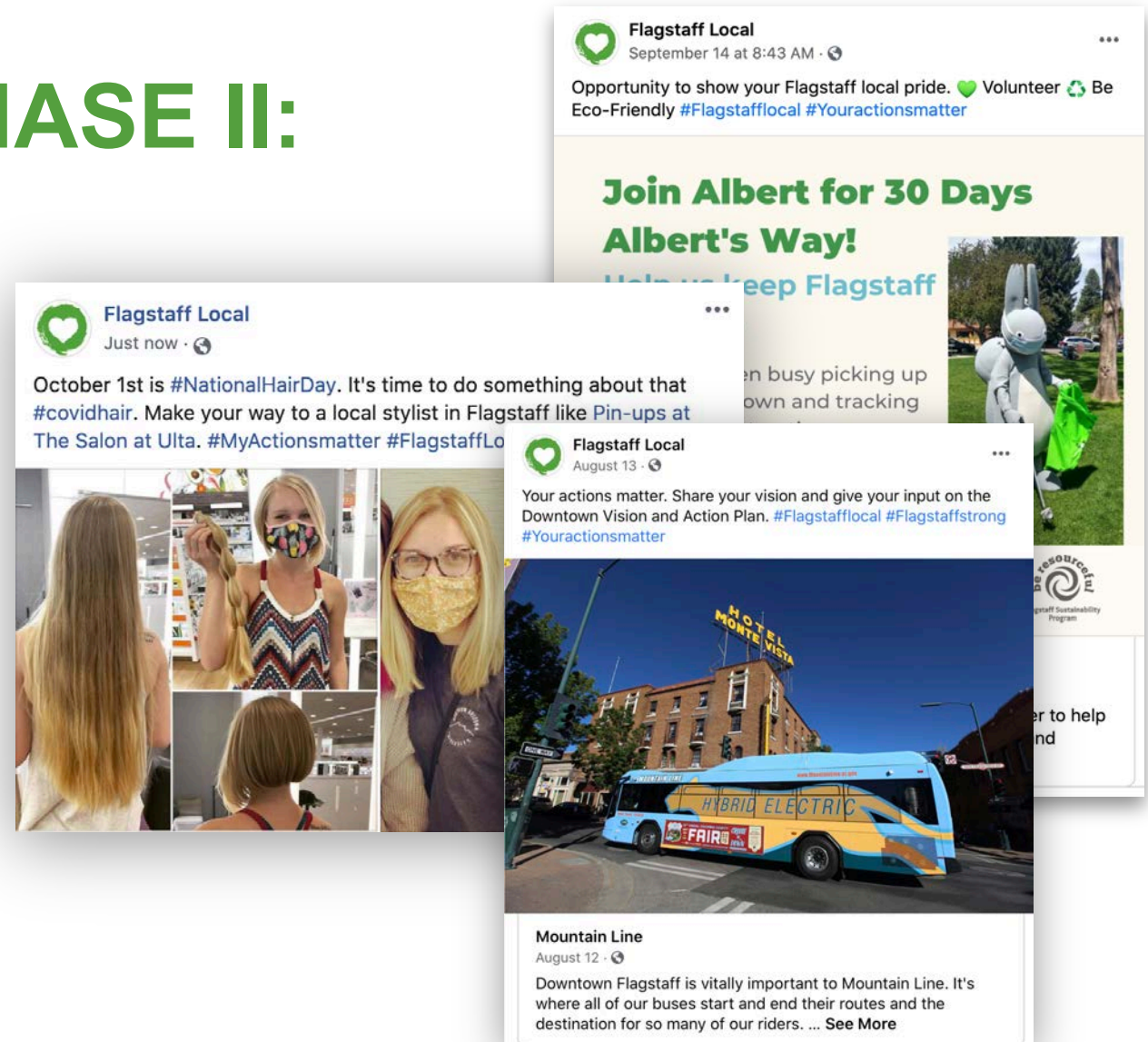
Path Forward: Flagstaff Local - My Actions Matter



Flagstaff Local - PHASE II:

Acts of engagement social posts examples:

- We will promote voting by encouraging sharing.
- We post about national holidays that encourages acting on our pillars.
- We post about events at local businesses and non-profits and encourage sharing engagements.



Thank You



FLAGSTAFF
LOCAL
My actions matter

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 09/16/2020
Meeting Date: 09/29/2020



TITLE:

Discussion: Plan on how to move forward with the development of affordable housing on the Schultz Pass Parcel (the triangle at Schultz Pass Road at Hwy 180) including the discussion of a \$500K general obligation bond ballot question or something similar for repayment of affordable housing monies allocated/spent on Schultz Pass Property in a future election.

DESIRED OUTCOME:

Discussion and Possible Direction

EXECUTIVE SUMMARY:

Mayor Evans requested a Future Agenda Item Request to consider a plan on how to move forward with the development of affordable housing on the Schultz Pass Parcel (the triangle at Schultz Pass Road at Hwy 180) including the discussion of a \$500K general obligation bond ballot question or something similar for repayment of affordable housing monies allocated/spent on Schultz Pass Property in a future election.

INFORMATION:

To provide some history on this matter, a series of documents have been attached.

In 2017, Council engaged in a dialogue about a number of City parcels that could potentially be used for affordable housing purposes (scattered sites discussion). In June 2017 Council gave direction to staff to include the Schultz parcel in an RFP seeking proposals for affordable housing development on various City parcels. In July 2017, the Council directed staff to remove the parcel from the RFP.

A Citizen's Petition was submitted in July 2017 asking the Council to designate the Schultz Pass Parcel as open space. The Council chose not to take action on the petition and encouraged the public to seek a ballot initiative for voter approval to preserve that parcel as open space. In March of 2019 a Political Action Committee was formed for the purpose of gathering signatures for a ballot initiative. The deadline to present these signatures for the November 2020 election was July 2, 2020. The committee chose not to submit signatures at that time and are continuing to gather signatures.

Attachments: [2017 CCR](#)
[06/27/2017 - Scattered Sites Presentation](#)
[06.27.2017 Minutes](#)
[07.07.2017 Minutes](#)

CITY COUNCIL REPORT

DATE: June 20, 2017

TO: Mayor and Councilmembers

FROM: Mark Landsiedel, Community Development Director
Sarah Darr, Housing Director

CC: Josh Copley, Barbara Goodrich, Leadership Team

SUBJECT: Overview of History and Background for Schultz Pass Meadows
Affordable Housing Parcel and Specific Q&A

This report provides an overview of the history and background for the Schultz Pass Meadows affordable housing parcel and addresses some specific questions recently posed to staff. The resolutions, ordinances, reports, agendas and minutes referenced for this are too lengthy to attach but are available upon request.

Background and History of Schultz Pass Meadows

Schultz Pass Meadows was proposed by Big Corner LLC in 2005 and encompasses two parcels as shown on the attached map: Parcel A is a market rate subdivision and Parcel B was purchased for affordable housing. Parcel B is 3.06 acres and was offered to the City by the developer for \$140,200 for the purposes of affordable housing. In order for the proposed development to move forward, the land needed to be annexed into the City, the Regional Plan land use amended, the Urban Growth Boundary expanded and the parcels rezoned.

In evaluation of the offer to sell Parcel B to the City for affordable housing, preliminary site designs were prepared in-house by Karl Eberhard to demonstrate how up to 26 townhome style units could fit on the property.

As part of the rezoning process, the proposing developer was required to hold a **citizen participation meeting**. This meeting took place on July 18, 2005, and notice of the meeting was sent to all property owners within 300 feet of the proposed project site, plus the following organizations: Cheshire Park Townhouse Owners Association, Linwood Heights Homeowners Association and Friends of Flagstaff's Future. The resulting report is available to review upon request.

In addition to the required ads for the Planning and Zoning Commission public hearings noted below, a full color, full page fold out advertisement was published in the Arizona Daily Sun on October 9 and 19, 2005.

Planning and Zoning Commission held public hearings and considered the following items regarding the proposed Schultz Pass Meadows development on October 11 and November 8, 2005:

- Case PC LUP 05-005 Amending Regional Land Use & Transportation Plan to expand the urban growth boundary and changing land use designation from rural open space to low density residential and from neighborhood commercial to medium density residential - the motion was a tie vote (3-3) resulting from hesitation to bring land designated as Urban Commercial into the Growth Boundary if the pending annexation did not take place.
- Case PC REZ 05-006 Rezoning two properties to single family and medium density residential - the motion was unanimously approved.

Council considered and approved the following items concerning the proposed development of Schultz Pass Meadows:

- **Ordinance 2005-27** Annexing 11 acres
 - First read 12/13/2005
 - Second read and adoption 1/3/2006
- **Ordinance 2005-28** Rezoning the two parcels of land (Housing parcel was rezoned from Urban Commercial to Medium Density Residential)
 - Public Hearing 12/13/2005
 - First read 12/13/2005
 - Second read and adoption 1/17/2006
- **Resolution 2005-124** amending the Regional Plan land use designation for the two parcels
 - Public Hearing 12/13/2005
 - Adopted 1/3/2006
- **Resolution 2005-125** expanding the Urban Growth Boundary
 - Public Hearing 12/13/2005
 - Adopted 1/3/2006
- **Resolution 2006-03** adopting the pre-annexation and development agreement
 - Adopted 1/3/2006
- **Ordinance 2006-05** authorizing the acquisition of real property for housing and public utilities
 - First read 2/21/2006
 - Second read 3/7/2006

Per the Development Agreement, public improvements in the form of curb, gutter, sidewalk with parkways, public sewer and water, telephone, power, and natural gas were provided by the developer on the City's parcel and reimbursed by the City at cost. The City also provided reimbursement for engineering, surveying and testing expenses particular to the improvements on or adjacent to the parcel purchased for affordable

housing. Additionally, the City reimbursed the developer for one-half of the cost of bringing the water lines under Highway 180 and under Schultz Pass Road. Public improvements were completed in spring of 2007. Final cost of all public improvements was \$435,167.

Land Price:	\$140,200
Public Imp.:	<u>\$435,167</u>
TOTAL:	\$575,367

Requirements and recommendations resulting from 2005/2006 public processes

- The stated purpose of the acquisition contained in the Development Agreement (DA) is to develop permanently affordable work force housing – thus any development on the parcel is required to be permanently affordable.
- The DA also states that a gateway entry sign will be installed on the parcel. The sign is currently on the site and will remain.
- In a letter commenting on the regional plan amendment, annexation, growth boundary change, and rezoning for the overall Schultz Pass Meadows development, the Coconino County Community Development Director expressed full support of the annexation and the growth boundary change. Regarding the change in land use designations and zoning, the letter notes that there is a potential conflict placing medium density residential adjacent to very low density residential and states “...but hopefully this can be addressed through fencing, landscaping, and sensitive site design and layout.” The letter also acknowledges that “Highway 180 is one of the most attractive gateways into the City of Flagstaff, so the highest attention to detail needs to be given to the design of this project. It is appropriate that the applicant is willing to accommodate a gateway sign or other feature somewhere on the property. It would also be appropriate to have aesthetically appealing fencing and landscaping along the southern edge of the project adjacent to the highway.”

The developer of the market rate site was required to build a 6-foot-tall, malapai screen wall along Highway 180 and that periphery landscaping be designed to complement the wall and enhance the screening of this development. Any development for affordable housing would also be required to match the screening wall and setbacks for the neighboring market rate parcel.

- Other concerns expressed during the 2005/2006 entitlement process were traffic, impact to the view shed and concerns regarding affordable housing being located in the area. To address some of the view shed concerns, the developer of the market rate parcel agreed to limit the homes backing the already existing Valley Crest subdivision to one story.

- Support for the creation of affordable housing was also expressed throughout the entitlement process.
- Most notable of the traffic concerns during the 2005/2006 public processes surrounding the development of Schultz Pass Meadows was the request for a traffic signal be placed at the intersection of Schultz Pass and 180. During the analysis of the initial development, it was ADOT's opinion that the traffic counts did not warrant a signal at the intersection. In the intervening years, a signal has been installed at this intersection.

Several specific questions related to the current multi-site affordable housing proposal have been asked, these questions and answers are below:

Q: When was the Schultz Pass Meadows property annexed?

A: Ordinance 2005-27 Annexing 11 acres

- *First read 12/13/2005*
- *Second read and adoption 1/3/2006*

Q: When did the Council rezone to the current zoning?

A: Ordinance 2005-28 Rezoning the two parcels of land (Housing parcel was rezoned from Urban Commercial to Medium Density Residential)

- *First read 12/13/2005*
- *Second read and adoption 1/17/2006*

Q: When did the City Council make the decision that it would be used for affordable housing?

A: There is not one decision point, as the parcel was offered for sale to the City of Flagstaff specifically for the purposes of affordable housing as part of the Schultz Pass Meadows entitlement process. The first public discussion of the development overall was the Citizen Participation meeting on July 18, 2005 and use of "Parcel B" for affordable housing was discussed.

Q: How much money did the city spend on the infrastructure?

*A: Land Price: \$140,200
 Public Imp.: \$435,167
 TOTAL: \$575,367*

Funds utilized for this project were affordable housing funds resulting from the sale of other parcels for affordable housing purposes.

Q: Has a prior Council ever discussed putting this parcel in the land trust?

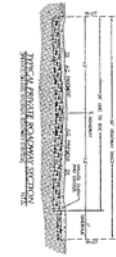
A: The City of Flagstaff Land Trust Program was created in spring of 2006 and was being designed as Schultz Pass Meadows was going through the entitlement process in winter of 2005/2006. There was discussion of the development being part of the Land Trust Program and, as the focus of the Council at the time was homeownership, it was anticipated that the development would be ownership housing. In the intervening years,

the housing market nationwide changed during the recession, and rental housing in the community has become increasingly needed. Additionally, the funding sources to create ownership housing have largely gone away. It is important to note that land trusts for affordable housing throughout the US provide all types of housing options, including, but not limited to; rental, condos, townhouses, cooperative housing and homeownership. In the specific case of the current three parcels proposed for RFP – staff recognizes that the City of Flagstaff retaining ownership of the land while partnering with a developer for the creation of affordable rental housing would add an additional complicating layer to the financing of development. It is common practice for developers to utilize the land being built upon as collateral for construction financing. If the City retains ownership, the land cannot be utilized in this way, making the financial side of affordable housing development even more complex than it already is.

RECOMMENDATION / CONCLUSION

This report is for information only.

INSTRUMENT #20210323
LOCATED IN THE NE 1/4 OF SECTION 15, T29N, R77E, GASCONADA
FLAGSTAFF, COCONINO COUNTY, ARIZONA

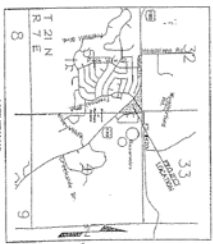


NOT TO SCALE
(REDUCED PLOT)



PARCELS
6.70 ACRES
(SINGLE FAMILY)

VALLEY CREST
ESTATES

[illegible]

PROJECT INFORMATION

STANDARD NAME: SHIELD PRESS MACHINES
 NUMBER OF TENTS: 23 SOCIAL TENTS AND
 107 ARTIFICIAL TENTS
 ART NUMBER: 111-01-0018 IN 29 ACRES
 111-02-0012 (2.66 ACRES)
 ZONING DISTRICT: CD16-000
 RELT/PLD USE: COMMERCIAL, RECREATION AND
 RESIDENTIAL
 PROPOSED USE: SOCIAL DANCE SPACE
 SOCIAL DANCE RECREATION AND
 ARTIFICIAL TENTS
 OWNER PHOTO: DOCKINGHOUSE
 P.O. BOX 30155
 DOWNS, ARIZONA 86003
 (928) 523-4530

SHEET NO. 1 OF 1

NOT FOR SALE
(RED)

Megollem INC.
ENGINEERING
SURVEYING

48 W. Santa Fe Avenue, Flagstaff, Az. 86001
P.O. Box 7802, Flagstaff, Az. 86002
Phone: (505) 244-2244 • Fax: (505) 413-0001

SULTZ PASS MEADOWS CONCEPT PLAN

7/07/05
HESM04837



Scattered Site Disposition of City-Owned Property for Affordable Housing



Sarah Darr – Housing Director
City of Flagstaff
June 27, 2017

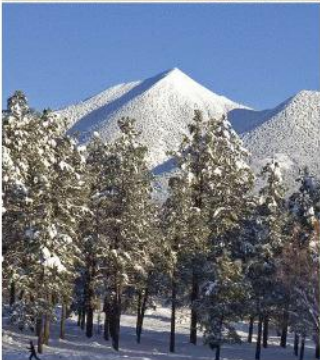


1



TEAM FLAGSTAFF
WE MAKE THE CITY BETTER





Outline for Tonight

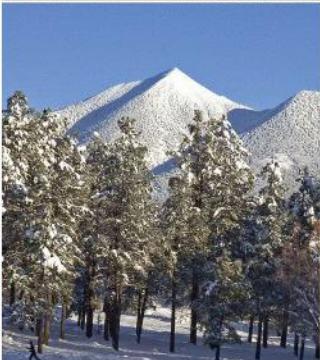
- Background
 - How did we get here?
 - Council direction
 - Why these parcels?
 - Why now?
- Property Details
 - 3 parcels
- Public Participation and Comment
- Overview of RFP and process
- Staff Recommendation
- Council Feedback and Direction

2



TEAM FLAGSTAFF
WE MAKE THE CITY BETTER





Housing Speak

- AMI – Area Median Income or Income Limit
- HUD - U.S. Department of Housing and Urban Development
- ADOH – AZ Department of Housing
- LIHTC – Low Income Housing Tax Credit



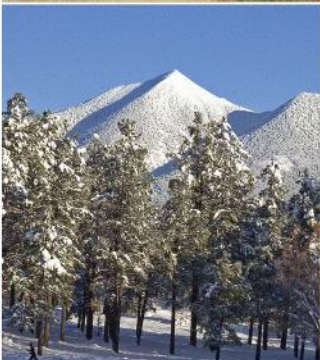


Council Goal

AFFORDABLE HOUSING

Support development and increase the inventory of public and private affordable housing for renters and homeowners throughout the community.





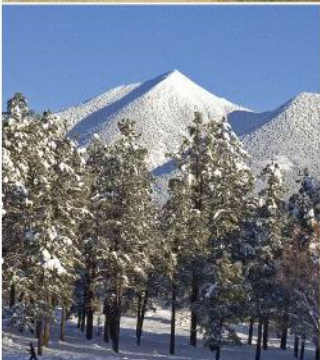
Council Objectives

- Increase the number of affordable units in the community
- Continue to encourage distribution of affordable housing units throughout the community and developments
- Pursue public / private partnerships to increase affordable housing inventory in both rental and ownership units



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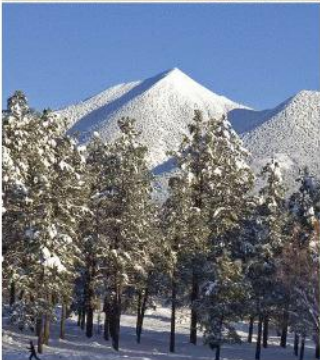
Council Direction – May 23, 2017

Issue RFP for disposition of City-owned land to result in the development of affordable rental housing

With emphasis on:

- The creation of 1 and 2 bedroom units
 - Greatest number of units created
 - Length of affordability
-
- Require incorporation of community garden on Izabel South into site
 - Limit height on Schultz parcel to 2-story
 - Staff to pursue rezoning of 2 parcels





Why these three parcels?

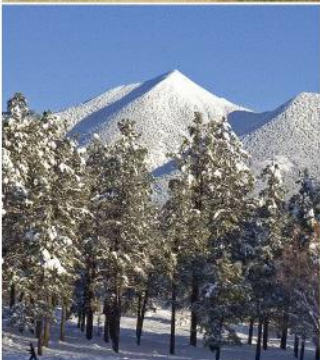
- Staff was directed to identify a way to create additional affordable rental units swiftly
- Parcels identified based on analysis of City owned property
- Required preliminary assessments and work largely completed

7



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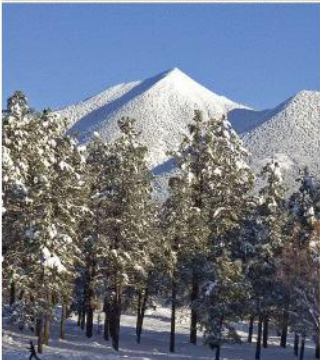




Why these three parcels?

- Two of the three parcels were purchased with housing funds specifically for housing purposes
 - Izabel South
 - Schultz
- West Street location previously identified as having potential for housing use and had been offered for use as senior housing





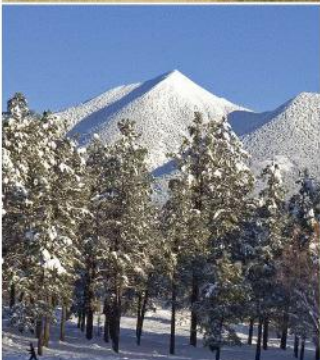
Why Now?

Probable funding source for
affordable rental development is
the Low Income Housing Tax
Credit (LIHTC) program



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Why now?

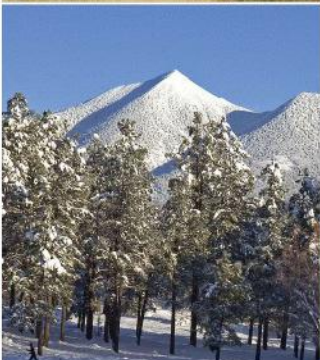
- LIHTC applications are accepted only one time a year
- Annual deadline is in March
- If not now, application can not be made until March 2019

10



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Tax Credit 101 - LIHTC

- Highly competitive award process
- Typically built by private developers
 - Can be non-profit
- Nearly 800 units in Flagstaff
- Serves 60% AMI and below
- Administered by Arizona Department of Housing
- Minimum affordability time period – 15 years
- CoF has partnered in multiple complexes



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Who is served by affordable housing units?

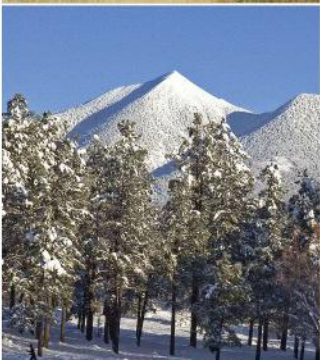
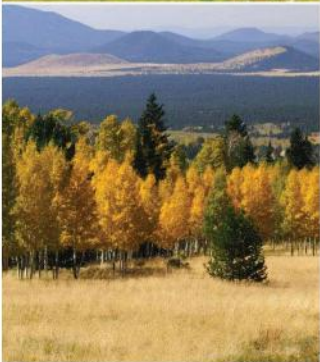
LIHTC Limit

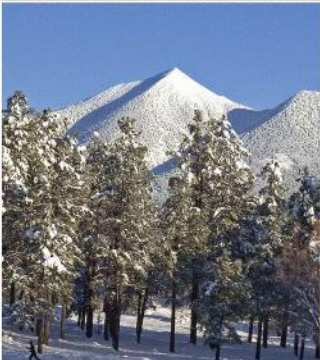
Household size	60%	80%
1	\$26,400	\$35,200
2	\$30,180	\$40,200
3	\$33,960	\$45,250
4	\$37,680	\$50,250
5	\$40,740	\$54,300
6	\$43,740	\$58,300
7	\$46,740	\$62,350
8	\$49,740	\$66,350



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Scattered Site Properties

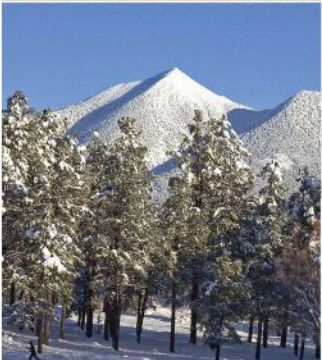
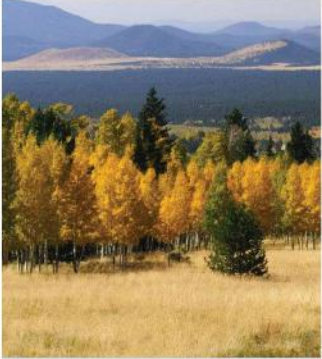
- 3 parcels
- All of smaller size
- Most likely to be combined into one project

13



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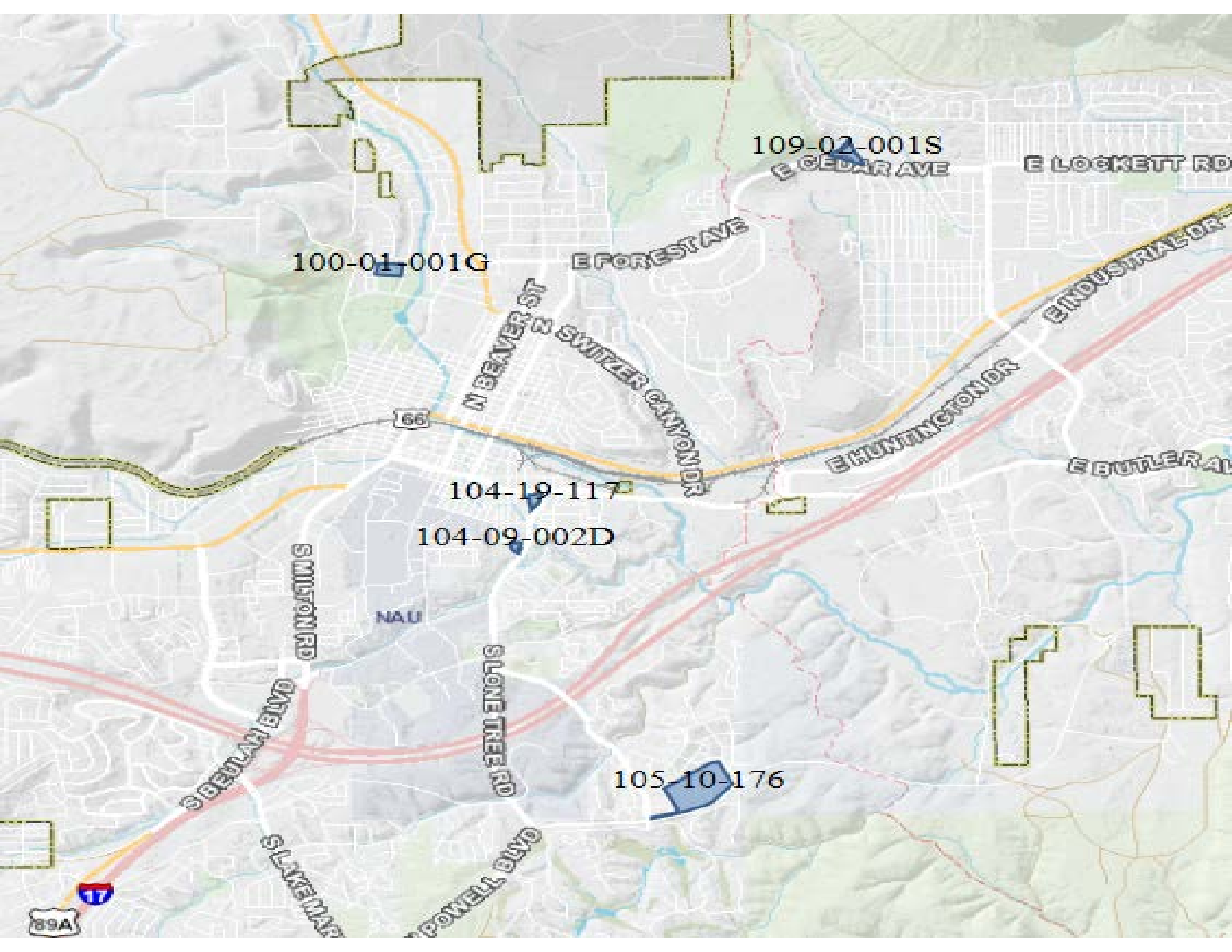
What about other parcels?



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109-02-001S

E CEDAR AVE

E LOCKETT RD

100-01-001G

E FOREST AVE

N BEAVER ST

N SWITZER CANYON DR

E HUNTINGTON DR

E INDUSTRIAL DR

E BUTLER AVE

104-19-117

104-09-002D

S MILPITAS RD

NAU

S LONE TREE RD

105-10-176

S LIVE OAK RD

S POWELL BLVD

89A



S ELDEN ST

104-19-117

E FULLER WAY

S LONE TREE RD

E CHURCH ST

E KENSINGTON DR

M LN



109-02-001S

ELINDRA ST

N WEST ST

ZABEL ST



HOSKINS AVE

S O'LEARY ST

104-02-077

104-02-072

104-02-076

104-02-073

104-02-122

104-02-118

104-09-002D

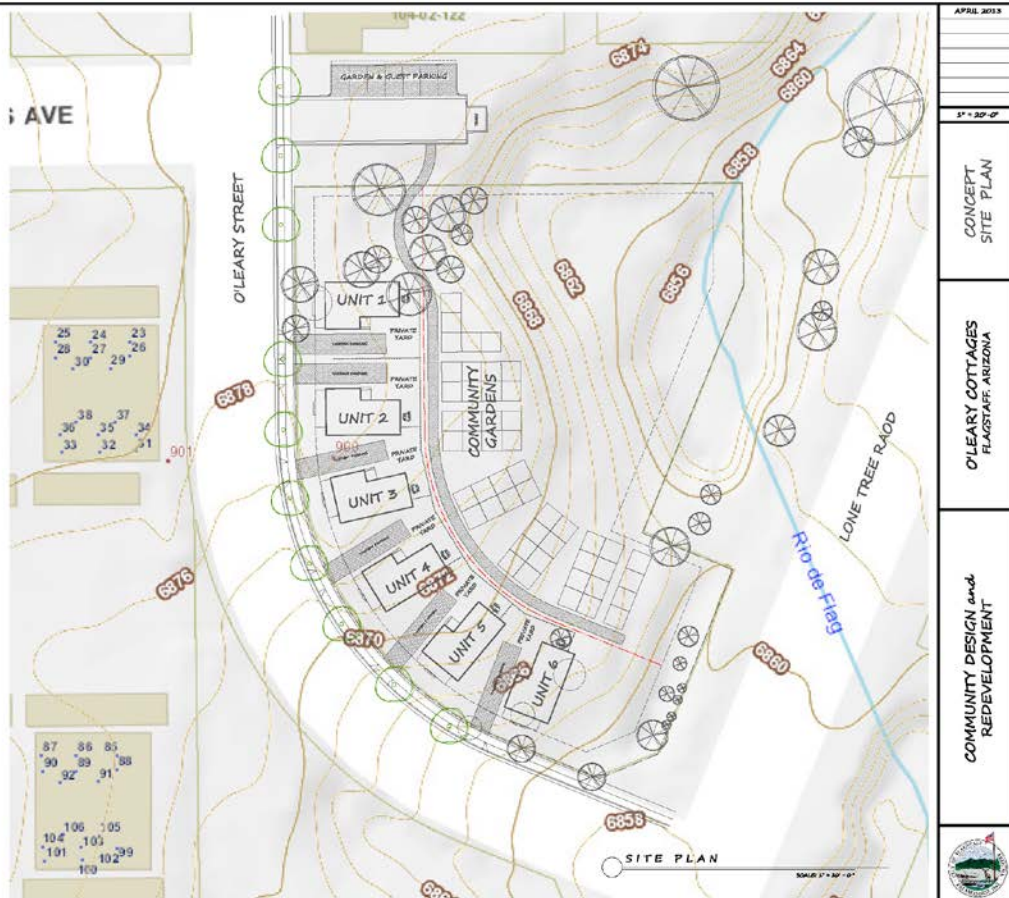
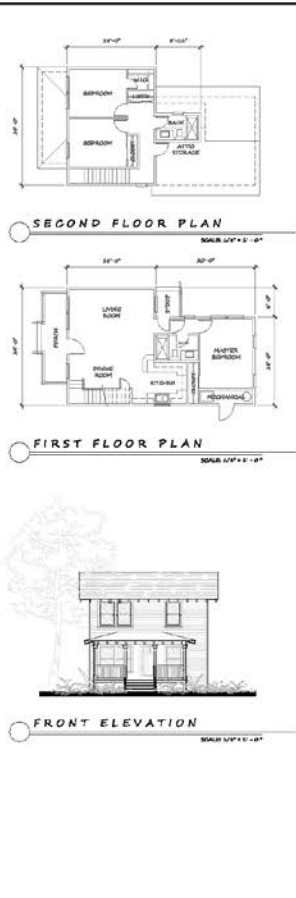
104-09-002D

104-09-002F

S LONE TREE RD

104-09-002D

CONCEPT



CONCEPT



100-01-001G

W BEAL RD

N CLARK CIR

N THORPE RD

N NAVAJO DR

N BONITO ST

N KINLANI RD

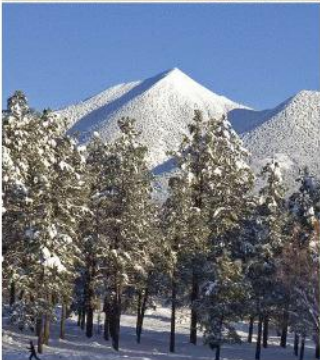
An aerial photograph of a residential area with property boundaries overlaid. A large parcel in the upper left is highlighted in blue. The parcel is labeled with the number '105-10-176'. To the left of the highlighted parcel is a road labeled 'S CLUBHOUSE CIR'. To the right of the highlighted parcel is a road labeled 'E TELLURIDE DR'. Further to the right is another road labeled 'S PINTON JAY DR'. The area is mostly covered in trees and vegetation, with some buildings visible in the lower left.

105-10-176

S CLUBHOUSE CIR

E TELLURIDE DR

S PINTON JAY DR



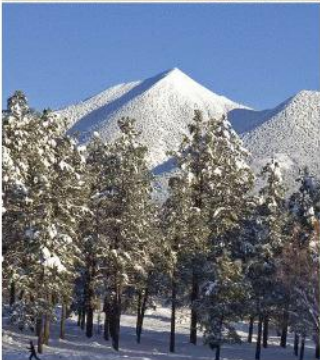
What do we know?

- Established capacity on Schultz and conditions from DA and rezoning
- Anticipated capacity on Izabel South and West Street
- Anticipated population to be served by units



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What do we NOT know?

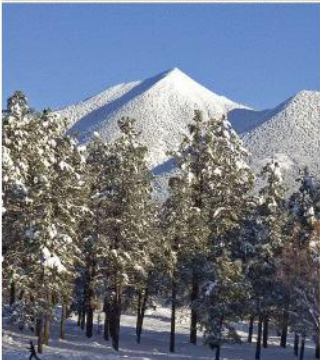
- Exact number of units
- What types of units
- What the units might look like
- What the site layout will be
- What (if any) special population might be served
- Any zoning requirements on the properties to be rezoned

23



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Why are there so many unanswered questions?

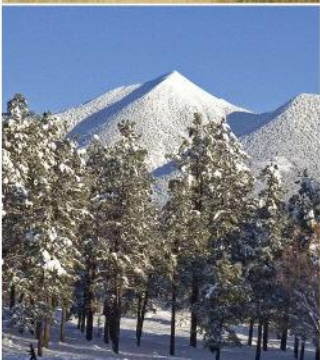
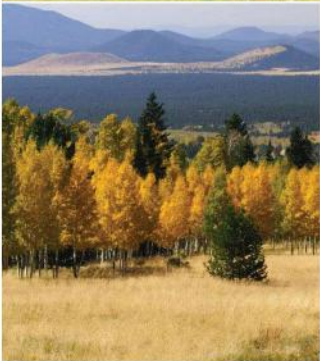
- Re-zoning process for 2 parcels hasn't happened yet
- A solicitation for use of these properties has not been published
 - Responses to a RFP will provide these types of details

24



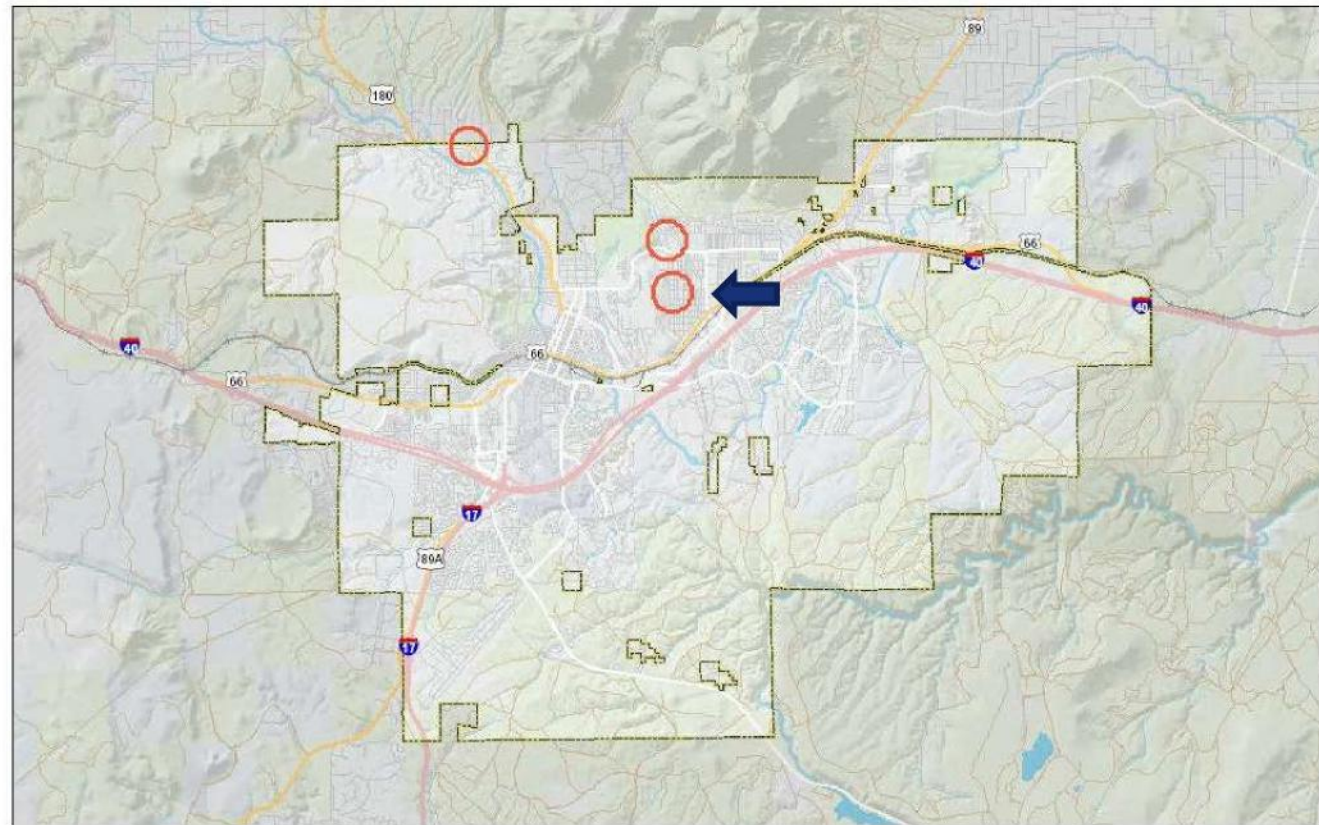
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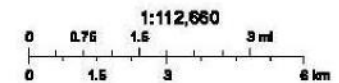


Vicinity Map

Scattered Site RFP Locations



May 18, 2017

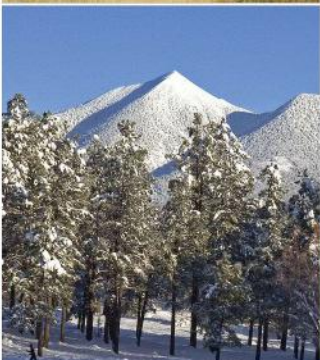
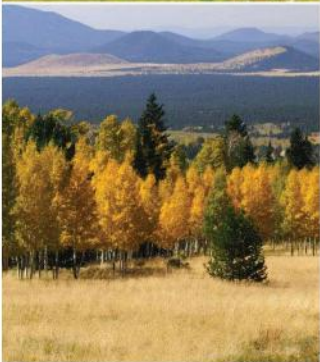


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“Izabel South”



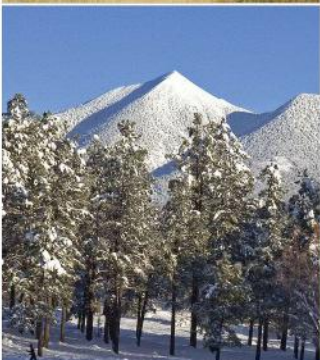
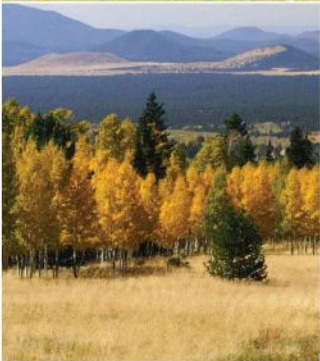
26



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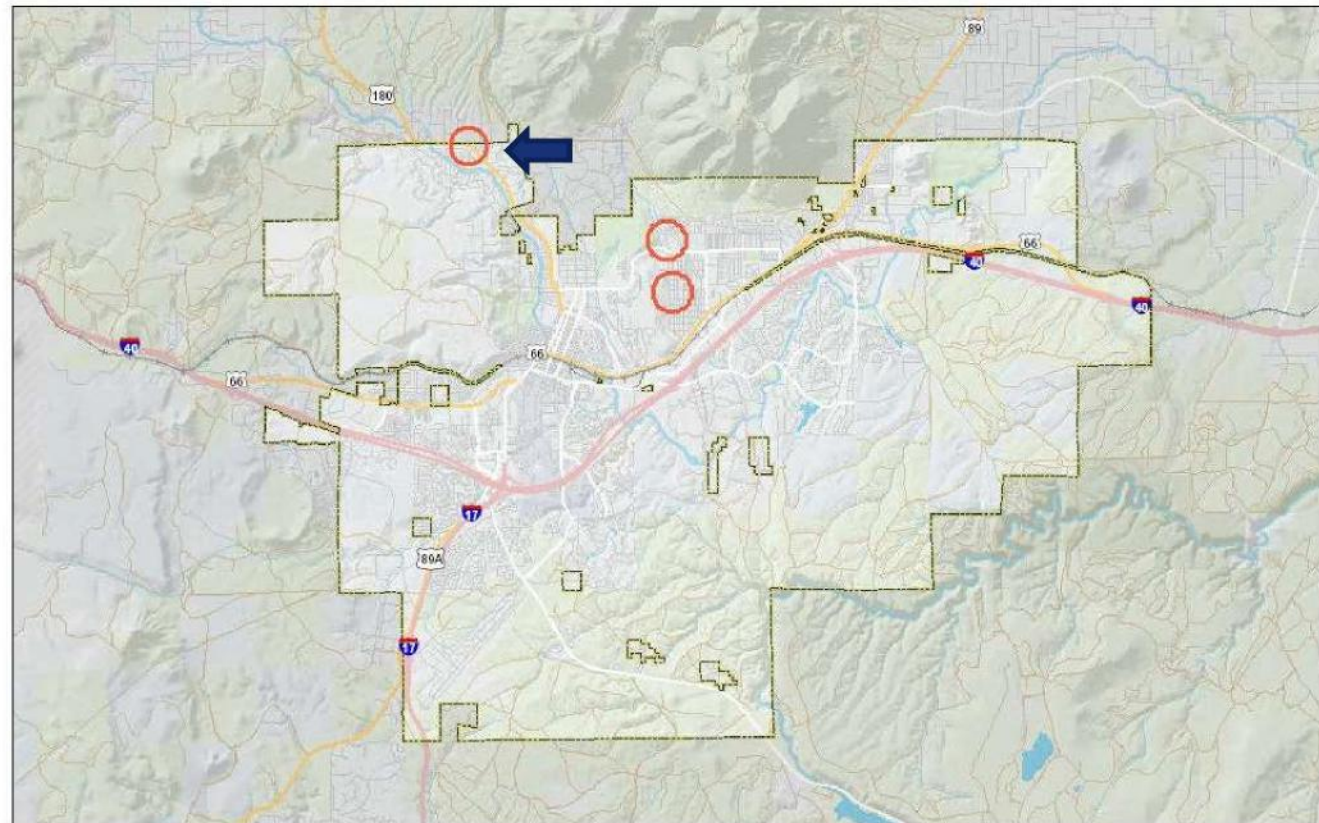
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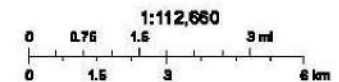


Vicinity Map

Scattered Site RFP Locations



May 18, 2017

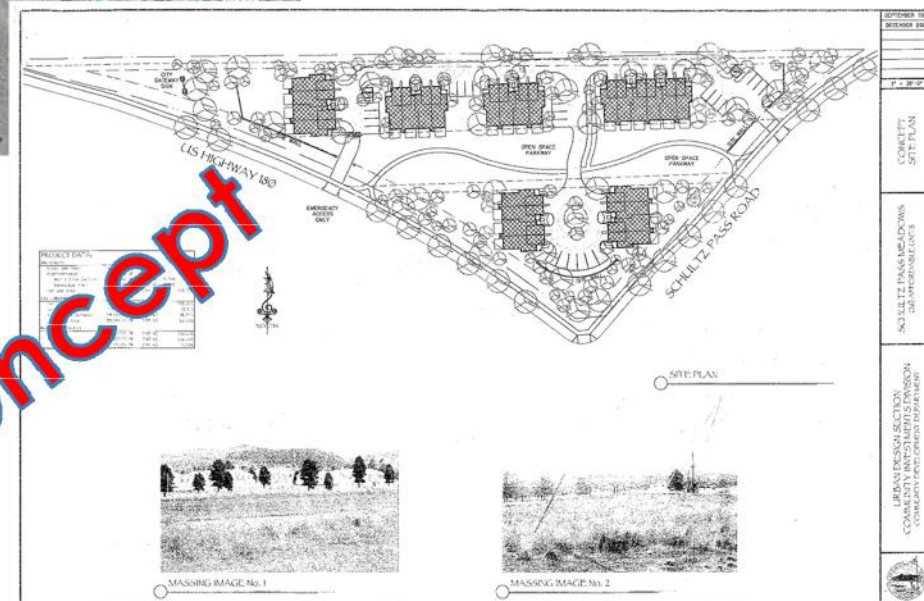
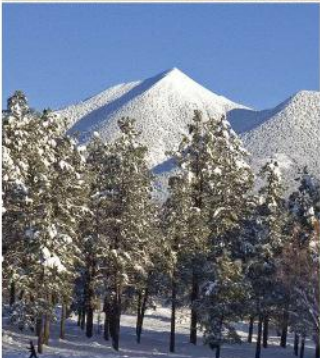
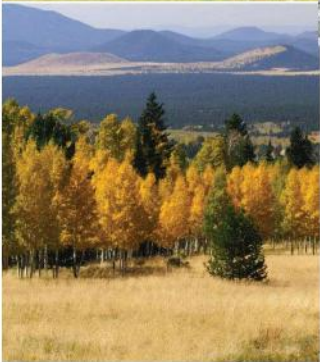


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“Schultz Pass Meadows”



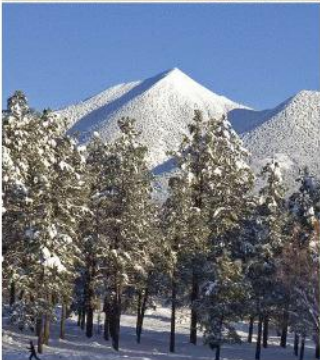
28



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Background

- This parcel and the neighboring parcel were proposed for development in 04/05 by a private developer
- Parcel was offered for sale to the City for the purposes of affordable housing for **\$140,200**

29



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Background

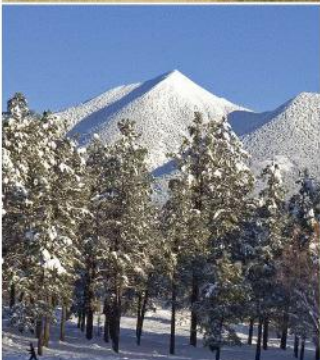
- Required a number of entitlement actions
- Citizen Participation meeting July 8, 2005
- Planning and Zoning October 10 and November 8, 2005

30



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Previous Council Actions

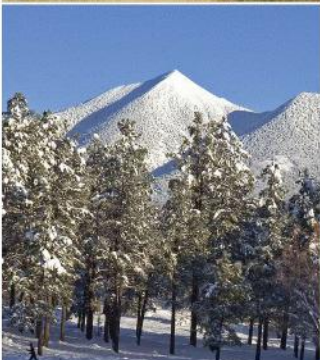
- **Regional Plan land use amended** (Res 2005-124)
- **Annexed into the City** (Ord 2005-27)
- **Urban Growth Boundary expanded** (Res 2005-125)
- **Parcels rezoned** (Ord 2005-28)
- **Pre-annexation and development agreement** (Res 2006-03)
- **Acquisition of Real Property for Housing and Public Utilities** (Ord 2006-05)

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Background

- Property was purchased in 2006
- Public improvements completed in 2007 - **\$435,167**
 - Engineering, surveying, testing, curb, gutter, sidewalk with parkways, public sewer and water, telephone, power, natural gas
 - Shared in cost of bringing necessary water lines under 180 and Schultz Pass Road

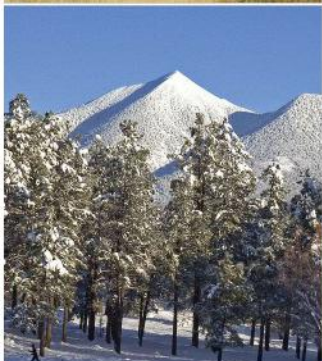
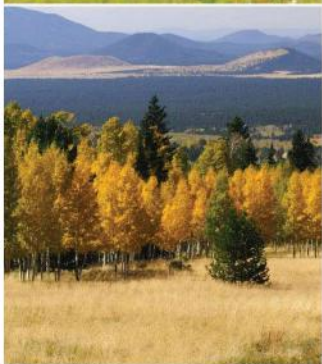
32



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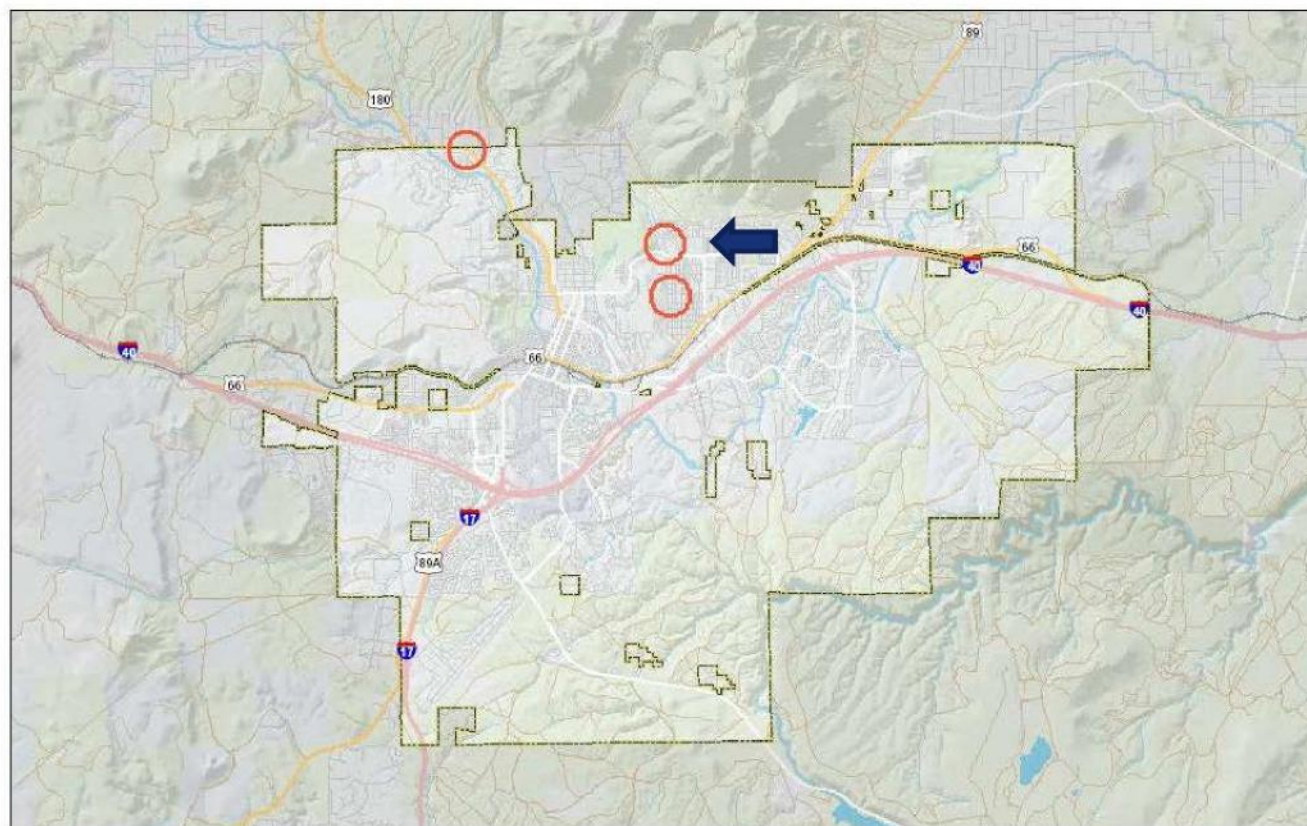
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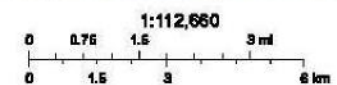


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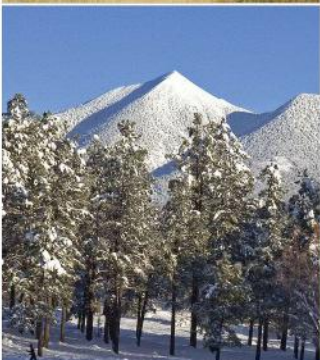
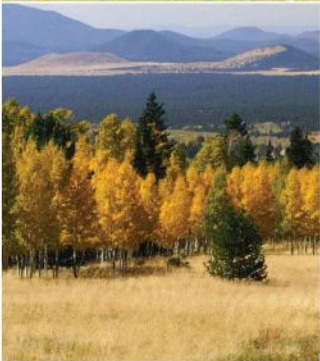


May 18, 2017



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West Street – “202”



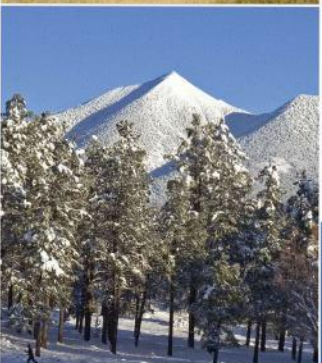
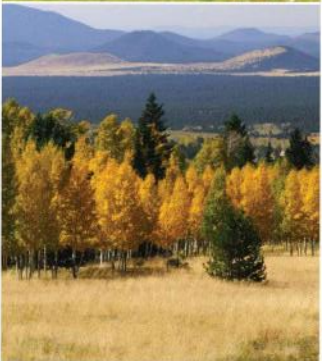
34



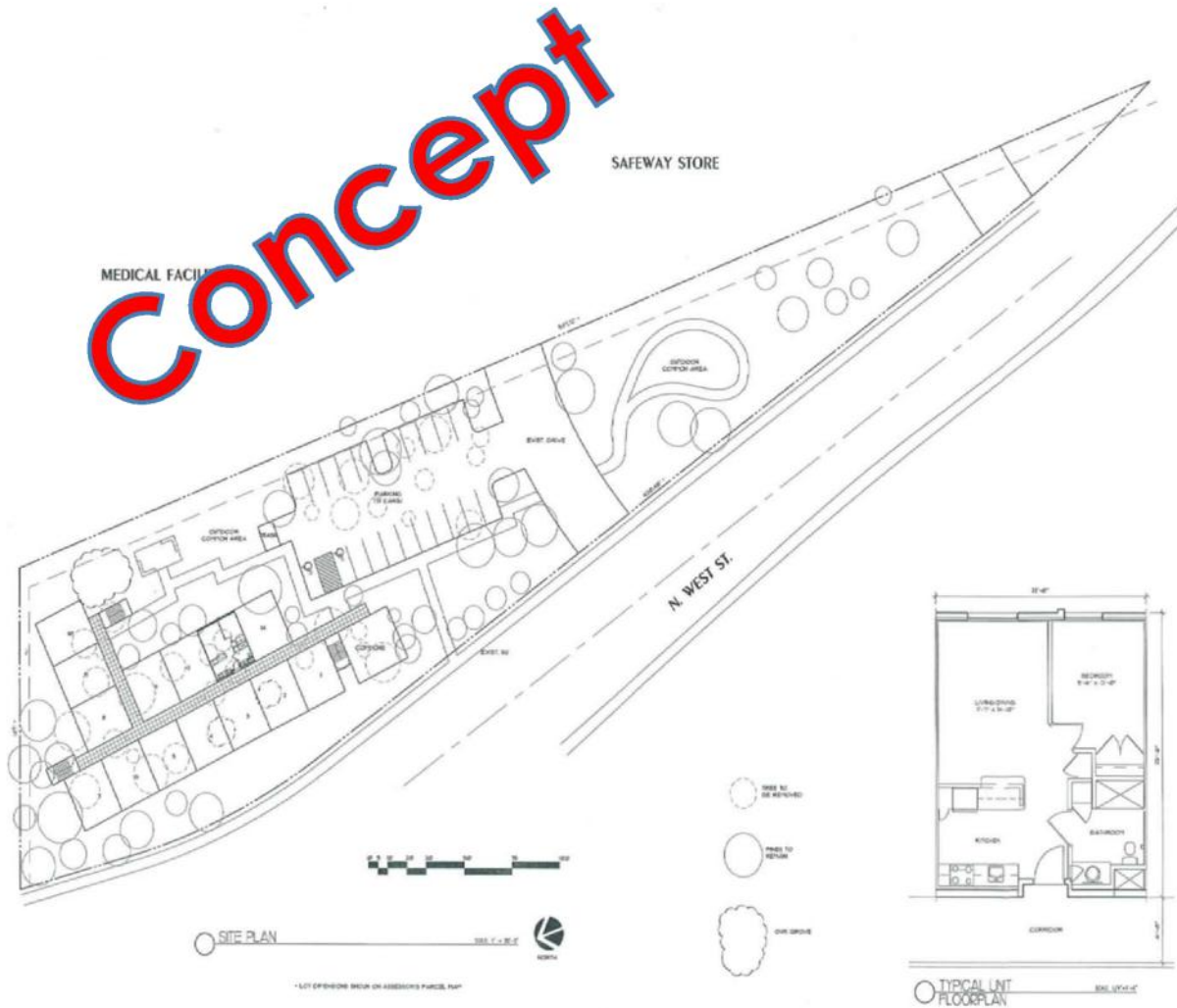
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Z:\PROJ-F\RIDB313-FLAGELDERLYHOUSING\RIDB313.XP -SITE.DWG, 5/28/2008 8:19:04 AM, MGARRIS



FLAGSTAFF ELDERLY HOUSING

CJ SOTAK
2000 N. CROWN CT
FLAGSTAFF, ARIZONA



DESIGN - CONCEPT - RENDERING
180
ARCHITECTS

400 E. Main St.
Flagstaff, AZ 86001
Phone: 928-777-4000
Fax: 928-777-4001

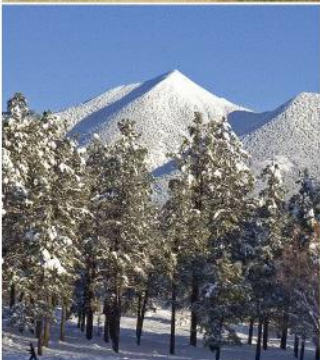
400 E. Main St.
Flagstaff, AZ 86001
Phone: 928-777-4000
Fax: 928-777-4001

DATE: 27 MAY 2008
JOB NO: 040003



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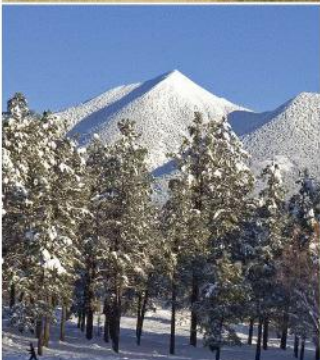
Combined Capacity

- Nearly 5 acres when utilized as one project
- Minimum number of units required by Zoning Code – 41
- Maximum units allowed – 87
 - * Anticipating rezoning of 2 parcels



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Additional Public Outreach

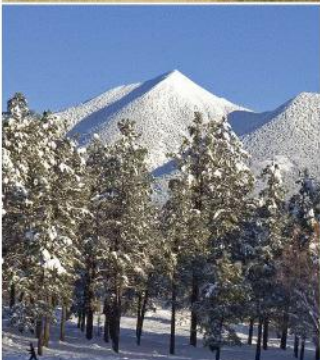
- Electronic sign on Schultz site
- Email distribution
- Flagstaff Community Forum
- Facebook Ads
 - 12,291 people in Flagstaff reached
 - 216 link clicks
- Requested meetings

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Public Comment

As of June 21, 2017

- **190 total comments or emails***
 - 134 comments from the Community Forum
 - 56 emails to Mayor and Council

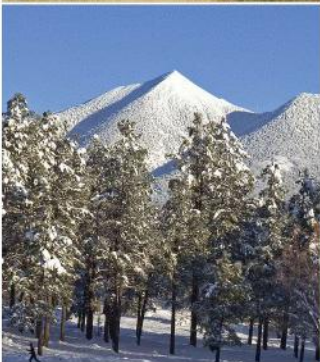
*(some commenters sent email and provided a comment in the Forum. These are not sorted out of totals)

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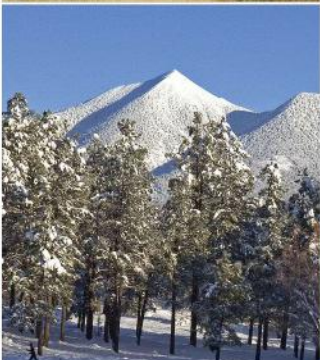
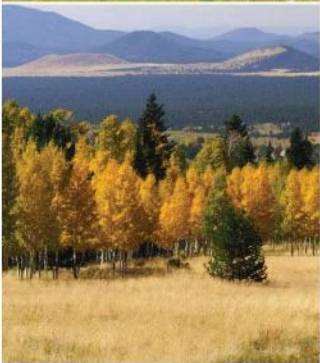
Public Comment

190 total responses

	Against Affordable Housing	In Favor of AH / <i>Against</i> Schultz Location	In Favor of AH and Schultz Location
# of Responses	6	144	40



Public Comment – 190 responses



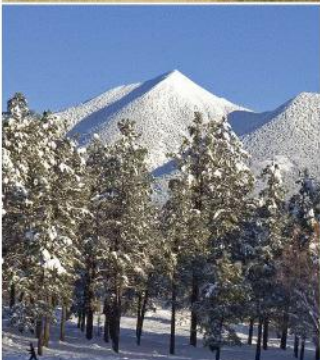
Repeated Issues	# of Times Repeated
Traffic Concerns	90
Natural Beauty	81
Open Space	69
View Concerns	47
Distance to Amenities	44
Lack of Public Transportation	41
Gas Pipe Line	10
Property Value	6
Wildlife	4
Scarce Water Resources	3
Sechrist Capacity	2
Larger Parcel Needed	2
Crime	1

40



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Request for Proposals

Example Sections

Scope of Work

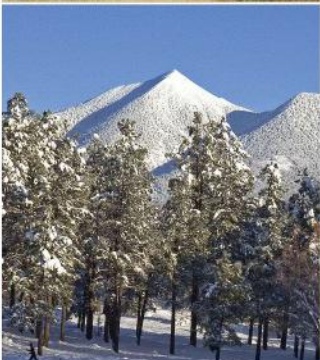
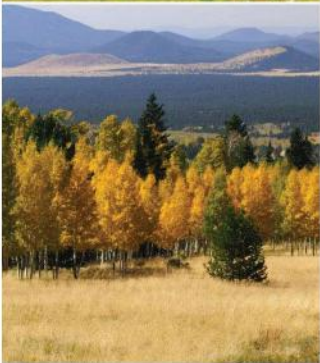
- About the Community
- Property Background
- Urban Design and Architectural Concepts
- Property Ownership
- Potential Uses and Users
- Utilities
- Transportation
- **Evaluation Criteria**
- **Offer Format**

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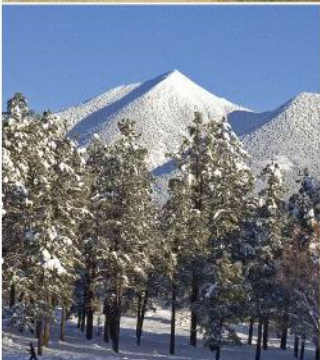
RFP Process

- Publish RFP
- Receive proposals
- Evaluate proposals with published criteria and determine most responsive proposer
- Bring results to Council for consideration and action
 - Accept proposal
 - Reject all proposals



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Council Direction – May 23, 2017

Issue RFP for disposition of City-owned land to result in the development of multi-family housing

With emphasis on:

- The creation of 1 and 2 bedroom units
 - Greatest number of units created
 - Length of affordability
-
- Require incorporation of community garden on Izabel South into site
 - Limit height on Schultz parcel to 2-story
 - Staff pursue rezoning of 2 parcels

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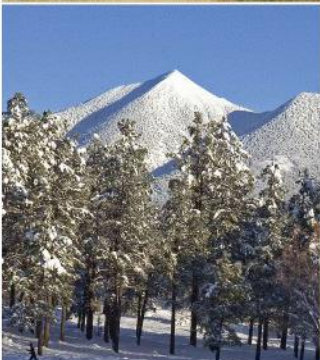


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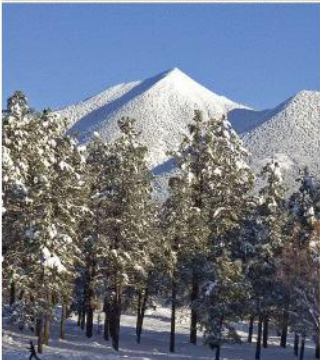
Additional RFP Criteria Specifically for Schultz Parcel

- A. Discuss importance of Schultz view shed and gateway value
- B. Require proposers to submit concepts for both 1 and 2 story units on Schultz
- C. Require malapai rock wall, landscaping and setbacks consistent with neighboring development
- D. Encourage site design and building type to reflect area character



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Additional RFP Components

- Require permanent affordability
- Adequate parking – Sites are small and alternative parking is non-existing or limited
- Proposals must include site sketches showing proposed layout and site massing





Scattered Site Disposition of City-Owned Property for Affordable Housing

Thank You!

Sarah Darr – Housing Director
City of Flagstaff
928-214-2745
sdarr@flagstaffaz.gov

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WORK SESSION
TUESDAY, JUNE 27, 2017
COGDILL CENTER/AKA BOYS AND GIRLS CLUB
301 SOUTH PASEO DEL FLAG
5:00 P.M.

WORK SESSION

1. CALL TO ORDER

Mayor Evans called the meeting of June 27, 2017, to order at 5:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. ROLL CALL

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

PRESENT:

ABSENT:

MAYOR EVANS
VICE MAYOR WHELAN
COUNCILMEMBER BAROTZ
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

NONE

Others present: City Manager Josh Copley and City Attorney Sterling Solomon.

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

The Council and audience recited the Pledge of Allegiance and Councilmember Odegaard read the Mission Statement of the City of Flagstaff.

MISSION STATEMENT

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

4. Preliminary Review of Draft Agenda for the July 5, 2017, City Council Meeting.*

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

None

5. Public Participation

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

Amanda Kristinat, Executive Director for the Boys and Girls Club of Flagstaff, welcomed the City Council, City staff and the public to the Boys and Girls Club. She provided information about the programs offered by the Boys and Girls Club and she thanked the Council and the City for the continued support of the program and facility.

John Kistler addressed Council with concerns about Councilmembers leaving meetings early and presented Councilmembers Barotz and Putzova with a Starbucks gift card.

Mr. Solomon explained to Council that they have the opportunity to respond to criticism.

Councilmember Barotz stated that she will not be accepting the gift.

Emily Davalos addressed Council to thank Councilmembers Barotz and Putzova for their effort and time on behalf of the community.

6. Presentation on Happenings in the Southside Neighborhood.

Interim Communications Manager Meg Roederer provided a PowerPoint presentation that covered the following:

HAPPENINGS IN THE SOUTHSIDE NEIGHBORHOOD
HOUSING SECTION HAPPENINGS IN SOUTHSIDE
PLANNING PROJECTS ON THE SOUTHSIDE
CONSTRUCTION PROJECTS ON THE SOUTHSIDE
SOUTHSIDE DINING AND NIGHTLIFE
CVB WEBCAM WITH SOUTHSIDE FEATURES
COMPREHENSIVE PARKING MANAGEMENT

Capital Improvements Engineer Bret Peterson continued the presentation.

ROAD CONSTRUCTION PROJECTS ON THE SOUTHSIDE

ROAD REPAIR AND STREET SAFETY....
GRAND CANYON WATER LINE
MILTON SEWER REHAB
MIKES PIKE SEWER PROJECT
TRAFFIC SIGNAL PROGRAM – BUTLER
BRANNEN NEIGHBORHOOD PHASE 2
BRANNEN SIDEWALK PROJECT
PINE KNOLL FUTS TRAIL
LAKE MARY/BEULAH CITY GATEWAY
ZUNI DRIVE
CVS PHARMACY
FONTAINE STREET APARTMENTS

Councilmember Barotz asked if Beaver Street would be open during the winter shut down. Mr. Peterson stated that there is a four month winter shut down scheduled for December through March; however, if the weather allows for continued work then the work will continue. There may be times when the road is closed and times when it may be open for travel, it is really dependent on the weather. Councilmember Barotz asked that staff do their best to accommodate the traffic and if there are possible alternatives for traffic that they be pursued.

Ms. Roederer continued the presentation.

COMMUNITY OUTREACH EXAMPLES

Charlie Silver addressed Council about the Hub and asked why it was not included in the staff presentation.

7. Discussion and review of direction on disposition of three parcels of City-owned land for affordable housing purposes.

Housing Manager Sarah Darr provided a PowerPoint presentation that covered the following:

SCATTERED SITE DISPOSITION OF CITY-OWNED PROPERTY FOR AFFORDABLE HOUSING
OUTLINE FOR TONIGHT
HOUSING SPEAK
COUNCIL GOAL – AFFORDABLE HOUSING
COUNCIL OBJECTIVES
COUNCIL DIRECTION – MAY 23, 2017
WHY THESE THREE PARCELS?
WHY NOW?
TAX CREDIT 101 – LOW INCOME HOUSING TAX CREDIT (LIHTC)
WHO IS SERVED BY AFFORDABLE HOUSING UNITS?
SCATTERED SITE PROPERTIES
WHAT ABOUT OTHER PARCELS?
303 ELDEN PROPERTY SITE MAP
LINDA VISTA/CEDAR/WEST TRIANGLE
LONE TREE/O'LEARY
CONCEPT DRAWINGS FOR LONE TREE/O'LEARY PARCEL
CLARK HOMES/THORPE PARCEL
PINE CANYON PARCEL
WHAT DO WE KNOW?

Councilmember Barotz asked about the 8.19 acres on North Fort Valley Road. Ms. Darr explained that staff looked into the parcel and found that it is part of a larger Parks Master Plan project; the area has been designated and concept designed for a park.

Ms. Darr continued the presentation.

WHAT DO WE NOT KNOW?

WHY ARE THERE SO MANY UNANSWERED QUESTIONS?

VICINITY MAP

IZABEL SOUTH

SHULTZ PASS MEADOWS

BACKGROUND

PREVIOUS COUNCIL ACTIONS

WEST STREET – “202”

COMBINED CAPACITY

ADDITIONAL PUBLIC OUTREACH

PUBLIC COMMENT

TOTAL RESPONSES

REPEATED ISSUES

REQUEST FOR PROPOSALS (RFP)

RFP PROCESS

COUNCIL DIRECTION – MAY 23, 2017

ADDITIONAL RFP CRITERIA SPECIFICALLY FOR SHULTZ PARCEL

Councilmember McCarthy asked about the parcel on Fort Valley that has been designated as a park. Interim Parks and Recreation Director Rebecca Sayers stated that the parcel was slated years ago as an extension of Cheshire Park. There is a concept plan for the property and it is part of the Parks and Recreation master planning process. The Parks and Recreation Commission looked at the property and added it to a priority list for future funding for park development. Councilmember McCarthy stated that if the Shultz property is so important maybe it would be beneficial to sacrifice the park land for affordable housing.

Mayor Evans asked who lives in the LIHTC developments. Ms. Darr stated that the developments are occupied by low income individuals. The 60% Area Medium Income (AMI) applies to Section 8 and LIHTC units. Ms. Darr explained that many of the qualifiers of this type of housing come from the major employers in town such as Flagstaff Unified School District, Gore, City of Flagstaff and many others.

The following individuals addressed Council in opposition of using the Shultz parcel for affordable housing:

- Mary Goddard
- Michael Wilson
- Nicole Cumbie
- Jennifer Kolodinsky
- Mary Williams
- Dave Stilley
- Tish Bogun Osmun
- Nat White
- Karin Wadsack
- John Dailey
- Kim Campbell

- Kelly Ingols
- Heather Malloy
- Don Lago
- Judith LeFevre
- Fawn Duns
- Andy Fernandez

The following comments were received:

- This area is Flagstaff's welcoming corridor and it needs to be preserved.
- ADOT does not have a plan for Highway 180 and additional traffic is a concern.
- Go out and sit on that parcel, watch the prairie dogs and look at the mountain and ask if Flagstaff wants more traffic, more gridlock and more emergency vehicles.
- I support affordable housing but also open space.
- Find other options for affordable housing, be creative and think outside the box.
- The Shultz parcel should not be developed at all.
- Development at Shultz will lower the property value and increase traffic in the 180 corridor.
- The proposed structures will not fit the character of the community.
- The Open Space Commission has deemed the Shultz parcel as having value.
- There are some places that should be left as they are created.
- Development will directly benefit some but it takes away something valuable to everyone.
- There are reasons that we live here and this place is one of the reasons, please save it.
- The decision to include Shultz in the RFP is not an affordable housing issue but a land use issue.
- Given time, staff will be able to identify other land that can be used for affordable housing.
- The property value and position on the scenic corridor needs to be taken into consideration.
- This is the most iconic view of Flagstaff and it should be preserved.
- There should be no residential development on the Shultz parcel.
- The prairie dogs on the Shultz property contribute to the environment and this area is one of their prime habitats.
- More study is needed for the parcel.
- It is unwise to place affordable housing on the outskirts of the City, on the other side of a highway and over a high pressure gas line.
- It is important that people live close to services and transportation, neither of which are in the area.
- Do not add to the traffic problems on Highway 180.
- Develop the public works yard with high density housing.
- Swap the park land for the Shultz parcel or use the public works yard.
- There are places within the City that can be used instead of using the open spaces that make Flagstaff what it is.
- Please look for alternatives, Shultz is not the best and highest use for affordable housing.
- The plan is not ambitious enough and a little parcel with wildflowers is not enough; the City need to find an ambitious plan to bring thousands of affordable housing units.

Written comment cards in opposition of using the Shultz parcel for affordable housing were submitted by the following individuals:

- William Kolodinsky
- Eileen Kyle
- Joyce Davidson
- Jean Myers
- Dan Davidson

- Bob Ogden
- John DeGraff
- Katharine Beaumont
- Krista Brain
- James Luttenus
- Dennis Smoldt

The following individuals addressed Council in favor of using the Shultz parcel for affordable housing:

- Janet Regner
- Emily Davalos
- Walter Crutchfield
- Cheryl Blume
- Jennifer Hayes
- E. Dru Monroe
- Mark Guard
- Tom Isakson
- Stacy Fobar
- Fanny Steinlage
- Jack Doggett
- Michael Caulkins
- Emma McVeigh
- Nancy Branham
- Susan Immel
- Collen Maring
- Christina Caldwell
- Debra Block
- Emily Melhorn

The following comments were received:

- As housing continues to be scarce the need for affordable housing is great.
- The people who live in affordable housing units are working in the community and they are a part of the community.
- Even with the increase in minimum wage it is not enough to support families because of the increasing housing and utility costs.
- Affordable housing provides low income families the ability to maintain secure living environments.
- The Shultz parcel was purchased for housing purposes
- Where is the concern for community?
- The argument for open space is not more important than affordable housing.
- Please do not take away opportunities from the most vulnerable populations.
- This is not about a certain class of people we are talking about police, fire, teachers and those just starting out.
- Do the things necessary to solve the issues in the community because everyone is diminished when people leave because they cannot afford to live here.
- There are more than 788 people on waiting lists for low income housing, this is more than the number that are currently housed.
- There are people out there that cannot be housed even with Section 8 vouchers because the rental rates are too high.
- I support developing all the parcels with affordable housing now.
- Money has been spent and infrastructure is in place on the Shultz parcel, it is ready to go.
- If all of the sites are not included the community will not only lose 26 units but all 60 that

are included in the whole project.

- There will not be a decrease in homelessness in Flagstaff without more affordable housing.
- The development can be done in a way that enhances and compliments the view.
- It is impossible to know what this will look like unless it goes out for bid; let the bid go out and evaluate the proposals before making a decision.
- Development on the Shultz parcel would be a great way to create more bus riders on that side of town and improve the bus loading; this leads to more bus service in the area.
- Our community needs our help.
- Housing is a human right and it should be extended to everyone.
- Without the Shultz parcel there are not enough units to make the application eligible and another year will go by without any movement.
- Flagstaff is way behind when it comes to affordable housing; all of these parcels are desperately needed for development.
- This should not be an either/or between open space and affordable housing. It should be a both/and approach that accomplishes both goals.
- Flagstaff needs to show that it values people first and views second.
- Flagstaff will be greatly enhanced by putting affordable housing on the Shultz parcel.
- Shultz is not perfect, but what will be and how long are we going to wait?
- How many acres of open space have been acquired over the last few years and how much affordable housing has been acquired.
- This project has the potential to use the space in a way that is better for everyone.
- Housing is a public health issue.
- Affordable housing brings diversity to neighborhoods and schools.
- Put affordable housing in my neighborhood and in all neighborhoods.
- There is not a place in Flagstaff that has not taken away a view or resource from someone else.
- Please give staff the opportunity to put out the RFP with all the parcels and evaluate if the proposals add to the community.
- The people using these services deserve to live in the communities they serve.
- Affordable housing is needed for the work force.
- The opposition on this is not about traffic, 28 units will not place undue traffic stress. The opposition is not about sunflowers, there are sunflowers all over town. The Fort Valley communities do not lack for open space. We need to be integrating affordable housing into all communities and neighborhoods.

Written comment cards in favor of using the Shultz parcel for affordable housing were submitted by the following individuals:

- Margay Witedam
- Travis Williams
- Wendy Kozaske
- Greta Murphy
- Debbie Castleberry
- Dawn Dyer

A break was held from 8:04 p.m. through 8:20 p.m.

Mayor Evans stated that items 9 and 10 of the agenda will be removed and rescheduled for another meeting.

Councilmember Barotz asked what happens after the RFP is put out and proposals are received. Ms. Darr stated that once the proposals come back they are ranked by a committee made up of staff and community members. Once ranked, the most successful response is

brought to Council for their discussion. Senior Procurement Specialist Patrick Brown added that the discussion will allow Council to provide feedback on what they want to see in the agreement. Once that direction is received, staff will go back to the proposer for a negotiation process. The result of those negotiations would be brought back to Council for consideration of approval of the purchase or lease.

Councilmember Barotz asked if the LIHTC requires new buildings or if existing buildings could be used and renovated. Ms. Darr stated that acquisition and rehabilitation are allowable with the tax credit. She stated that staff has been watching for apartment complexes where rehabilitation would be viable, unfortunately that effort has been unsuccessful due to the speed that investors can move versus the speed of the City and partners.

Councilmember Overton stated that affordable housing has been something that the City has struggled with for many years; work has been done mainly on the purchase side. The LIHTC is the fastest mechanism to get affordable units into the rental inventory. He would like to see the Schultz parcel stay in; it will be challenging to get anyone to take on the project without it. If there were more parcels available he would suggest including them in the RFP as well. He believes that the Council can give direction that is respectful to the view shed and limits the building height. The RFP is solid and a good direction for the City to go.

Councilmember Odegaard asked if transect zoning could be used at the Elden property. Community Development Director Mark Landsiedel stated that transect zoning is something that can be evaluated. If it is a mixed use project the residential component is unlimited so long as there is access and parking. Councilmember Odegaard asked if the Elden property could be added to the RFP. Ms Darr stated that it could be added but there is a pending solicitation out on the parcel that is still being evaluated; it would need to be resolved before further action could be taken.

Councilmember Odegaard stated that he is supportive of the three parcels in addition to some of the other properties that have been identified.

Councilmember Putzova offered that she recognizes that there are competing interests and values with the Shultz parcel. She stated that she is comfortable moving forward with staff's recommendation. It is always hard when land is developed that the community has been used to as open space.

Councilmember McCarthy stated that he strongly supports affordable housing being located throughout the community. He is interested in further evaluating the park in the general vicinity of the Shultz parcel and getting input from the neighborhood on if they would be willing to give up the park to save the view shed from the Shultz parcel.

Vice Mayor Whelan stated that the Council has committed to do something about affordable housing and the Shultz parcel is part of the solution. She would also like to add every parcel presented but understands the challenges.

Mayor Evans stated that the City is committed and passionate about open space and also recognizes that there is a major issue with affordable housing. Since 2008 the City has saved over 3,000 acres of open space but not many affordable housing units were created. Some of the properties discussed have legal or other issues but she believes that two others should also be included in the RFP. Without going out to bid no one knows what the development can look like. Once received, the proposals can be evaluated and determined if they fit Flagstaff or not. She is in favor of moving forward with the three identified parcels now and plan for three additional parcels to be ready in 2019.

Councilmember Barotz stated that she believes one of the reasons there has not been much meaningful action on affordable housing is because there has not been the political will. The City has done many things in hopes that developers would pass on the savings to the end user. She supports keeping the Shultz parcel in the RFP.

A majority of Council was in favor of moving forward with staff's recommendations.

8. Reclaimed Water Rate Options for Consideration. (MOVED FROM ITEM 10)

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

RECLAIMED WATER RATE DISCUSSION

GOAL

POLICY GUIDANCE – ALTERNATIVE BROUGHT FORWARD TO THE WATER COMMISSION

OFF PEAK RECLAIMED RATES

ALTERNATIVES SUMMARIZED FOR CITY COUNCIL

Utilities Engineering Manager Ryan Roberts continued the presentation.

WHY CONSIDER RAISING RATES?

EXISTING CAPITAL IMPROVEMENTS – 10 YEAR

UNFUNDED CAPITAL IMPROVEMENTS

RECENT EVENTS IMPACTING REVENUES

PRIOR COUNCIL DIRECTION

Revenue Director Sandy Corder continued the presentation.

ALTERNATIVES SUMMARIZED FOR CITY COUNCIL

RECLAIMED WATER REVENUE & EXPENDITURE PROJECTIONS

EXISTING RATES-REVENUE

RECLAIMED WATER REVENUE PROJECTIONS

ALL RECLAIMED CUSTOMER CLASS (EXCEPT OFF PEAK)

OFF PEAK RECLAIMED WATER REVENUE PROJECTIONS

PHASE OUT TIER 2 THROUGH JANUARY 2020 AND INCREASE RATE TIER 1 BY 6.2%

ALTERNATIVE STAFF RECOMMENDATION

RECLAIMED WATER REVENUE PROJECTIONS

SUMMARY OF WATER COMMISSION RECOMMENDATION

DEBT OPTION – BONDING FOR PROJECTS

PROPOSED NEXT STEPS

Councilmember Putzova asked the reasoning behind extending to 2020. Mr. Hill explained that 2020 was chosen to align with the action already in place for water, wastewater and stormwater. Staff felt it was appropriate that all the funds have reviews and adjustments at the same time.

The following individuals addressed Council regarding reclaimed water rates:

- Jack Rathjen
- Ward Davis
- Robert Vane

The following comments were received:

- In the reclaimed water industry there needs to be a balance so there is a commodity that can be sold and used by the community.
- Raising the rates does not benefit the community.
- The community likes to have a municipal golf course and the Country Club does a good job at providing community activities.
- The 35% appears arbitrary and it will not cover all the capital improvement projects.
- Urge the Council to go with the 7.2% increase for everyone.
- There has been no discussion on setting principles on reclaimed water.
- The Council needs to define the long term policy for setting reclaimed water rates.
- If the off-peak class is retained, there is an obligation to the public to explain the rationale.
- Establish the principles and design the rate study after the principles.
- The worth of reclaimed water needs to be determined.

Councilmember Putzova stated that she is comfortable with phasing out Tier 2. The policy behind the off-peak rates is flawed and it sends the message that reclaimed water is not a resource to conserve. The capital projects should be expanded so there is more access to reclaimed water. She also believes that there should not be any new development that comes in that does not have access to reclaimed water.

Councilmember McCarthy offered that he is in support of phasing out Tier 2. Capital improvements are needed and he is supportive of adding debt service if it is for something to keep the system working.

Vice Mayor Whelan stated that customers are taking action not to waste reclaimed water and she would like to incentivize that behavior. There needs to be discussion about the long term policy for reclaimed water.

A majority of Council was in favor of the staff recommendation to adjust the rates and phase out Tier 2. Additionally a majority of Council was in favor of pursuing the debt option for capital improvements.

Councilmember Barotz stated that she did not support anything because she is not comfortable with the approach. She is concerned with the lack of clarity and does not understand the philosophy of the reclaimed system and what it is trying to accomplish. She would prefer to step back and review the bigger questions and then talk about what the system should look like.

Mayor Evans agreed stating that the long term policy for setting the rates needs to be determined. The City has changed and the understanding of reclaimed water has changed; it is time for Council to define the policy and how they want to move forward in the future.

Councilmember Putzova requested a discussion item before the setting of rates for the reclaimed water policy. Council can define what they want the system to achieve and then staff and the consultants can translate it to technical material.

Moved by Vice Mayor Jamie Whelan, **seconded by** Councilmember Charlie Odegaard to continue the agenda.

Vote: 6 - 1

NAY: Councilmember Celia Barotz

9. Water Resources Planning Update.

Item pulled from agenda.

10. Low Impact Development (LID) Stakeholder Meeting Update.

Item pulled from agenda.

11. Discussion on Rate Study for Potable Water.

Mr. Hill explained that the last rate study was done in fiscal year 2016. According to policy, rate studies occur every three years so the next study would be in fiscal year 2019.

12. Review of Draft Agenda Items for the July 5, 2017, City Council Meeting.*

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

None

13. Public Participation

Andy Fernandez addressed Council with concerns about Transect Zoning.

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

Councilmember Barotz offered thanks to all the firefighters, especially those working the Boundary Fire. She also offered kudos to Airport Director Barney Helmick and the team with the Airport Repaving Project for a job well done.

Vice Mayor Whelan requested the following FAIR items:

- A discussion regarding license agreements like that of Snowbowl and a discussion to determine if the policy should be changed so that the authority to issue the licenses would lie with the Council versus staff.
- A discussion concerning Architectural Design Standards, what they are and if they reflect the standards of the community.
- A review of the Zoning Code to consider a four-story height requirement for all future buildings.
- A discussion of the impacts of winter visitation if advertising of Wing Mountain and Crowley Pit were temporarily curtailed and explore the creation of and liability of low impact snowplay areas in the City.

Councilmember Odegaard asked about the City's participation in the Fourth of July parade. Mr. Copley explained that a plan has been made to have Council participate, more information will be coming out soon.

Mayor Evans requested a FAIR item to look at an ordinance or policy that governs application fees for rentals. Often times there is only one apartment available but 25 people are interested and the apartment complex collects application fees from all of them without informing the applicants how many others are ahead of them. She would like to know what the City can do to require apartments to post how many units are available and how many applicants are on the

waiting list.

Mr. Copley stated that he will be asking the Council to consider moving the Council meeting of Tuesday, August 22, 2017, to Monday, August 21, 2017, to accommodate a number of Councilmembers attending the League Conference.

Mayor Evans thanked the Boys and Girls Club of Flagstaff for hosting the City Council.

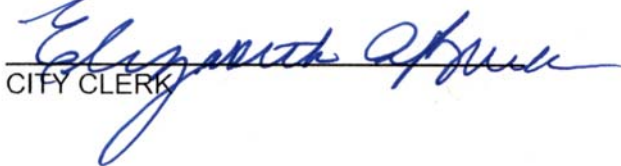
15. Adjournment

The Work Session of the Flagstaff City Council held June 27, 2017, adjourned at 10:40 p.m.

ATTEST:

CITY CLERK

MAYOR

Handwritten signature of Corey Evans in blue ink, written over a horizontal line.Handwritten signature of Elizabeth Abner in blue ink, written over a horizontal line.

SPECIAL COUNCIL MEETING
FRIDAY, JULY 7, 2017
COCONINO COUNTY BOARD OF SUPERVISORS CHAMBERS
219 EAST CHERRY
FLAGSTAFF, ARIZONA

1. Call to Order

Mayor Evans called the Special Meeting of July 7, 2017, to order at 10:00 a.m.

2. Roll Call

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

PRESENT:

MAYOR EVANS
VICE MAYOR WHELAN
COUNCILMEMBER BAROTZ
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER OVERTON
COUNCILMEMBER PUTZOVA

ABSENT:

NONE

Others present: City Manager Josh Copley and City Attorney Sterling Solomon

3. Discussion of City Properties to be Included in the Affordable Housing Request for Proposals (RFP).

City Manager Josh Copley reviewed why they were meeting today, what they are meeting for, and a little about the petition.

He said they have been meeting on the affordable housing project, which came before Council previously on May 23, 2017, and June 27, 2017, regarding the scoping of that project. They have been working at a somewhat expedited pace in an attempt to beat the deadline of March 1, 2018, for the tax incentive program, to get it through the development process. The project has to be substantially complete before it is submitted for the low-income tax incentive.

He said that the reason they are meeting today is because at the meeting on June 27, 2017, there was discussion on the status of the properties and today they wanted to discuss adding the Elden property. They put the prior process on hold at this time. They have learned that it can be put on hold while they look at different aspects. The question today is whether they want to add Elden property to the RFP (Request for Proposals). The reason for the rush, after the meeting adjourned on Tuesday evening, Council went on their Summer Break, and because of prior commitments, they did not want to put off consideration of the RFP process.

They are not here today to discuss the citizens petition submitted on July 5, 2017; that is

scheduled for August 15, 2017. There is a conflict in that the City's Charter states that the petition must be acted upon within 31 days of submission, and at the Council's next regular meeting. Today is the Future Agenda Item Request (F.A.I.R.) to determine if this will move forward to August 15, 2017.

Councilmember Barotz said that the tax credits were referenced, and it sounded like it was the City to apply, but the developer does the actual submission. She said that it was stated a prior Council discussed what should be done with the property on Elden to benefit affordable housing, which could be placing affordable housing on that site, or selling the property and the proceeds would be used for affordable housing. There have been discussions on the southside regarding that parcel and concerns have been voiced. They would like to see something in the two-story range.

He said that by adding Elden into the mix, some may think they would then not need to include the Schultz Pass property. He said that it is too early to make that determination because they need to have an analysis done.

Councilmember Odegaard asked if they will be able to hear the history of what the RFP has looked like already. Mr. Copley said that due to proprietary reasons, the prior RFP's are not public at this time, but neither of the proposals are to put affordable housing on that parcel. Councilmember Odegaard then asked for an explanation of the low-income tax incentive and whether it had been used in the past.

Mr. Copley said that there has been a lot of talk and speculation on other City properties available, other than the three, that are available to insert into the mix in order to meet the March 2018 deadline. There is one property, and that is the Elden property. The work that it would take to prepare the other properties to go through the legal issues, makes them not viable at this time.

Mayor Evans said that on June 27, they had a presentation by Ms. Darr where they identified 60% of AMI and they had over 700 residents on a waiting list. Between 120 and 80% that qualified, there's a shortage of 3,000 housing units. Even if they took all of the City property and it was available now, they still would not have enough housing in Flagstaff. Mr. Copley said that without some extensive redevelopment that would be correct. If the developer meets the deadline, the 60 or so units is a drop in the bucket of the community's needs. There will be overlapping submittals with the next round starting before this round ends.

Councilmember Barotz reemphasized that the Council does not meet in private. All of their meetings are in public. Any suggestions that they are conspiring behind the scenes are not true. She commended the Attorney and Manager for guiding them in meeting the Open Meeting Law.

Housing Manager Justyna Costa then began a PowerPoint presentation to review the RFP process (Exhibit A attached hereto and made a part hereof), and Real Estate Manager Charity Lee reviewed the various property owned by the City included in this PowerPoint.

Councilmember Barotz, in referring to the Council direction received on May 23 and June 27, 2017, said that she hoped that they would set the bar higher than that the surrounding landscaping. Councilmember Putzova added that she would like to see them use that higher level of standard for landscaping on all City projects, not just this one. Mr. Copley replied that when the City is the property owner, they hold themselves to a higher standard.

Councilmember Barotz asked what the process is for a piece of property being included in the Parks and Recreation Master Plan. Interim Parks and Recreation Director Rebecca Sayers, said that the Master Plan took a little over two years. They hired a consultant and held many, many public meetings. To include this, they would need to go out to the constituents and receive input.

Councilmember McCarthy said that they could consider that property in the future, but they would not be able to include it in the current RFP due to time constraints.

Ms. Costa then completed the presentation by reviewing the City Manager's Proposal and associated Timelines.

Councilmember Barotz noted for the public that the developer applies for the low-income tax credits and, if received, they then sells them to large corporations who buys them with cash which the developer then uses to building the project. She also asked if this could be used for student housing. Ms. Costa said that the RFP would not be useable for student housing.

Ms. Costa said that the award would be contingent upon the success of the developer in obtaining the tax credits. This type of funding has been used in the past for developments, but not recently, which is why staff believes there is a good chance of the developer receiving them. She said that the applications are based on ranking criteria, one of which is the developer's readiness. This is why the timeline is so critical, and it is the City's role to help the developer be as ready as possible.

Discussion was held and Council directed staff to keep all of the properties in the RFP limited to a height of two stories, out of respect for the neighborhoods. Additionally, discussion was held on the difficulty in determining how many units could be provided on each of the parcels.

Mayor Evans said that they have been contacted by many residents asking why the deadline has come up so quickly, and if staff did not know. Ms. Costa said that they talk with developers all through the year. Councilmember Putzova said that it really became clear during the budget process that affordable housing was going to be a priority for the Council and they began focusing on it further. She said that this is one piece of the overall program.

Vice Mayor Whelan said that she believed there was a squeeze play in that when it came up that the Open Spaces Commission had looked at the Schultz Pass parcel, she was surprised to hear that, and it was only because she heard from the community. Councilmember Barotz asked what all information was provided to the Commission as well. Sustainability Manager Nicole Woodman said that the Open Spaces Commission has been charged with reviewing all of the City-owned properties over the past few years. They have a specific system they use for analyzing the properties. They did not have a presentation from Housing. It is normally a recommendation by the Commission made to Council; they did not have the historical background on the parcel.

Vice Mayor Whelan asked when that information comes back to the Council. Ms. Woodman said that information was submitted from the Commission to her supervisor, but she could not speak to the chain of command from that point. Mr. Copley said that he and Ms. Lee did have some discussions on this, understanding that she is a one-man office, and they have agreed that in the future the City Manager's Office, including the Real Estate Manager, will be more involved in these discussions.

Sustainability Specialist Betsy Emery said that the Commission does not rubber stamp properties. They consider the open space values as they related to potential development,

etc.using a matrix criteria. Sometimes they approve them, and other times they do not.

Councilmember Putzova said that she understood that this particular parcel came forward because it was being considered as part of the affordable housing project. Ms. Woodman said that the Commission discussed this in April and the property was discussed in May during Property Committee. The Commission did not have information on the issues with this property related to the affordable housing aspect.

Mayor Evans said to Mr. Copley that the Council has set a goal for providing affordable housing. If they are going to have a commission reviewing property to decide on open space value, they need to get the affordable housing property and review it with the Commission. That way the next piece of property that comes forward, they are familiar with the background on each piece of property. Mr. Copley said that the message has been clearly heard. He said that it may be time to bring back the Redevelopment Program and review it as well.

Councilmember Odegaard asked Mr. Copley to share with the audience how much the Council approved for affordable housing. Mr. Copley said that it was communicated by Council that it was a priority. Mr. Copley said that the Council approved \$300,000 in this year's budget and another \$75,000 to further research the possibility of having a bond issue in the future for affordable housing.

A break was held from 11:30 a.m. to 11:45 a.m. Councilmember Putzova left the meeting during the break.

The following individuals addressed the Council:

- G. Shanahan
- Mary Goddard
- John DeGraff
- Emily Peppers
- Stephen Lenhart
- Kyle Anticevich
- Sofia Nicoletti, representing 52 homeowners in Mt. Elden Homeowners Association
- Thomas Chesterman
- David Nicoletti
- Joe Shannon
- Tina Caskey
- Kammi Ann
- Suzanne Motsinger
- General Greg Melikian
- Staci Foulks
- Laura Carter

Comments received included:

- Asked that Schultz Pass Road property be designated as Open Space
- Thanked them for all of the research
- Encouraged Council to rezone property on southside and limit to two-stories
- Many of the people that oppose that property being developed have volunteered in the City for years
- The people opposing Schultz Pass are not opposing it because of some hierarchy
- That piece of property could be the City's crown jewel
- Put housing where there are more amenities

- She was homeless at one time and raised two children for 14 years by herself; she's willing to volunteer where needed
 - Bought two Flagstaff history books
 - Thanks for putting their petition on the August 15, 2017 agenda
 - Those that support this property are considering considerable fundraising efforts
 - It has not been shown that this property is the best use for affordable housing
 - Reasons for opposition: winter traffic congestion; was a plan for Ft. Valley Corridor addressing low usage; citizens' value natural beauty
 - Council should require developers to include affordable housing
 - Council has been elected as their representatives
 - Have to make decisions based on their moral courage
 - In favor of Option 3
 - In public's discourse on social media, be respectful
 - Preserve the views, but let's help find property for affordable housing
 - Supports development of properties, but not Schultz Pass
 - Was involved with the Buffalo Park Annex property initiative
 - If they don't remember our history, they'll repeat it
 - Am surprised that the Council included this in the affordable housing parcels with this recent history
- have an opportunity to make a win/win situation out of this
- Has lived on the corner of Schultz Pass and 180
 - Has watched over four million people stop and view the property
 - There is no end to the difficulties
 - He met two high officials of El Paso Gas; they have three 30" of pipes going through that property, and they said no one should agree to putting people on that property
 - Believe they have set up a false dichotomy; they don't have to choose between preserving the view shed and affordable housing

Vice Mayor Whelan said that the reason they were elected was for their love of the property. The ability to put words behind their action is great. She asked them what they are to do when they have the love for open space, but also the love for the people of the community that need housing.

Councilmember Barotz clarified that the Council does not have the authority to require developers to include affordable housing in their developments.

The following individuals spoke in favor of including the Schultz Pass parcel in the RFP to provide for affordable house:

- Kristine Pavlik
- Devonna McLaughlin
- Emma McVeigh
- Anamaria Ortiz
- Deborah Harris
- David R. McCain, President of Friends of Flagstaff's Future
- Gloria Valencia
- Leslie Connell
- Emily Melhorn
- Susan Immel
- Rick Lopez

Comments received included:

- Grew up in Cheshire; now lives in Sunnyside
- Has had to make changes because it is hard to live in Flagstaff
- Open space is important, but not more important than housing families
- People of low-income have the right to live in a good neighborhood
- The community's opposition to this has made her feel very unwelcome in Flagstaff
- Works for Home Solutions
- After working with families for the past 13 years, the difficulty remains in housing
- She continues to hear "I support affordable housing, but..."
- This opposition is not new and it will not end
- Her family was here before the inception of Flagstaff
- She has seen many changes in Flagstaff
- As a teacher, working for 17 years, she cannot find affordable housing so she has to live with her parents with her three children
- Went to Housing Authority and was approved, but she is now on a waiting list
- Must have three times the rent salary to rent anything
- They need the housing
- Thanks for allowing community the opportunity to speak
- Years ago she was on the School Board and they were talking about what they were going to do about schools
- She is hearing the same hateful things now that she heard back then
- Everyone has to give up something
- Like the idea of including more properties in the RFP, including the Schultz Pass property
- At the grocery store heard two ladies talking about the property, stating "they don't need those kind of people here"
- They need affordable housing
- Don't like flowers
- Important to remember that affordable housing should be available in all of of the neighborhoods, but also retain their culture
- Be respectful of the neighbors
- Need to stop the white privilege
- 55% of Flagstaff are renters
- The Council's only job as an elected official is to improve people's lives
- If not here, where?
- They could not find a piece a property that everyone would agree is a good place for affordable housing

Councilmember McCarthy said that he absolutely does support affordable housing and it should be throughout the City. He said that he also supports iconic view sheds. He would like to find a win/win solution. They should add the Elden property to the RFP, regardless of what they do with Schultz Pass. He believes they should remove the Schultz Pass property.

Mr. Copley recapped his understanding that they have received direction to stay with the direction given on June 27, but adding the Elden property.

Mayor Evans said that in understanding what Councilmember Overton is saying, she would agree to remove the Schultz Pass property. She said that the only reason she is doing that is because she hears the community and she wants to make sure that whatever RFP they put out is successful.

Councilmember Odegaard said that the current Council puts the best of the community before the party. His recommendation, with no disrespect to anyone, is to remove Schultz Pass off the table and include Elden parcel on the RFP. In looking at the other neighborhoods, they should limit any of the property developments at two stories.

Councilmember Barotz said that she has wrestled with this issue. She supports Option 2 in its entirety including the "no development option" for Schultz Pass. This would allow the most consideration in the future. She thanked Mr. Shannon for his comments in trying to have respect in their discussions. Please be gentle and sensitive to one another.

Vice Mayor Whelan said that it is a great gift to serve everyone, and it is good to see what great staff they have in getting things put together so quickly. She supports Option 2. In agreeing to it, they must check the safety issue of the gas lines running across the property. They are in the beginning of this process and they owe it to every single person to get as much information as possible, and Option 2 does that. The decision as to whether or not they move forward within anything on Schultz Pass property is down the road.

Councilmember Overton said he felt the need to discuss this quickly was because of the timeline. He believes they gave direction to staff to move forward on affordable housing. He said that these three parcels are the most ready for development. He recalls that when the land was purchased on Schultz Pass and the development agreement was written to get utilities on the property, he is not sure that everyone understood what that meant. But, he did not want to include property in the RFP that was never going to be considered. He's disappointed that they are taking the Elden property out of the current RFP. He does not believe that the community has the political will to leave the Schultz Pass property in there. He wished they would. If they left it in, they would have the next three months of bitter discussions. He said they should pull the Schultz Pass property, but he also understands that the Elden piece is going to have limitations on the RFP. If the Schultz Pass property is pulled, they need to repay the funds used out of the affordable housing funds.

Councilmember McCarthy said that Councilmember Overton said much of what was going through his mind. If they did leave it in, they are making the RFP very complicated and he believes that will keep people from submitting on it, and they will go through this same battle six months from now.

Councilmember Overton said that they have not even seen the results of the current RFP that included the Elden parcel.

Mr. Solomon clarified that if they ended with a 3-3 vote, they would be settling with the June 27 direction, although they could further discuss it.

Mayor Evans said that she has been listening to all of this. One of the things that makes Flagstaff what it is, is the views. When she decided to become a single parent she decided to stay here to raise her daughter. When she made that decision it was not based on the views, but more on the people here. It takes the people and the place to make Flagstaff the place that people want to be. She has been on the Council for nine years. Every single time they talk about addressing the needs of the people, they run against this opposition. They heard with it the Schultz Y and the Buffalo Park Annex and McMillan Mesa. Open Space is extremely valuable, but she also wonders at what point they'll become Vail or Aspen, where they have a beautiful view but no one can afford to live here to see it.

Mayor Evans said that they made a decision on June 27, and she appreciated City staff for working on this. She would like to see Option 2 to move forward and take a look at it. It may

come back with no development on Schultz Pass, which means the other parts of town will have to take a hit. The Elden property will have to be capped at two stories. They have heard from the community that said they would be happy to have several stories at the other property because they need affordable housing.

Councilmember Overton said he is fine with putting out the RFP, but there is a strong public contingent against the Schutz Pass parcel. They are not unified enough as a Council to include that parcel in the RFP.

She said that she has seen a lot of mean things from everyone, including a statement that if people cannot afford to live here, they should move to Winslow.

Mr. Copley said that they have heard that the Elden piece should be added, and capped at two stories, but they have not heard direction on Schultz Pass. At this time Mayor Evans said that she would break the tie and support removing the Schultz Pass property from the RFP. She said that she was not doing that because she agreed with it, but because she heard what Councilmember Overton was saying that if it remains, this discussion will continue for the next few months and it could have a negative impact on the overall RFP. She said that as a third generation resident, with a fourth generation daughter, she was very disappointed with the community. The City has preserved over 3,000 acres of open space, but have not addressed affordable housing. Mr. Copley summarized that they would include the Elden property, capped at two stories, but remove the Schultz Pass property in the RFP.

Written comments in support of keeping Schultz Pass property open space were received from:

- Suzanne Motsinger
- Kathleen M. Ryan
- Rachel Bennett
- Stacy Krueger
- Eric Peppers
- Danielle Grimmett
- Jennifer Pritchard
- Sharan Winnicki
- Shelly Hess
- Maiah Jaskoski
- Paul J. Martinez
- Katharine Hawbaker
- Elisha Dorfsmith
- Cynthia Dorfsmith
- Wm. Michael Wilson
- Becky Weidinger
- Roberta Motter
- Nicolaus Hawbaker

The following individuals submitted written comments in support of leaving the Schultz Pass parcel in:

- Dawn Tucker
- Wendy Kozeastie
- Cheryl Blume

Kim Campbell submitted a written comment card in support of all parties sitting down and coming up with a solution.

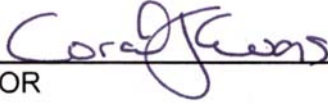
4. FUTURE AGENDA ITEM REQUEST (F.A.I.R.)

After discussion and upon agreement by two members of the Council, an item will be moved to a regularly-scheduled Council meeting.

A. Future Agenda Item Request (F.A.I.R.): A Citizens' Petition Requesting Consideration of Council Action to Designate the Schultz Pass Property as Open Space (Cit. Pet. #2017-03).

Two councilmembers agreed to move this item to a future agenda. Due to the citizens petition, it will be heard at the August 15, 2017, Council Meeting.

5. Adjournment



MAYOR



CITY CLERK

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Rick Tadder, Management Services Director
Date: 09/25/2020
Meeting Date: 09/29/2020



TITLE

Sales Tax and Revenue Update

STAFF RECOMMENDED ACTION:

Discussion only.

EXECUTIVE SUMMARY:

Staff will be providing a revenue update to City Council. The presentation will include how General Funds performed in the 4th quarter of Fiscal Year 2019-20, preliminary year-end General Fund revenues for FY 2019-20, comparison of July and August revenues in the General Fund, BBB revenue update, and potential impacts to all City funds.

INFORMATION:

Revenues for the City of Flagstaff are critical to providing the many services to our community. Since March 2020, revenues have been impacted by the COVID-19 pandemic and current recession. Staff has been reviewing revenues nearly every week over the last several months and is providing the Budget Team with regular updates. July and August's major revenues have been posted and reviewed with the Budget Team. This is a presentation to update and inform Council on our Sales Tax and Revenues through August 2020.

Attachments: [Sales Tax and Revenue Update](#)



TEAM FLAGSTAFF



Sales Tax and Revenue Update

Flagstaff City Council Meeting
September 28, 2020





General Fund Revenues – June 2020: 4th Qtr

- Hotels/Motels/STR: **62% decline** April-June versus prior year
- Restaurants/Bars: **31% decline** April-June vs prior year
- Pers Prop Rental: **22% decline** April-June vs prior year
- Retail: **17% increase** April-June vs prior year
- Construction Contracting: **41% increase** April-June vs prior year
- Non-City Sales Tax Areas:
 - State Shared Sales Tax **-8%**, Auto Lieu **-31%**,
Charges for Services **-35%**, Building Permits **+76%**,



General Fund Revenues: June 2020

		February	Preliminary		
Category	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2019-20 Actual	Versus Budget	Versus Estimate
Sales Taxes Total	\$ 22,666,468	\$ 21,555,200	\$ 22,157,059	\$ (509,409)	\$ 601,859
State Shared Revenues					
State Shared Sales Tax	\$ 7,182,893	\$ 7,400,000	\$ 7,485,660	\$ 302,767	\$ 85,660
State Shared Urban Revenue	9,451,184	9,564,600	9,564,616	113,432	16
Auto Lieu Tax	3,237,360	3,500,000	3,287,875	50,515	(212,125)
State Shared Total	\$ 19,871,437	\$ 20,464,600	\$ 20,338,151	\$ 466,714	\$ (126,449)
Other Revenues					
Property Taxes	\$ 6,906,500	\$ 6,906,500	\$ 6,764,723	(141,777)	(141,777)
Franchise Fees	2,585,889	2,425,000	2,297,638	(288,251)	(127,362)
Building Permits	1,650,000	2,100,000	3,327,189	1,677,189	1,227,189
Other License and Permits	1,056,716	1,056,700	1,609,354	552,638	552,654
Other Intergovernmental Revenue	1,257,668	1,257,668	1,208,023	(49,645)	(49,645)
Charges for Services	3,267,437	3,267,400	2,950,890	(316,547)	(316,510)
Fines and Forfeitures	1,420,489	1,420,500	1,218,580	(201,909)	(201,920)
Investment Earnings	350,000	371,800	327,000	(23,000)	(44,800)
Total Other	\$ 18,494,699	\$ 18,805,568	\$ 19,703,397	\$ 1,208,698	\$ 897,829
Total General Fund Revenues	\$ 61,032,604	\$ 60,825,368	\$ 62,198,607	\$ 1,166,003	\$ 1,373,239

Excludes: Lease revenues, grants, contributions, miscellaneous, financing resources and transfers.



General Fund Sales Tax : June 2020

		February	Preliminary		
Category	FY 2019-20 Budget	FY 2019-20 Estimate	FY 2019-20 Actual	Versus Budget	Versus Estimate
Sales Taxes					
Utilities	\$ 1,112,945	\$ 1,050,000	\$ 1,035,117	\$ (77,828)	\$ (14,883)
Telecommunications	251,125	230,000	211,313	(39,812)	(18,687)
Restaurant/Bars	3,075,000	3,000,000	2,820,892	(254,108)	(179,108)
Amusements	114,800	106,000	85,907	(28,893)	(20,093)
Commercial Rental	1,200,000	1,050,000	1,066,063	(133,937)	16,063
Personal Property Rental	676,500	715,000	660,066	(16,434)	(54,934)
Contracting	2,146,900	1,700,000	1,991,518	(155,382)	291,518
Retail	10,762,500	10,600,000	11,340,823	578,323	740,823
Hotel/Motel/STR	1,537,500	1,600,000	1,353,303	(184,197)	(246,697)
Miscellaneous	130,698	104,200	102,059	(28,639)	(2,141)
Use Tax	1,658,500	1,400,000	1,489,998	(168,502)	89,998
Sales Taxes Total	\$ 22,666,468	\$ 21,555,200	\$ 22,157,059	\$ (509,409)	\$ 601,859
% Change vs Prior Estimate				-2.2%	2.8%



FY 2020-21 Update

- May 26 moved to the Significant Stage of the Economic Recession Plan: 5% to 10% or \$3.4M to \$6.7M
- Implemented a new revenue forecasting model
 - Looking at revenues month to month versus just annualized
 - 4 scenarios forecasts implemented
- July and August revenues posted
- Exceeding FY 2019-20 actuals and April projections



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"v" shaped recovery

- Rebound is swift, but not easy
- Short-term, quick fixes could bridge the gap to recovery



Big "V" recovery

- Downturn is deeper, but bounceback is rapid
- Short-term bridge strategies apply



"W" recovery

- A short-term recovery, but a return of infection in fall
- Longer-term strategies to endure and transform



"L" recovery

- Recovery is stalled by deeper economic woes
- Long-term transformation strategies needed asap





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	FY 2019-20 Actuals	FY 2020-21 Actuals		
	July/Aug	July/Aug	Variance	% Change
Sales Tax				
Utilities	\$ 144,338	\$ 150,254	\$ 5,916	4%
Telecommunications	43,706	30,908	\$ (12,798)	-29%
Restaurant/Bars	520,877	450,084	\$ (70,793)	-14%
Amusements	22,125	10,134	\$ (11,991)	-54%
Commercial Rental	198,324	222,147	\$ 23,823	12%
Personal Prop Rental	134,455	105,232	\$ (29,223)	-22%
Contracting	324,558	418,109	\$ 93,551	29%
Retail	2,015,369	2,331,832	\$ 316,463	16%
Hotel/Motel/STR	333,592	226,302	\$ (107,290)	-32%
Miscellaneous	13,315	15,648	\$ 2,333	18%
Use Tax	133,015	348,116	\$ 215,101	162%
Total	\$ 3,883,674	\$ 4,308,766	\$ 425,092	11%
State Shared Revenue				
Sales Tax	\$ 1,212,864	\$ 1,482,267	\$ 269,403	22%
Income Tax	1,594,102	1,787,330	\$ 193,228	12%
Auto Lieu Tax	610,428	756,583	\$ 146,155	24%
Total	3,417,394	4,026,180	608,786	18%

April Rec Proj FY 2020-21	FY 2020-21 Actuals		
July/Aug	July/Aug	Variance	% Change
\$ 164,800	\$ 150,254	\$ (14,546)	-9%
40,100	30,908	(9,192)	-23%
390,000	450,084	60,084	15%
18,100	10,134	(7,966)	-44%
178,500	222,147	43,647	24%
116,600	105,232	(11,368)	-10%
258,700	418,109	159,409	62%
1,746,700	2,331,832	585,132	33%
232,800	226,302	(6,498)	-3%
13,100	15,648	2,548	19%
117,600	348,116	230,516	196%
\$ 3,277,000	\$ 4,308,766	\$ 1,031,766	31%
\$ 1,051,149	\$ 1,482,267	\$ 431,118	41%
1,783,333	1,787,330	3,997	0%
569,733	756,583	186,850	33%
3,404,215	4,026,180	621,965	18%



General Fund Projections Going Forward

- FY 2020-21 4 Scenarios: range of <1% to 8% decline, -4.8% Ave
 - April 4 Scenarios: 4.2% to 9.8% decline, 6.4% average
- Maintain Significant Stage
- Can retail and construction remain strong?
- Charges for Services down
- Still a great deal of uncertainty
 - COVID, shutdowns, vaccine, impacts to local businesses, unemployment, minimum wage, air travel, Census.....



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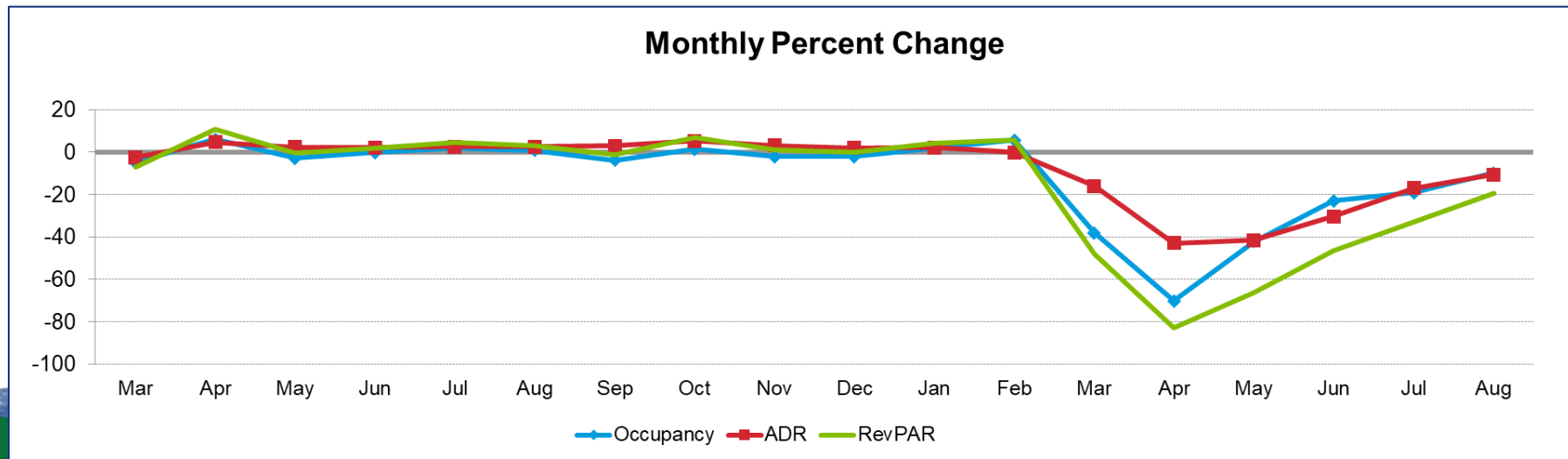
	Budget Adoption	Economy Returns, Then Another COVID	Weak Economy Early, Stronger Recovery	Weak Economy, Slow Recovery	Average of 3 Scenarios		
Category	FY 2020-21 Budget	Scenario 1 FY 2020-21	Scenario 2 FY 2020-21	Scenario 3 FY 2020-21	Scenario 4 FY 2020-21	Scenario 4 Compared to Budget	
Sales Taxes Total	\$ 22,054,670	\$ 20,797,200	\$ 22,421,900	\$ 20,509,500	\$ 21,242,800	\$ (811,870)	-3.7%
State Shared Revenues							
State Shared Sales Tax	\$ 7,486,395	\$ 7,495,300	\$ 7,731,700	\$ 7,385,700	\$ 7,537,500	\$ 51,105	0.7%
State Shared Urban Revenue	\$ 10,669,590	10,724,000	10,724,000	10,724,000	10,724,000	54,410	0.5%
Auto Lieu Tax	\$ 3,540,863	3,550,500	3,518,800	3,476,400	3,515,300	(25,563)	-0.7%
State Shared Total	\$ 21,696,848	\$ 21,769,800	\$ 21,974,500	\$ 21,586,100	\$ 21,776,800	\$ 79,952	0.4%
Property Taxes	\$ 6,967,500	\$ 6,817,500	\$ 6,967,500	\$ 6,717,500	\$ 6,834,200	\$ (133,300)	-1.9%
Franchise Fees	2,471,500	2,214,200	2,227,600	2,164,600	2,202,100	(269,400)	-10.9%
Building Permits	1,702,500	1,417,000	1,667,000	1,458,700	1,514,300	(188,200)	-11.1%
Other GF Revenues	7,585,100	5,636,100	6,959,465	5,046,700	5,880,800	(1,704,300)	-22.5%
	\$ 18,726,600	\$ 16,084,800	\$ 17,821,565	\$ 15,387,500	\$ 16,431,400	\$ (2,295,200)	-12.3%
Total General Fund Revenues	\$ 62,478,118	\$ 58,651,800	\$ 62,217,965	\$ 57,483,100	\$ 59,451,000	\$ (3,027,118)	-4.8%
Change vs Prior Estimate		\$ (3,826,318)	\$ (260,153)	\$ (4,995,018)	\$ (3,027,118)		
% Change vs Prior Estimate		-6.1%	-0.4%	-8.0%	-4.8%		

Excludes: Lease revenues, grants, contributions, miscellaneous, financing resources and transfers.



BBB Taxes

- BBB Taxes rely on Restaurants/Bars and Hotels/Motels/STRs
- Hardest hit during this pandemic
- FY 2019-20 Actuals 9.5% decline (\$877K)
- FY 2020-21 Scenarios 9% to 19% declines (\$810K-\$1.7M)





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Revenues: FY 2020-21 potential impacts

Funds	Low	High
General Fund	(\$ 260,000)	(\$ 5,000,000)
BBB Funds	(\$ 810,000)	(\$ 1,700,000)
Transportation Funds	\$ 170,000	(\$ 2,100,000)
ParkFlag Fund	(\$ 800,000)	(\$ 1,000,000)
Highway User Revenue Fund	(\$ 1,050,000)	(\$ 1,400,000)
Enterprise Funds	(\$ 1,800,000)	(\$ 3,900,000)
Total	(\$ 4,550,000)	(\$ 15,100,000)



State Shared Revenues

- FY 2021-22 State Shared Income Taxes \$1.0M loss
 - 1-year delay for impact
 - 2019 returns were not due until July
- Census impact uncertain – each 1,000 undercount
 - Sales Tax ~ \$ 113K loss
 - Income Tax ~ \$145K loss
 - Vehicle Tax ~ \$ 50K loss
 - HURF ~ \$ 77K loss



Other Items

- The City cut over \$1.3M of expenses in 4th quarter of FY 2019-20
- Budget Team Continues to meet 2-3 times each week
- Reviewing request over \$15K and personnel requests
- Hiring Freeze in place, only highly essential positions approved
- Employee COLA on hold
- Several capital equipment items deferred
- Non-essential travel eliminated





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The following slides are
informational only.





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General Fund Revenue Projections-April

Category	Budget Adoption	Economy Returns, Then Another COVID	Weak Economy Early, Stronger Recovery	Weak Economy, Slow Recovery	Average of 3 Scenarios		
	FY 2020-21 Budget	Scenario 1 FY 2020-21	Scenario 2 FY 2020-21	Scenario 3 FY 2020-21	Scenario 4 FY 2020-21	Scenario 4 Compared to Budget	
Sales Taxes Total	\$ 22,018,300	\$ 20,313,800	\$ 20,720,900	\$ 19,614,600	\$ 20,216,400	\$ (1,801,900)	-8.2%
State Shared Revenues							
State Shared Sales Tax	\$ 7,486,400	\$ 7,190,500	\$ 7,116,400	\$ 6,905,000	\$ 7,070,700	\$ (415,700)	-5.6%
State Shared Urban Revenue	\$ 10,669,600	10,700,000	10,700,000	10,700,000	10,700,000	30,400	0.3%
Auto Lieu Tax	\$ 3,540,900	3,381,000	3,320,000	3,201,100	3,300,700	(240,200)	-6.8%
State Shared Total	\$ 21,696,900	\$ 21,271,500	\$ 21,136,400	\$ 20,806,100	\$ 21,071,400	\$ (625,500)	-2.9%
Franchise Fees	\$ 2,471,500	\$ 2,357,900	\$ 2,414,100	\$ 2,414,100	\$ 2,395,300	\$ (76,200)	-3.1%
Building Permits	1,702,500	1,650,000	1,500,000	1,250,000	1,466,700	(235,800)	-13.9%
Property Taxes	6,967,500	6,967,500	6,967,500	6,842,500	6,925,800	(41,700)	-0.6%
Other GF Revenues	10,439,932	9,353,400	9,808,712	7,945,121	9,035,700	(1,404,232)	-13.5%
	\$ 21,581,432	\$ 20,328,800	\$ 20,690,312	\$ 18,451,721	\$ 19,823,500	\$ (1,757,932)	-8.1%
Total General Fund Revenues	\$ 65,296,632	\$ 61,914,100	\$ 62,547,612	\$ 58,872,421	\$ 61,111,300	\$ (4,185,332)	-6.4%
Change vs Prior Estimate		\$ (3,382,532)	\$ (2,749,020)	\$ (6,424,211)	\$ (4,185,332)		
% Change vs Prior Estimate		-5.2%	-4.2%	-9.8%	-6.4%		



TEAM FLAGSTAFF



General Fund Projections: Sales Tax Details

Category	FY 2020-21 Budget	Scenario 1 FY 2020-21	Scenario 2 FY 2020-21	Scenario 3 FY 2020-21	Scenario 4 FY 2020-21	Change	% Change
Sales Taxes							
Utilities	\$ 1,076,250	\$ 1,041,000	\$ 1,016,900	\$ 1,006,100	\$ 1,021,300	\$ (54,950)	-5.1%
Telecommunications	235,750	198,500	214,200	205,900	206,200	(29,550)	-12.5%
Restaurant/Bars	3,075,000	2,580,900	2,793,400	2,713,100	2,695,800	(379,200)	-12.3%
Amusements	108,650	67,200	87,200	79,900	78,100	(30,550)	-28.1%
Commercial Rental	1,050,000	1,028,400	1,080,700	1,044,400	1,051,100	1,100	0.1%
Personal Property Rental	732,875	611,400	646,600	608,400	622,100	(110,775)	-15.1%
Contracting	1,700,000	1,783,900	2,017,000	1,645,200	1,815,400	115,400	6.8%
Retail	10,865,000	10,599,100	11,306,400	10,184,500	10,696,700	(168,300)	-1.5%
Hotel/Motel/STR	1,640,000	1,214,300	1,432,100	1,332,500	1,326,300	(313,700)	-19.1%
Miscellaneous (Publish, Print, Trans, Timb, Adv)	99,600	103,400	122,300	101,400	109,000	9,400	9.4%
Use Tax (Increase 8/2019 1% to 2.281%)	1,471,545	1,569,100	1,705,100	1,588,100	1,620,800	149,255	10.1%
Sales Taxes Total	\$ 22,054,670	\$ 20,797,200	\$ 22,421,900	\$ 20,509,500	\$ 21,242,800	\$ (811,870)	-3.7%
Change vs Prior Estimate		\$ (1,257,470)	\$ 367,230	\$ (1,545,170)	\$ (811,870)		
% Change vs Prior Estimate		-5.7%	1.7%	-7.0%	-3.7%		