

WORK SESSION AGENDA

**CITY COUNCIL WORK SESSION
TUESDAY
APRIL 12, 2022**

**COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
3:00 P.M.**

All City Council Meetings are live streamed on the city's website
(<https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings>)

*****PUBLIC COMMENT*****

Verbal public comments may be given through a virtual public comment platform or in-person

If you want to provide a verbal comment during the Council Meeting, use the link below to join the virtual public comment room.

VIRTUAL PUBLIC COMMENT WAITING ROOM

Written comments may be submitted to publiccomment@flagstaffaz.gov. All comments submitted via email will be considered written comments and will be documented into the record as such.

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. ROLL CALL

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

MAYOR DEASY
VICE MAYOR SWEET
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY

COUNCILMEMBER SALAS
COUNCILMEMBER SHIMONI

3. Pledge of Allegiance, Mission Statement, and Land Acknowledgement

MISSION STATEMENT

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

LAND ACKNOWLEDGEMENT

The Flagstaff City Council humbly acknowledges the ancestral homelands of this area's Indigenous nations and original stewards. These lands, still inhabited by Native descendants, border mountains sacred to Indigenous peoples. We honor them, their legacies, their traditions, and their continued contributions. We celebrate their past, present, and future generations who will forever know this place as home.

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. **Proclamation:** National Telecommunicator's Week

6. **Proclamation:** 2022 National Service Recognition Day

7. **Proclamation:** Fair Housing Month

8. **Proclamation:** Water Professionals Appreciation Week

9. **Review of Draft Agenda for the April 19, 2022 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.

10. **City Manager Report** Information Only

11. **State Legislative Update**

STAFF RECOMMENDED ACTION:

Discussion and direction from Council.

12. **Presentation and discussion regarding the City of Flagstaff Community Development Block Grant, Program Year 2022 Annual Action Plan and Staff recommendations for Program Year 2022 CDBG funding allocations.**

Inform Council of the Community Development Block Grant (CDBG) Program Year 2022 Annual Action Plan, required by the US Department of Housing and Urban Development (HUD) as part of the CDBG Program (CDBG). The 2022 Annual Action Plan is due to be submitted to HUD by July 11, 2022 and is required in order for the City of Flagstaff to maintain its compliance with federal CDBG regulations.

13. **Discussion regarding recreational marijuana social equity license program**
 Receive direction from Council regarding whether to allow social equity licensees to operate in Flagstaff.
14. **Proposed 4th amendment to the Timber Sky Annexation and Development Agreement**
 Discussion and Direction
15. **Public Participation**
16. **Informational Items To/From Mayor, Council, and City Manager; future agenda item requests**
17. **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 _____, 2022.

Stacy Saltzburg, MMC, City Clerk

**CITY OF FLAGSTAFF
STAFF SUMMARY REPORT**

To: The Honorable Mayor and Council
From: Stacy Saltzburg, City Clerk
Date: 04/08/2022
Meeting Date: 04/12/2022



TITLE:

City Manager Report

DESIRED OUTCOME:

Information Only

EXECUTIVE SUMMARY:

These reports will be included in the City Council packet for regularly scheduled Council meetings, excluding Work Session meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

INFORMATION:

Attachments: City Manager Report
Capital Projects Monthly Update
Capital Project Map

City Manager's Report

April 8, 2022

Council and Colleagues, greetings. These reports will be included in the City Council packet for regularly scheduled Council meetings. The reports are intended to be informational, covering miscellaneous events and topics involving the City organization.

We will be covering work anniversaries at the Council Work Session. Also, appended to this report is the monthly update from Capital Improvements.

Fire Department

- FFD hosted a 3-year badge pinning catch up ceremony this past Friday at City Hall. Senior Deputy Manager Anderson and I attended, and Mayor Deasy was present to offer some comments. There were seventeen recognitions at the engineer and captain level. It was good to be back in person enjoying these special ceremonies. Congratulation to all!





- Crews were busy this week with our annual wildland refresher training hosted by GFR partner Highlands Fire. The below photo is an exercise in fire shelter deployment.



- The first four days of the CARE unit were a success with seventeen omega responses, six self-initiated responses, multiple outreach efforts to hot spots in the community, four transports to the shelter, three requests for Guardian to transport patient to FMC, and five responses to possible suicide incidents. The program is off to a very productive start.

Human Resources & Risk Management

- Staff members have been working on policies related to drug and alcohol testing, flexible work schedules, and compensation. Stay tuned on this.
- We are also updating the online performance evaluation process to improve timely completion rates. With the merit system reinstated, emphasis will continue to be placed upon an effective and timely evaluation process.

Police Department

- The Department is busy conducting Dispatch interviews. This is good news.
- Several Officers assisted with eight new recruit physical fitness testing and several were moved on to background checks. Also very good news.
- And on the topic of recruitment, Chief Musselman and Deputy Chiefs Mansfield and Lasiewicki attended a meeting with Coconino Community College about a local police academy.
- FPD staff members attended meeting with Goodwill, Salvation Army, Flagstaff Rescue Mission, and Victim Witness.
- Congratulations to Nancy Dauwen, who has been promoted to our Records Section Manager, with the retirement of Sharon Whitmore. Nancy started her career with the City in 2008, leaving in 2013, and returning to us in 2016. Nancy has a degree in Applied Psychology. She also has a cool Australian accent ... just saying. Please stop in and say hello to Nancy and congratulate her on her promotion.



PROSE

- We are receiving feedback re the future of Thorpe through an 8-question survey, linked [here](#).
- A big shout-out to all of those that are working the fields for our youth and adult sports. It is so good to see the fields in action once again!



- The Aquaplex will perform an annual maintenance of the entire facility the week of April 3rd to April 10th, with some heavy focus on the pool area and fitness spaces. Very exciting and the timing works well with re-entry!
- Open Space hosted Moorestown Friends School from New Jersey with a tour of the Wildcat Hill Wastewater Facility and a guided hike of Picture Canyon.
- Hal Jensen staff had a blast with community youth during spring break this week including trips to Jay Lively for ice skating, a movie at Harkins Theater, Coconino Center for the Arts, bowling, crafts, and a cooking class.



The Open Space program hosted a guided hike of Picture Canyon, in celebration of Arizona Archaeology and Cultural History Month. We had 38 adults and seven children join the hike, and eight people took advantage of the PROSE van shuttle from Sunnyside.

Public Works

- Street sweeping was in full operation this week with a shift in hours to 12-hr shifts. This change was to help get ahead of the saturation of ice cinders through the city.
- Streets held Operations Technician interviews this week with only one applicant.
- The separated bike lane pilot has resulted in 491 candlestick replacements and 19 heavily damaged curbs. Recent snow events led to significant curb damage from traveling public.
- Flood funding support from DFFM through the Coconino County Emergency Management department has led to \$290,000 for emergency traffic control devices and \$295,000 for a front-end CAT loader.
- Fleet Services has been working on repairs for three Fire Engines and one Quint.
- Facilities worked on Amtrack fence repair in loading zone; Joe C Montoya lighting conversion; Citywide boiler inspections; USGS roof and water heater repairs, lighting retrofits and painting; NACET drywall; repair Airport perimeter gate and four doors; and recreation facility plumbing repair.

Meetings

We had a very productive meeting on Tuesday, April 5th, with the Army Corps of Engineers and BNSF Railroad team. The topic, of course, was the Rio de Flag project and efforts are now underway to seek grant funding to address the needed capital to move forward. We are targeting March

2023, to have the first contract (CMA1) executed, allowing for construction to commence on the first phase. Props to Christine Cameron and others on the City team for orchestrating.



That's it for now, Council. Onward and upward ...



ENGINEERING DIVISION
Capital Improvements Section

Monthly Capital Projects Report
April 2022

Honorable Mayor, Vice Mayor and Council,

The April report was completed by our Project Managers on April 1st and includes project updates for the month of March.

The attached map is a comprehensive view of all active capital improvements projects in our community that are assigned to the Capital Improvements Section of the Engineering Division, inclusive of projects that are in planning, design, and construction phases.

We have tried to reduce the extent of information provided and focused on only those projects that had substantive progress from previous months or have key milestones to share.

If you would like to receive more information on a specific project, please reach out and we'd be glad to share more detailed information.

Active Transportation Master Plan

On September 13, 2021, the City released the draft Active Transportation Master Plan (ATMP) for a 60-day public comment period. The ATMP will serve as a guide to enhancing walking and biking in Flagstaff. The draft document includes detailed information regarding pedestrian and bicycle accommodation and establishes a series of goals, policies, and strategies to support walking and biking.

- The 60-day review period and the community survey were extended through the winter to allow for additional commission presentations and public comment. The community survey for the ATMP recently closed, with 250 surveys completed. Staff is in the process of compiling results.
- Staff continues to refine the 20-year program of pedestrian and bicycle projects that will be funded with the pedestrian/bicycle portion of the transportation sales tax and Mountain Line's first/last mile grant. An interactive map of planned sidewalks, bikeway, FUTS trails, enhanced crossings, and grade-separated crossings is available at [this link](#).
- The ATMP will be accompanied by a minor amendment to the Regional Plan to incorporate infrastructure maps from the ATMP and some of its general language. A draft of the minor Regional Plan amendment [can be viewed here](#). The plan amendment was recently reviewed internally as part of the IDS process; substantive comments regarding the amendment will be available soon and will be incorporated into the modification.
- Staff is working with Comprehensive Planning to finalize the review and adoption schedule for the plan.
- The [draft ATMP can be downloaded here](#). For more information, [go to the ATMP webpage](#).

City of Flagstaff



DRAFT **Active Transportation** **Master Plan**

Woody Way

A citizen petition was submitted to Council for discussion on September 23, 2021, to make Woody Way a one-way street westbound, while still allowing for emergency vehicular access. Staff gave a presentation to Council explaining background of the Woody Way Gate and touched on some of the data that has been, and will be, collected. Since this issue has already been in the hands of the Transportation Commission, Council decided to not allow the FAIR item to move forward and to let the Commission make a recommendation to Council on a decision for the connector roadway.

Project Update:

- Additional traffic calming measures will be installed by Public Works and include raised cross walks where Woody Way intersects Mission Timber and Ax Handle Way, and where Highland Mesa Rd intersects Ax Handle Way. These locations will also have stop bars and double center lines striped. The new striping will be completed in the Spring of 2022 once the weather is warmer. The raised cross walks will be designed and constructed concurrently with the permanent calming measures on University Avenue. Additional traffic calming measures also include installing no parking signs on the north side of Woody Way. Work orders for the striping and no parking sign have already been submitted.



Striping Example: WB Approach of Highland Mesa Rd & Ax Handle Way

Boulder Pointe – University Avenue Traffic Calming

- Through the removal of the Woody Way gate that once separated the neighborhoods of Presidio and Boulder Pointe, staff discovered that speeds on University are high enough to warrant traffic calming measures. We have presented to the Transportation Commission concepts for traffic calming and invited the public and HOA's for input. The outcome was to install temporary center island medians and a bump out using candlesticks, along with a radar feedback sign at each end of the straightaway on University. Public Works installed the temp traffic control along University in June 2021. Traffic counts have been collected to see if the temp traffic calming measure have worked and the 85th percentile speed has decreased by 2 mph in both locations on University.

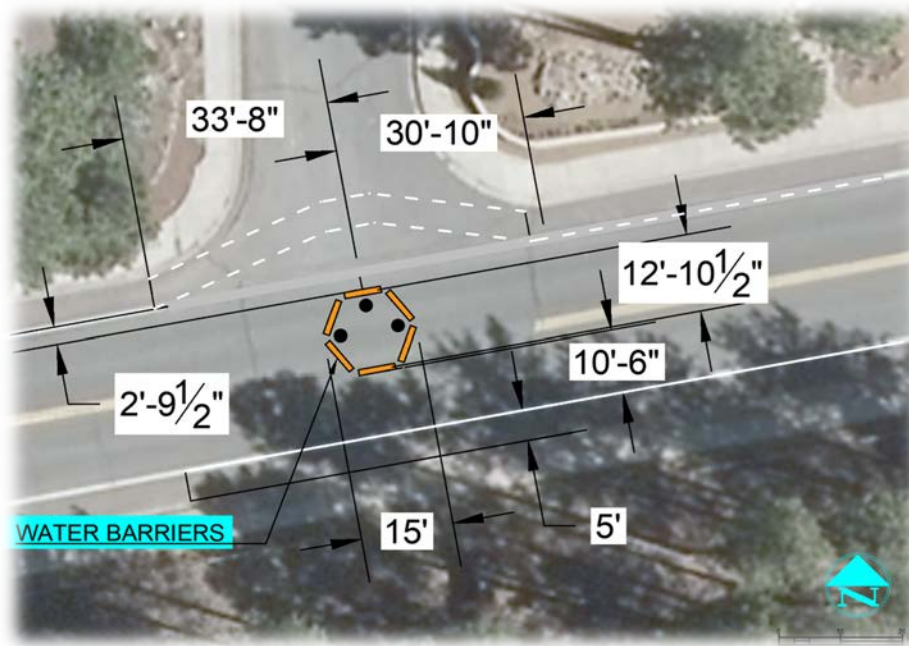


Radar Feed Back Sign WB University



Candle Sticks on University

- Transportation Commission reviewed modifications to the University at Tombaugh temporary traffic calming setup at their December 1 meeting. The commission heard public comment and recommended staff move forward with a new design utilizing curb extensions and a neighborhood mini circle. The traffic circle has been drafted in AutoCAD and has been verified to be able to support the turning radius of the largest vehicles using the circle through vehicle tracking. The old traffic calming measures were removed on Thursday February 10, 2022, and the temporary traffic circle was installed on Friday February 11, 2022. This setup will be evaluated with a traffic study once the weather permits in order to determine how it impacts traveling speeds.



Temporary Traffic Circle Striping/Implementation Plan



Eastbound View of the Temporary Traffic Circle

Spruce Wash – Cedar to Dortha and Dortha Inlet (Design Phase)

FUND: STORMWATER

Description - Design consists of improvements to the Spruce Wash Channel from Cedar Avenue to south of Dortha Avenue. This work is in response to the damage that occurred during the 2021 monsoon flooding from the Museum Fire burn scar.

- Engineering design was substantially completed. The city and the Contractor continue value engineering and field changes to reduce cost and increase construction efficiency.
- Construction began March 21. The Contractor has been working on removals, utility locating, and franchise utility relocations over the past two weeks. Additional franchise utility locations have been discovered and are being integrated into the project schedule.
- Staff provided a monthly update to Council on March 29, which included the feasibility study and modeling, project updates, the siren system, and communications.
- Museum Flood Engineering and Feasibility team meetings continue every Monday and City staff continues to meet monthly with County Supervisor Jeronimo Vasquez.
- While there are utility and property related challenges to this project, construction of these improvements will occur prior to the 2022 monsoon season.



Spruce Wash north of Dortha Avenue



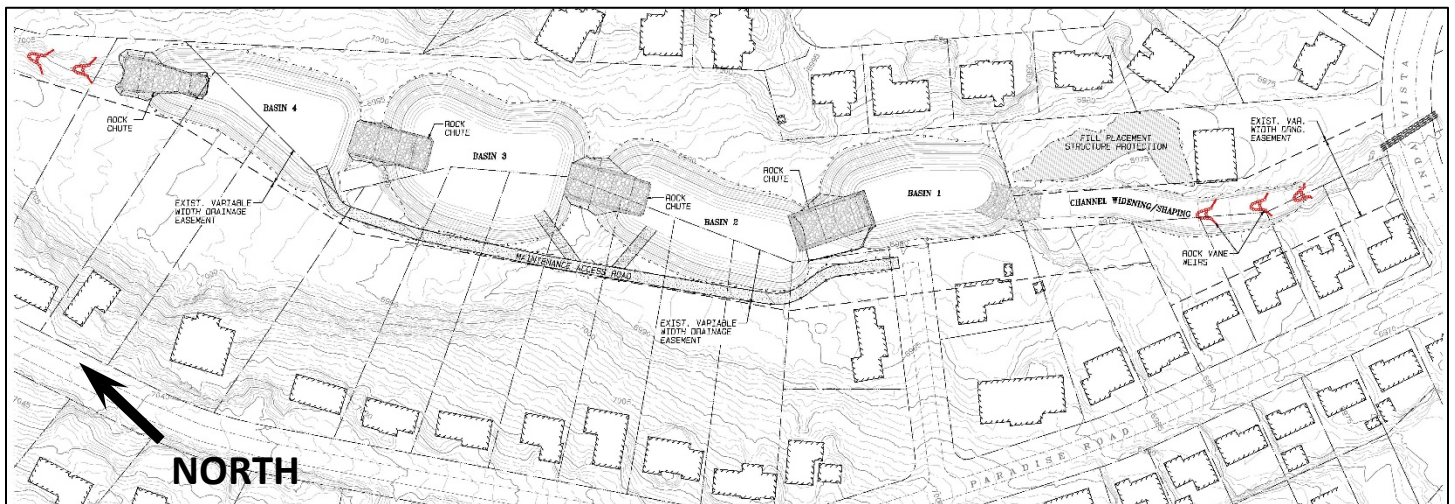
Spruce Wash – looking south at Dortha Avenue

Spruce Wash – Park Basins (Design Phase)

FUND: NRCS GRANT/STORMWATER

Description – This project adds four sediment basins and five rock vein weirs below the recently-completed Spruce Wash Channel Widening Project (northern end of Paradise Road) and upstream of Linda Vista Drive. These basins will be part of a sediment deposition system for flood waters from the Museum Fire burn shed before conveyance to the Sunnyside neighborhood.

- Project design has been placed on hold until the upstream Mount Elden Estates Project has been completed by the County.
- Natural Channel Design (NCD) will be completing the project design. Currently plans are at 30-percent.
- City will acquire property rights to support the County Flood Control District (CFCD) project management and is working on property classifications and evaluating drainage easements within the project extent.
- National Resource Conservation Services (NRCS) grant is not able to fund property acquisition so City Stormwater funding will be used for this purpose.
- City will keep the park designation for the city parcel and is considering development of a trailhead for Forest Service access that respects the Beal Wagon Road historical alignment in the area.
- CFCD received funding of \$3.5M for work out of the city and includes the Park Basins.
- Time for construction is estimated at 220 days.
- Property acquisition has begun, beginning with discussions with property owners regarding design of the basins.



Project Extent from 30% Plans. Paradise Road is on the Bottom; Linda Vista Drive is on the Right.

La Plaza Vieja Traffic Calming (CONSTRUCTION PHASE)

FUND: TRANSPORTATION TAX (SAFETY) & HOUSING [CDBG] ALLOCATION

Description – The project is assisting the neighborhood by improving pedestrian safety of crosswalks, sidewalks, bike lanes and storm drainage at the Kingman Street and Florence Street/Malpais Lane intersections along Clay Avenue.

Contractor – Kinney Construction Services

Project Update:

- The week of 3/14 the final roadway paving occurred.
- Final pavement markings were installed on 3/23/2022.
- Substantial Completion was issued on 3/23/2022.
- Minor punch list items including survey monuments and as-builts remain.
- All traffic control devices and closures were removed on 3/23/2022 and pedestrian, bike, and vehicular traffic resumed through the project site.



Kingman/Clay intersection looking east at final pavement markings.

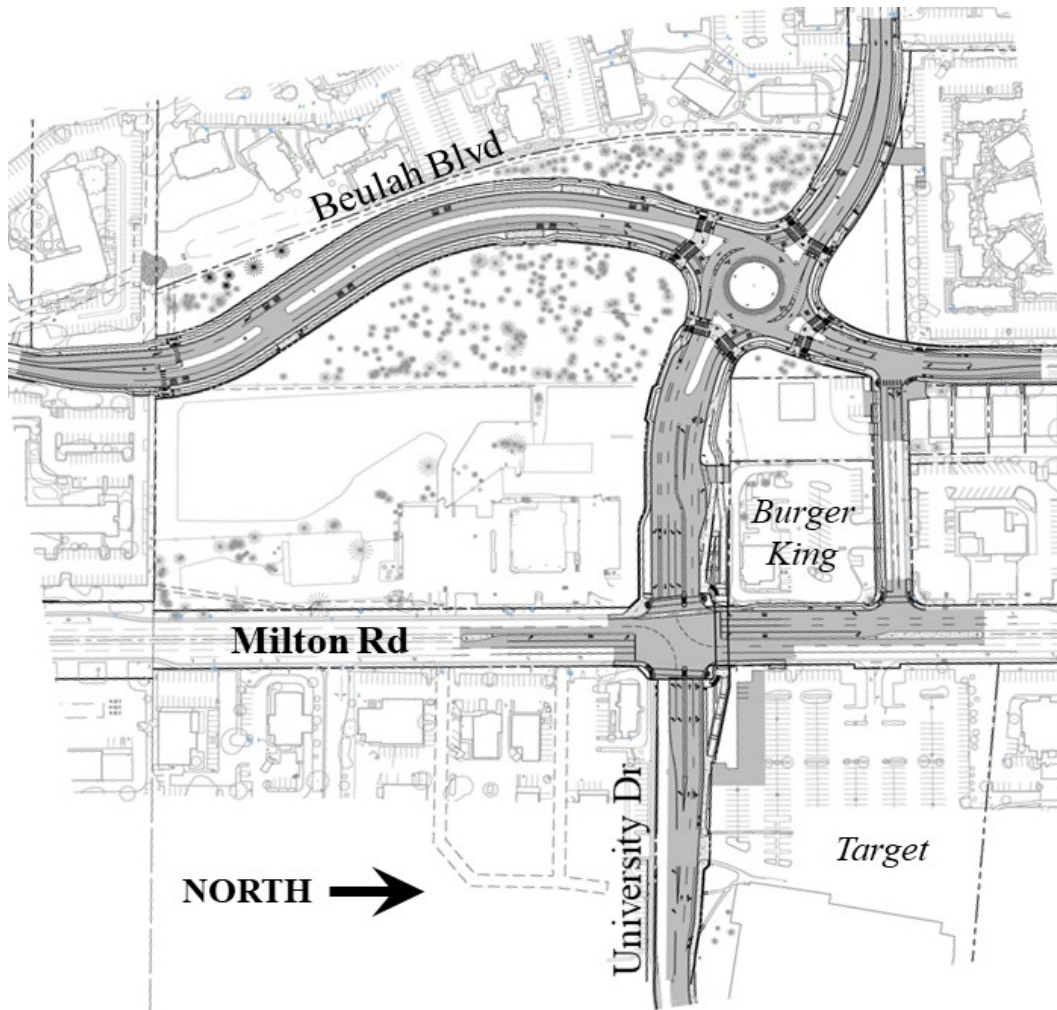
Beulah Boulevard Extension/University Drive Realignment (DESIGN PHASE)

FUND: TRANSPORTATION TAX (STREETS)

Description – This project extends the northern terminus of Beulah Boulevard to connect with University Drive. Furthermore, University Avenue (west of Milton) will be realigned to match up with University Drive (east of Milton). A new roundabout will be constructed where Beulah Boulevard and University Drive will intersect.

Project Update:

- Shephard-Wesnitzer, Inc. (SWI) is the design engineer.
- Eagle Mountain Construction (EMC) is the CMAR contractor.
- 90% design plan comments from project stakeholders should be integrated by the first week of April.
- Design work will continue to Final 1s (95%) and Final 2s (100%), which are the construction-ready plans. Final 2s should be completed by late May.
- Construction will take place in two phases over two construction seasons: starting in July 2022 concluding in July 2024.



Extent map of new Beulah and University Roadway Project – taken from 90% plans.

Coconino Estates Improvements Phase II (CONSTRUCTION PHASE)

FUND: ROAD REPAIR & STREET SAFETY & AGING WATER AND SEWER INFRASTRUCTURE REPLACEMENT PROGRAMS

Description - This is a utility and roadway improvements project located on several streets in the Coconino Estates neighborhood as seen in the map below. Improvements on the streets generally consist of replacing all existing utility and roadway infrastructure. The utility improvements include replacing the existing water and sewer mains, water and sewer services, fire hydrants, and manholes. The roadway improvements include replacing the existing asphalt roadway, replacing rolled curb with vertical curb, constructing driveway ramps at driveway entrances, and replacing select sidewalk only where it currently exists on Crescent Drive. Sidewalk will NOT be installed where it does not currently exist. For additional information visit the Project website at www.coconinoestates.com

Contractor - Standard Construction Company

Project Update:

Crescent Drive and Meade Lane

- Sewer installations and temporary roadway trench patches are complete.
- Water main installations and temporarily patching roadway water trenches are complete, with testing continuing and public and private connections remaining.
- Water main and service installations and temporary roadway trench patches are complete on Meade, with testing continuing and public and private connections remaining.
- Crescent is closed to non-residential traffic from Meade to Talkington.
- FUSD was coordinated with to move their bus route onto Meade.

Navajo Drive and Elizabeth Road

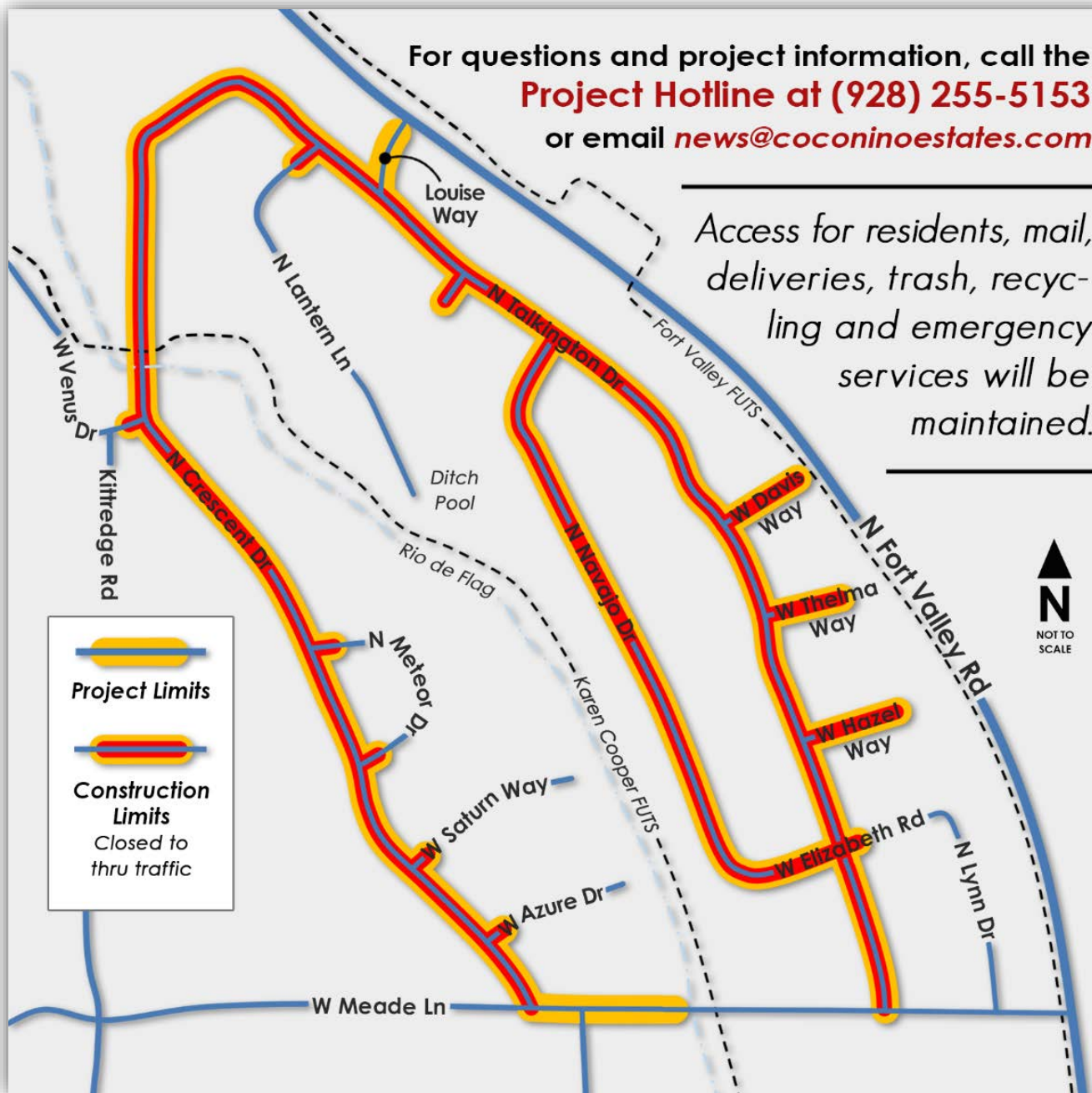
- Sewer installations and temporary roadway trench patches are complete.
- Water main and service installations are complete, with testing continuing and public and private connections remaining.
- Navajo is closed to non-residential traffic.

Talkington Drive and Side Streets

- The week of 3/7/2022 sewer installations began at the Meade intersection and continue working north.
- Sewer installations are also on going on Hazel, Thelma, and Davis.
- Talkington Drive is closed to non-residential traffic from Meade to Crescent.

For questions and project information, call the
Project Hotline at (928) 255-5153
or email news@coconinoestates.com

Access for residents, mail,
deliveries, trash, recyc-
ling and emergency
services will be
maintained.



Coconino Estates Improvements Phase II Project Map



Talkington north of Davis, looking north at sewer installations.



Hazel/Talkington intersection, looking east at sewer installations.

West Flag Improvements - David & Hutcheson (CONSTRUCTION PHASE)

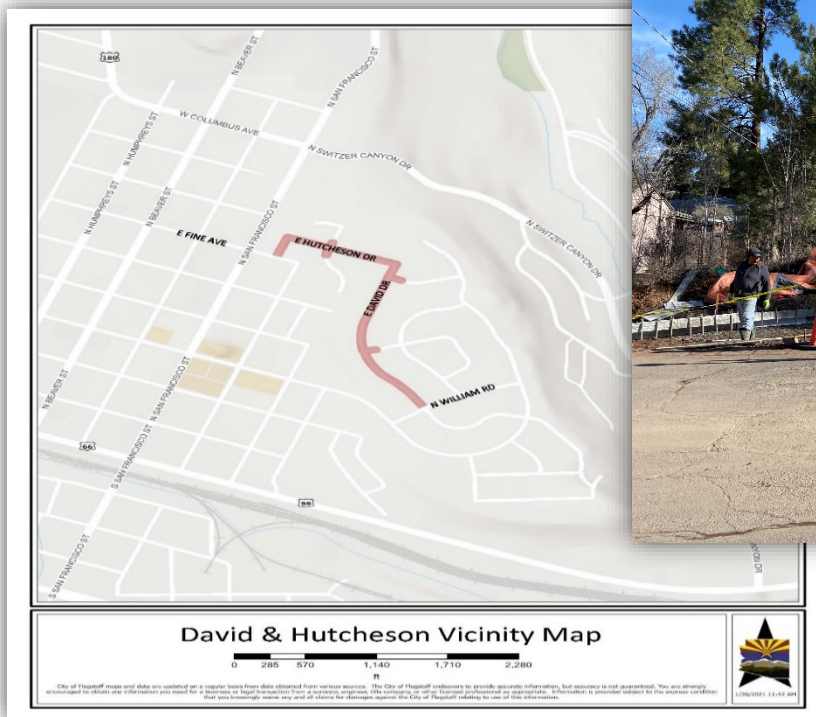
FUND: ROAD REPAIR & STREET SAFETY

Description - This is a utility and roadway improvements project located on David Drive and Hutcheson Drive as seen in the map below. The Project originally included Canyon Terrace and was bid as one project in the spring of 2020 but was pulled at the end of the bidding process given the economic and funding source uncertainties due to the COVID 19 Pandemic. It was decided to split the Project into two separate projects consisting of 1. David/Hutcheson and 2. Canyon Terrace. Improvements on the streets generally consist of replacing all existing utility and roadway infrastructure. The utility improvements include replacing the existing water and sewer mains (except for on David Drive), water and sewer services, fire hydrants, and manholes. The roadway improvements include replacing the existing asphalt roadway, replacing rolled curb with vertical curb on David Drive, and replacing select edge improvements (sidewalk, curb, and gutter). For additional information visit the Project website at www.Flagstaff.az.gov/westflagimprovements.

Contractor - Mountain High Excavating

Project Update:

- Water main, water and sewer service installations are complete on David.
- Storm drain improvements are complete on David.
- David roadway paving is complete up to William to 332 David, 40% of the Project, with the remaining roadway prep resumed the week of 3/28/2022.
- Concrete curb, driveway, and sidewalk installations are complete on David.
- Hutcheson gas main service installations by Unisource are complete.
- Water and sewer main and service installations are complete on Hutcheson.
- Concrete curb, driveway, and sidewalk installations continues on Hutcheson nearing Fine.
- The Winter Shutdown issued 12/17/2021, which MHE choose work through, will be lifted 4/4/2022.
- David and Hutcheson will be closed to thru traffic from William to Fine, with detours posted.



*Hutcheson/Fine, looking north at
Hutcheson concrete work.*

West Flag Improvements - Canyon Terrace (CONSTRUCTION PHASE)

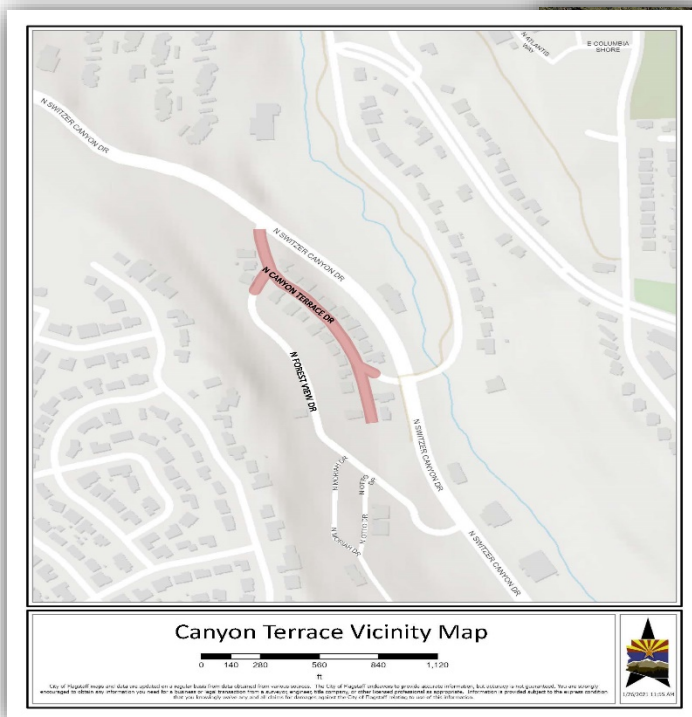
FUND: ROAD REPAIR & STREET SAFETY

Description - This is a utility and roadway improvements project located Canyon Terrace Drive as seen in the map below. The Project originally included David Drive and Hutcheson Drive and was bid as one project in the spring of 2020 but was pulled at the end of the bidding process given the economic and funding source uncertainties due to the COVID 19 Pandemic. It was decided to split the Project into two separate projects consisting of 1. David/Hutcheson and 2. Canyon Terrace. Improvements on the streets generally consist of replacing all existing utility and roadway infrastructure. The utility improvements include replacing the existing water and sewer mains, water and sewer services, fire hydrants, and manholes. The roadway improvements include replacing the existing asphalt roadway and select curb and gutter. For additional information visit the Project website at www.Flagstaff.az.gov/westflagimprovements.

Contractor - Mountain High Excavating

Project Update:

- Water and sewer main and service installations are complete.
- Roadway paving is complete.
- Concrete driveway, curb, and valley gutter replacements are complete.
- Manhole and water valve adjustments within the roadway are complete.
- A final punch list walkthrough occurred on 3/31/2022.
- Substantial Completion was issued for 3/31/2022.
- A few punch list items remain.
- Canyon Terrace will remain open during the remainder of the work.



*Canyon Terrace Dr, looking north
at paved roadway and adjusted
manholes and water valves*

Coconino Estates Improvements Phase I (CONSTRUCTION PHASE)

FUND: ROAD REPAIR & STREET SAFETY

Description – This is a utility and roadway improvements project located in the Coconino Estates neighborhood on Beal Road from Rockridge to Fort Valley, Navajo Drive from Navajo Road to Murray, Whipple Road from Navajo Drive to McMillan, and Navajo Road from Navajo Drive to Fort Valley. Improvements on the streets generally consist of replacing existing infrastructure with new, including water and sewer mains, water and sewer services, fire hydrants, storm drains, streetlights, the entire asphalt roadway, and defective select edge improvements (curb & gutter, sidewalk, etc.), except for Whipple Road which will only receive a new water main. There will also be new infrastructure added consisting of underground electric lines for streetlighting and sidewalk on both sides of the street where it does not currently exist on Beal Road, Navajo Drive south of Beal, and on Navajo Road. For additional information visit the Project website at www.coconinoestates.com.

Contractor – Eagle Mountain Construction

Project Update:

A new way of communicating project information has been started with the installation of a new project sign and banner prototype that include a QR code for the public to scan and view more information on the Project website.

Navajo Road (Construction Zone #1)

- Utility, roadway, and landscape restorations are complete.
- Navajo Road is open to all traffic.

Navajo Drive south of Beal (Construction Zone #2)

- Utility, roadway, and landscape restorations are complete.
- Navajo Drive south of Beal is open to all traffic.

Beal Road (Construction Zone #3)

- Utility and roadway improvements are complete as well as landscape restorations, except for the sod replacements at 510 Beal that will occur this spring.
- Minor striping improvements will be corrected at a later date when temperatures allow.
- Construction activities on Beal, west of the Rio de Flag, will pause for the winter and resume this spring.
- Beal is open to all traffic.

Navajo Drive north of Beal (Construction Zone #3)

- Water main and service installations, testing, and connections are complete from Beal to Whiting and on Whipple from Navajo to McMillan.
- Water main and service installations are complete from Whiting to Anderson, with testing and connections remaining.
- Water main and service installations continue north of Anderson.
- Sewer main and service installations are complete up to Whiting and will continue north.
- Navajo from Beal to Anderson is closed to thru traffic, with detours posted around the closure.
- Whiting from Navajo to Kutch is closed to thru traffic, with detours posted around the closure.
- Whipple from Navajo to 180 is closed to thru traffic, with detours posted around the closure.
- McMillan from Beal to Whipple is closed to thru traffic, with detours posted around the closure.

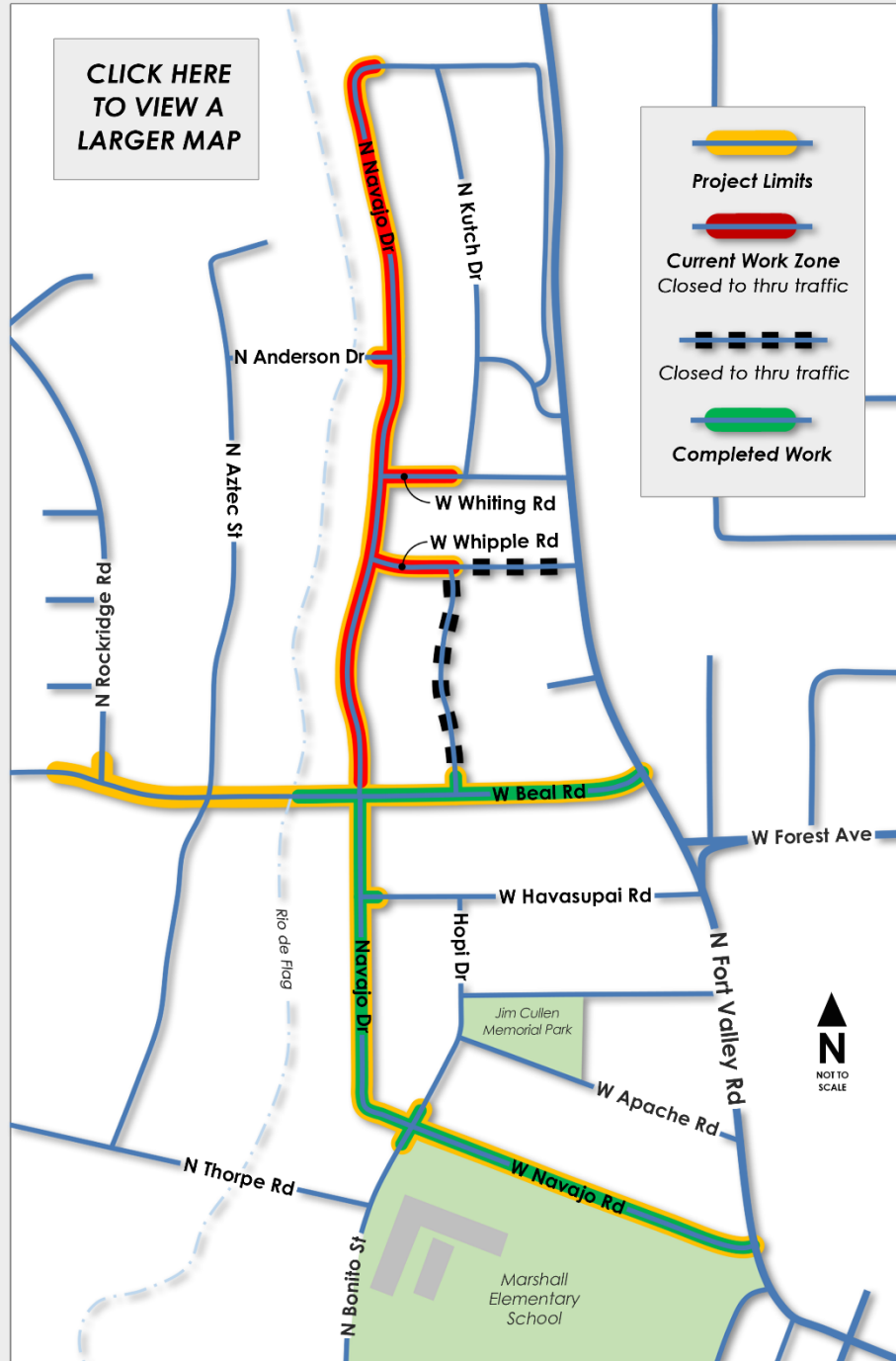


Navajo Dr. north of Anderson Dr., looking north at the water main and service installations.



Navajo Dr. at Anderson Dr., looking north the sewer main installations.

CLICK HERE
TO VIEW A
LARGER MAP



For general questions
and project
information, call the
Project Hotline at
(928) 255-5153
or email

news@coconinoestates.com



Residential access for mail, deliveries, trash,
recycling, and emergency services will be
maintained. No Mountain Line bus routes
are affected during this time.

Project Map with current road closures and detours.

Flagstaff Downtown Mile Project (PLANNING AND DESIGN PHASE)

FUND: TRANSPORTATION, STORMWATER, AGING INFRASTRUCTURE, BNSF RAILWAY, METROPLAN, GRANTS

Description - The Downtown Mile Project consists of a group of City and local agency projects located in Downtown Flagstaff and surrounding the BNSF Railway corridor. They include:

- The Rio de Flag Flood Control Project
- The Rio de Flag Pedestrian Tunnel
- The Lone Tree Overpass
- The Florence to Walnut Pedestrian Underpass
- The Mountain Line Downtown Connection Center (DCC)
- The Milton Bridge Reconstruction



The city has partnered with ADOT, BNSF Railway, Mountain Line, Amtrak, and the Army Corps of Engineers for the overall Downtown Mile Project in order to coordinate existing funding, plan construction efficiencies surrounding the BNSF corridor, investigate multimodal connectivity, and to seek grant funding for unfunded BNSF mitigation measures to deliver these projects for the Flagstaff community.

The City applied for a USDOT RAISE Planning Grant in July 2021 to fund these planning activities and we received notice in early November that we were not successful. In lieu of the grant, supplemental funding from the City of Flagstaff, MetroPlan, and BNSF has been dedicated to continue the planning and design effort.

Project Update:

- The Request for Statements of Qualification draft was completed for planning and design of the Downtown Mile associated projects master plan and is under review with Procurement staff. Advertisement is anticipated for early April.
- Staff coordinated development of the IGA with MetroPlan to execute receipt of a \$490,000 funding contribution that was approved for the project planning and design effort.
- City and BNSF staff worked on planning the Construction and Maintenance Agreement documents required for the project components, with Phase I of the Rio de Flag being priority.
- City staff met with BNSF, ADOT Rail Safety, Federal Rail Administration, and the Arizona Corporation Commission to conduct a safety diagnostic review of the Beaver Street, San Francisco Street, Ponderosa Parkway, and Fanning Drive at-grade crossings. ADOT's Section 130, which deals with pedestrian rail safety, received \$3.2M in funding for signal, gate, and signage improvements to the local crossings. This will offset City costs for the required BNSF mitigation measures for the Downtown Mile improvements.

The current updates for the projects included in the Downtown Mile are as follows:

Rio de Flag Flood Control Project (Design Phase)

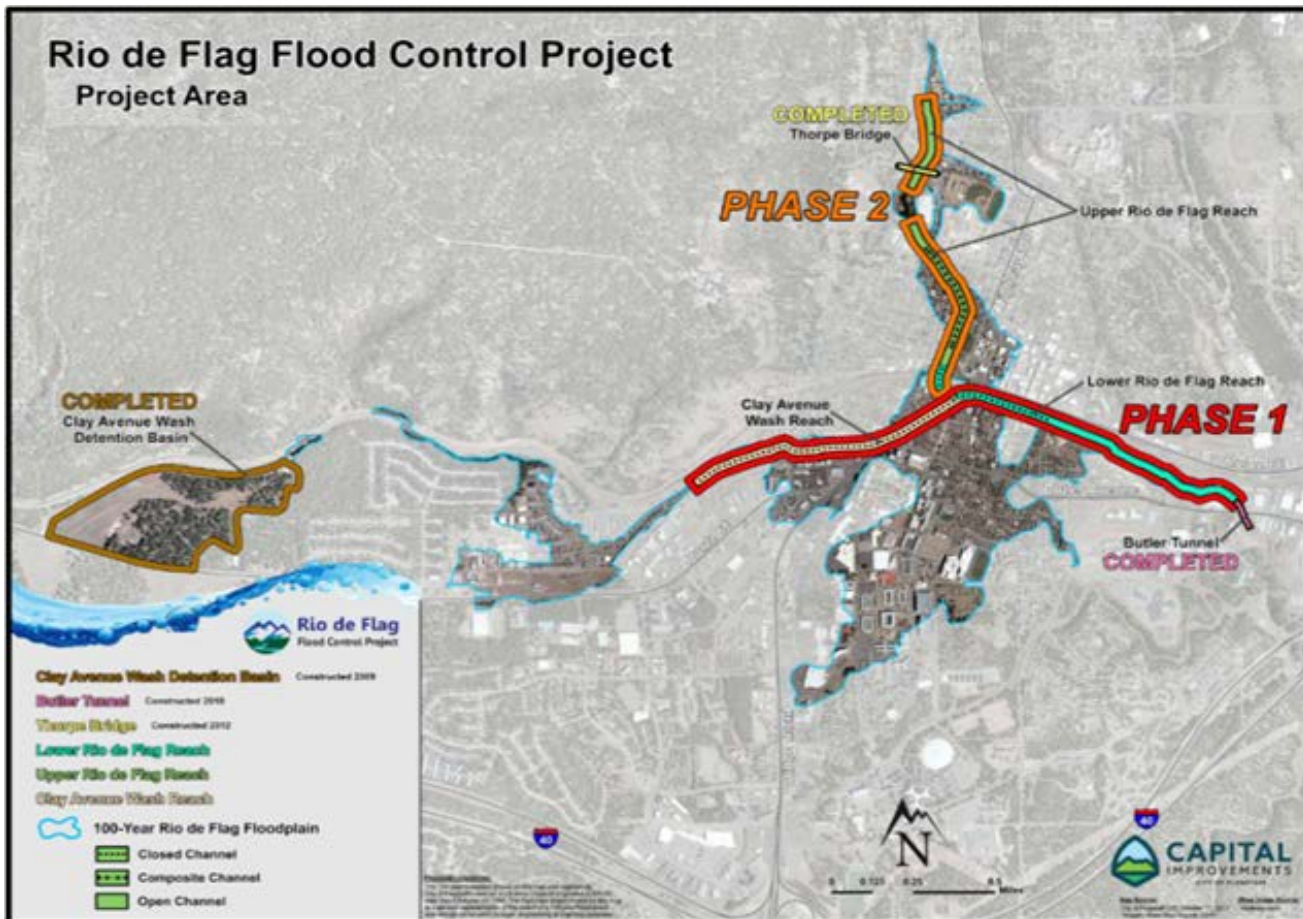
FUND: STORMWATER & AGING INFRASTRUCTURE

Description - Design consists of channel improvements along both the Rio de Flag and Clay Avenue Wash channels through central Flagstaff and includes a combination of underground concrete box culverts, open channel, and composite channel. The composite channel section has both an underground culvert to carry large volumes of water and a smaller open channel on top, which will provide an aesthetic element of flowing surface water during rainfall events. Total project length is approximately 15,000 feet.

The purpose of the Rio de Flag Flood Control Project is to remove the hazards associated with the hundred-year storm event, which include property damage, life safety concerns, and community economic impacts. From research conducted by the Army Corps, it was determined that a significant flood would damage approximately 1,500 structures valued at over \$916M and cause \$93M in economic damages, for a total impact of over \$1B.

Project Update:

- Work continued this month on refinement of the design plans and the real estate documents.
- Staff and BNSF continued coordination of the draft Construction and Maintenance Agreement.
- On March 23, City staff and the City's federal lobbyist met with Army Corps Head Quarters staff regarding updated WRDA funding. The Army Corps is currently updating the project cost estimate to determine additional funding needs and the 902 Limit.



Rio de Flag Pedestrian Tunnel (Design Phase)

FUND: STORMWATER & AGING INFRASTRUCTURE

Description - The Rio de Flag Pedestrian Tunnel will be constructed along with the flood control channel improvements under the BNSF corridor. The undercrossing will also be constructed under the ADOT Route 66 corridor. This will be a FUTS facility which will link north downtown and City Hall with the Southside neighborhood and the future Mountain Line DCC. Project progress will be reported in the Rio de Flag Flood Control Project item above.

Lone Tree Overpass Project (DESIGN PHASE)

FUND: TRANSPORTATION

Description - The Lone Tree Overpass Project will provide a grade-separated crossing over the future Rio de Flag drainage and the BNSF Railway corridor from Butler Avenue to Route 66. Funding for this project is provided through voter approved bonds as designated in the 2018 Proposition 420. The project will also include improvements from Butler south to Sawmill Road, which will be funded by Proposition 419. The project will be delivered via the Design-Build process and the team includes Ames as the contractor and WSP as the prime design consultant.

Project Update:

- Property acquisition is proceeding with appraisals, relocations, and offers to property owners.
- On March 1, City Council approved Contract Amendment #2 to Ames Construction, which will cover substantial design completion over the next year.
- City Beautification staff presented an on-line survey to the public for soliciting ideas on the aesthetics and public art components of the project. Over 140 responses were received.
- On March 11, the project team and City Beautification staff interviewed four candidates that will provide the beautification and art enhancements to the Project. One candidate was successful and is being contracted by the engineering firm.
- On March 21, the project team met with USACE to coordinate the Lone Tree Overpass with the future Rio de Flag channel. Discussion included property rights, and drainage inlets.
- Staff and several members of City Council held a meeting on March 24 to discuss the final approach to traffic modeling and intersection safety analysis.
- The team was scheduled to present to the Commission on Inclusion and Adaptive Living on March 22. Due to time, the presentation was rescheduled for April 19.
- The project team anticipates returning to City Council in May for updates on the traffic modeling, Butler and Lone Tree intersection, the Elden loop road, and the Economic Impact Study.



Florence to Walnut Pedestrian Tunnel (Design Phase)

FUND: TRANSPORTATION

Description - Design consists of a FUTS undercrossing of the BNSF corridor that will link Walnut Street and Florence Street in the La Plaza Vieja neighborhood. This project is in the approved La Plaza Vieja Neighborhood Specific Plan and is designed and funded. Upon investigation of the final rail relocation, the design will most likely need to be modified.

Milton Bridge Reconstruction (Planning Phase)

FUND: STORMWATER, AGING INFRASTRUCTURE, AND TRANSPORTATION

Description - The City is currently investigating reconstruction of the existing Milton Bridge structure to accommodate a third mainline track for BNSF and to provide a standard bridge clearance. The current clearance is 13'9" and the standard height is 16'6". The realignment and reconstruction will allow the city to construct the structures for both the Florence to Walnut pedestrian undercrossing and the Rio de Flag flood way and pedestrian tunnel while minimizing operational impacts and construction risk to the BNSF mainline. A minimum of two active tracks are required to be maintained for BNSF operations.

Mountain Line Downtown Connection Center (Design Phase)

FUND: GRANT

Description - The Downtown Connection Center is included in the Downtown Mile project report due to the City's partnership with Mountain Line for developing the site and the opportunity to plan the facility with multimodal connections with the rest of the Downtown Mile projects. There are also current discussions for future co-location of the Amtrak Station.

Project Update:

- The city is facilitating coordination of the DCC site improvements with the future Rio de Flag construction.
- Mountain Line continues its effort to the NEPA work as required by the Federal Transit Authority.
- Staff has begun to prepare an IGA that will be negotiated with Mountain Line following the completion of the NEPA. Mountain Line hopes to have the IGA before the City Council in May 2022 for approval.
- Mountain Line plans to begin construction of its building in Phase I this Summer (2022).

East Route 66 and El Paso Flagstaff Waterline Extension (CONSTRUCTION PHASE)

FUND: AGING INFRASTRUCTURE

Description – A utility improvements project that extends the 12” ductile iron waterline approximately 2,450 linear feet from approximately the intersection of Test Dr. and Rt. 66 to the intersection of El Paso Flagstaff Rd. The waterline extension continues north, up El Paso Flagstaff Road towards the Wildcat Hill Wastewater Treatment plant, with approximately 1,600 linear feet of new 8” ductile iron waterline. The project also calls for a repaving of El Paso Flagstaff Road for the extents of the waterline extension.

Contractor – Scholz Contracting, LLC

Project Update:

- A Notice to Proceed has been issued for March 14th, 2022. Tentative project completion is for September 2022.
- On the week of March 21st our Contractor, Scholz Contracting, mobilized and installed SWPPP.
- On the week of March 28th Scholz Contracting began installation of the 8” ductile iron waterline that runs the length of El Paso Flagstaff Rd.



El Paso Flagstaff Rd., looking south at the start of the installation of the 8” ductile iron waterline

Huntington Waterline Replacement (CONSTRUCTION PHASE)

FUND: AGING INFRASTRUCTURE

Description - The Project consists of installing 3,000 LF of new 16" ductile iron waterline, and associated roadway improvements. Included in the project will be new water services, fire hydrants and air release valves. The existing waterline in this area is over 60 years old. This project is part of the City's ongoing aging water infrastructure replacement program.

Contractor - Sellers and Sons, Inc.

Project Update:

- Crews continue to work through punch list items provided by Staff. A winter shutdown was issued for remaining asphalt work.



Huntington Waterline Replacement, crews working to finish concrete work at U-Haul related to the waterline replacement

Phoenix Avenue Bridge and Waterline Replacement (Construction PHASE)

FUND: STORMWATER & AGING INFRASTRUCTURE

Description - The project will replace the Rio de Flag box culvert (which runs beneath Phoenix Avenue and the Zani building, and functions as the Phoenix Ave bridge) with the appropriate conveyance structure and will upsize the current waterline to a 12" waterline in Phoenix Avenue from Mikes Pike to Beaver Street. Phoenix Avenue will be reprofiled and lowered to achieve a standard street section, roadway surface drainage issues will be addressed, edge improvements will be made as needed and the roadway will be repaved. The existing waterline in this area is over 114 years old. This project is part of the City's ongoing aging water infrastructure replacement program.

Project Update:

- Staff is working through as-built, ADEQ review and a few remaining punch list items. The project is tracking for issuance of Final Acceptance mid-April.
- Phoenix Avenue re-opened Monday, February 21st.
- A Certificate of Substantial Completion has been issued. The Contractor and Staff will work through punch list items over the next couple of weeks.



Phoenix Avenue

Library Entrance (CONSTRUCTION PHASE)

FUND: BBB - BEAUTIFICATION

Description – Project to bring Library Entrance into ADA compliance with new handicap ramp and new overall vision for the entrance. Public art will be incorporated into project and an artist is being brought onto the design team. Project includes upgrades to landscaping, handicap-accessible parking, parking lot, and hardscape.

Project Update:

- The first project advertisement to the City Job Order Contracting (JOC) contractors was unsuccessful due to heavy contractor workloads.
- Additional flexibility was added to the project timeline and the project bid opportunity was extended for the JOC contractors, with a deadline for submitting bids set for April 8th.



Library Entrance Project-Rendering of selected concept plan

Lockett/Fourth Roundabout (DESIGN PHASE)

FUND: HSIP GRANT, TRANSPORTATION TAX

Description – Project consists of the design and construction of a new roundabout at the Lockett-Cedar-Fourth Street intersection. Project is funded by an HSIP Grant, with supplementary funding from City of Flagstaff. Project design and construction to be administered by ADOT. The new roundabout will improve safety and operations for vehicles, pedestrians and bicyclists in this busy intersection. Project design and construction to be administered by ADOT.

Project Update:

- Project team is in discussions regarding allowable closures and maintenance of traffic options.
- The project team is working through the 60% design comment resolution process.
- The team is currently reviewing impacts to surrounding properties and working to mitigate impacts.
- An IGA amendment will be brought to City Council on April 5th. The amendment incorporates additional design scope and project funding, and adds City involvement in project inspections during the construction phase.
- If the IGA amendment is approved, the project will move into the property acquisition phase.



Selected Design Alternative- Lockett-Cedar-Fourth Intersection

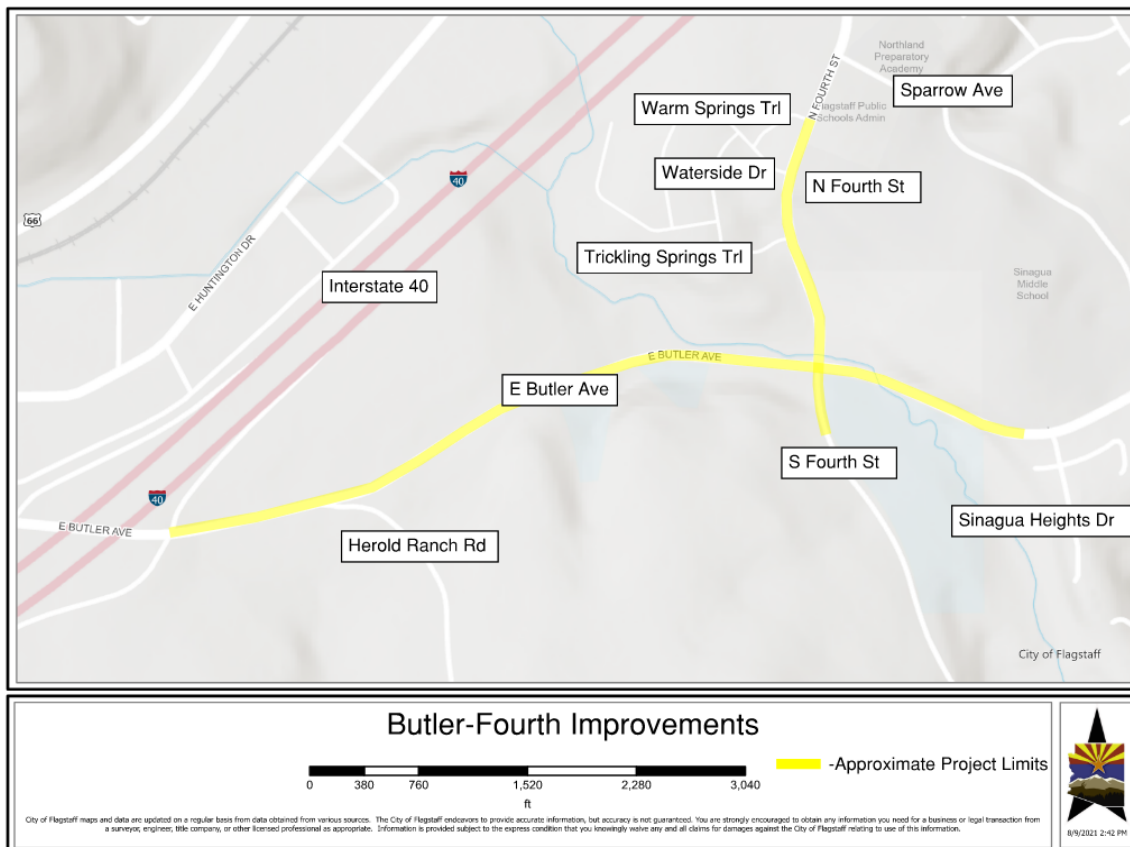
Butler-Fourth Improvements (PLANNING PHASE)

FUND: TRANSPORTATION TAX

Description –In general, the project consists of widening present-day Butler Avenue from Little America to Sinagua Heights and widening present-day Fourth Street from Warm Springs Trail/Sparrow Avenue to the upcoming Canyon Del Rio development south of Butler Avenue. Extensive public outreach and stakeholder engagement is expected during project development, including the preparation of conceptual alternative designs and preliminary feasibility analyses. Several intersections, new and existing, will be impacted along Butler Avenue. The Herold Ranch Road intersection will be re-aligned and converted to a roundabout. The Butler Avenue and Fourth Street intersection will consider a roundabout vs signalized intersection and will be raised to reduce flooding impacts from Spruce Avenue Wash. The project will include ITS (Fiber Optic Conduit) facilities and enhanced bicycle and pedestrian treatments, including a possible separated pedestrian crossing at the Butler Avenue/Fourth Street intersection. Acquisition of new Right-of-Way is expected.

Project Update:

- An update on the project, including planned next steps, and enhanced public outreach and engagement efforts was provided to City Council on March 29th.
- The Engineering Design Services RSOQ is expected to be advertised shortly.



Approximate Project Limits- Butler-Fourth Improvements

Rte. 66 at Fanning Landscaping (DESIGN PHASE)

FUND: BBB - BEAUTIFICATION

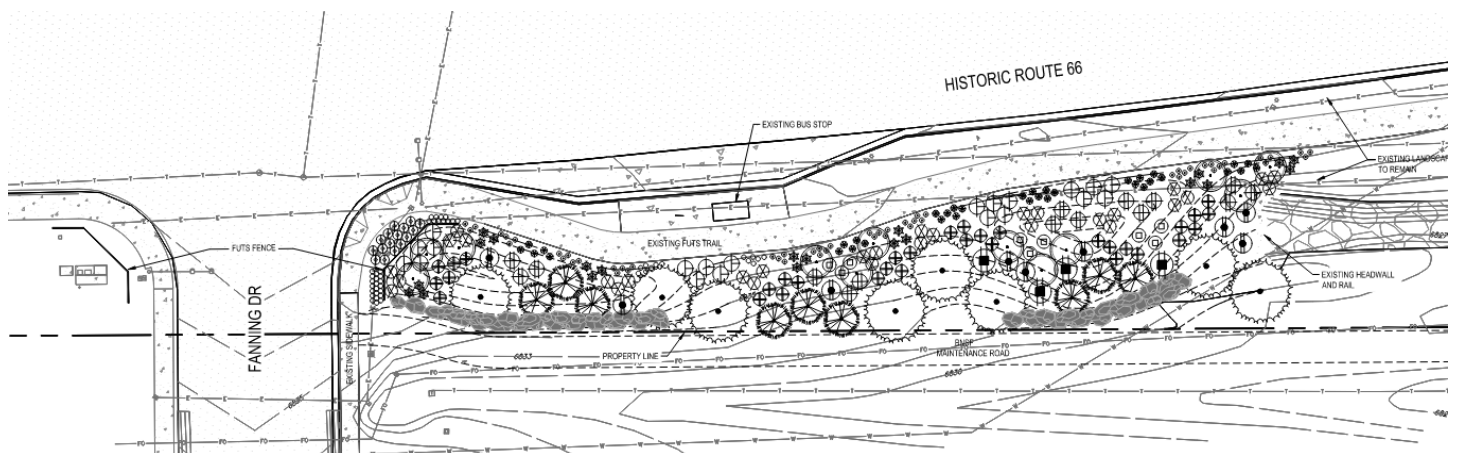
Description – This project will beautify the southeast corner of the Rte. 66 and Fanning Drive intersection with the addition of new landscaping, boulder walls, and FUTS fencing.

Project Update:

- The project team continues to work with Parks to select a final plant list.
- Preliminary plans have been received and are under review.



Rte. 66 At Fanning Landscaping-Existing Conditions



Rte. 66 At Fanning Landscaping-Preliminary Landscape Plan

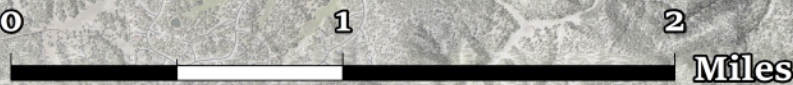
Capital Improvements Projects



● **Pre-Construction**
◆ **Under Construction**

April 2022

No.	Project Name	
1	J.W. Powell Specific Plan Study
2	USGS Flagstaff Science Center Campus - Build to Suit	
3	La Plaza Vieja Traffic Calming	
4	Beulah Boulevard Extension / University Drive Realignment	
5	Coconino Estates Improvements Phase II	
6	West Flag Improvements - David and Hutcheson	
7	West Flag Improvements - Canyon Terrace	
8	Coconino Estates Improvements Phase I	
9	Lockett/Fourth Roundabout	
10	Lone Tree Overpass Project	
11	Library Entrance	
12	East Route 66 and El Paso Flagstaff Waterline Extension	
13	Huntington Waterline Replacement	
14	Switzer Canyon Transmission Main Phase IV & V	
15	Phoenix Avenue Bridge and Waterline Replacement	
16	Rio de Flag Flood Control Project	~~~~~
17	Steves Boulevard Wash at Soliere	
18	Wildcat Hill Wastewater Treatment Plant (WHWTP) Digester Complex	
19	Butler-Fourth Improvements	~~~~~
20	Museum Fire Flood Mitigation/Division D	~~~~~
21	Spruce Wash - Cedar to Dortha & Dortha Inlet	
22	Park Basins	
23	Downtown Mile	~~~~~
24	Woody Way	
25	Woodland Drive Speed Concern	
26	Boulder Pointe - University Avenue Traffic Calming	~~~~~
ATMP (Citywide) See website: www.flagstaff.az.gov/atmp		



CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Sarah Langley, Management Analyst
Date: 03/24/2022
Meeting Date: 04/12/2022



TITLE

State Legislative Update

STAFF RECOMMENDED ACTION:

Discussion and direction from Council.

EXECUTIVE SUMMARY:

The Arizona legislative session began on January 10, 2022. Staff will provide the Council with a brief, non-exhaustive overview of several bills that are relevant to the City Council's 2022 legislative priorities. Staff will also request direction from Council on bills that could potentially impact the City.

INFORMATION:

A brief PowerPoint will be used for this item. Due to the fast-changing nature of the state legislature, the PowerPoint will be finalized prior to the meeting to allow as up-to-date information as possible to be included.

Attachments: [Presentation](#)

State Legislative Update

Sarah Langley – Interim Public Affairs Director
Todd Madeksza – State Lobbyist





Active Bills

HB2316

Misconduct involving weapons; public places

- Weapons could only be prohibited from public buildings if weapons screening devices like metal detectors are present.

SB1581

Housing; grants; homelessness; camping; appropriation

- Establishes grants from the Dept of Housing for municipalities to establish sanctioned camping sites or create homeless outreach teams.
- If grants are accepted, cities must then either enforce their anti-camping ordinances or show that the number of unsheltered individuals outside of camping sites is reduced by at least 80%.

HCR2031

Employee benefits; compensation; state preemption

- Calls for the voters to decide during the next general election if employee wages and benefits are a matter of statewide concern.
- If passed by the voters, this would preempt existing voter-approved propositions related to local minimum wages.



Active Bills

SB1168

Vacation rentals; short-term rentals; enforcement

- Requires the Dept. of Revenue to suspend a TPT license after 3 verified violations within 12 months.
- Allows requirements of liability insurance and contact information with penalties for failure to provide.
- Permits the requirement of a local regulatory permit or license.

HB2505

Tobacco; age; definitions

- Raises minimum age of sale from 18 to 21.
- Requires a retail tobacco vendor to examine a person's ID if the person reasonably appears to be under 30 years old.
- Establishes petty offenses for persons who sell tobacco to those under 21 and for possession of tobacco when under 21.

Budget/ Special Sessions



Questions

Sarah.Langley@flagstaffaz.gov



RESOLUTION NO. 2022-16

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING THE CITY OF FLAGSTAFF COMMUNITY DEVELOPMENT BLOCK GRANT 2022 ANNUAL ACTION PLAN AND AUTHORIZING ITS SUBMISSION TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RECITALS:

WHEREAS, the Flagstaff City Council is committed to the welfare of its low and moderate income residents; and

WHEREAS, the Flagstaff City Council is committed to meeting the national objectives of the United States Department of Housing and Urban Development ("HUD") to: (1) benefit low and moderate income persons, (2) address slum and blight conditions, and (3) meet an urgent community need; and

WHEREAS, the City of Flagstaff has been designated as a Community Development Block Grant ("CDBG") Entitlement Community by HUD; and

WHEREAS, preparation of the Annual Action Plan is a federal requirement in order for local entitlement jurisdictions to continue to receive CDBG and other HUD grant funding; and

WHEREAS, the City of Flagstaff has prepared a 2022 Annual Action Plan in order to meet the federal requirement; and

WHEREAS, the Flagstaff City Council has reviewed and approved the 2022 Annual Action Plan.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FLAGSTAFF AS FOLLOWS:

SECTION 1. That the submission of 2022 Annual Action Plan be hereby authorized to reflect the following use of the 2022 CDBG funds, program income, and the reallocation of CDBG funds from previous program years:

2022 Estimated Funds for Allocation

Total Estimated 2022 Entitlement Award	\$565,000.00
Program Income (PI) and re-allocated funds	\$277,411.00
<i>Program Income</i>	<i>\$264,000.00</i>
<i>Flagstaff Family Food Center 2019</i>	<i>\$3,411.32</i>
<i>Catholic Charities CDBG-CV2</i>	<i>\$10,000.00</i>
Total Estimated Available	\$842,411.32

2022 CDBG ENTITLEMENT FUNDS ALLOCATION**Administration and Planning** **\$127,000.00***Grant Compliance and Administration* \$68,963.00*Estimated City Indirect Rate of 10%* \$58,037.00**Housing and Economic Development Activities** **\$620,411.32***Flagstaff Shelter Services* \$250,000.00*The Crown: Hotel to Housing Renovation**City of Flagstaff - Murdoch* \$370,411.32*Neighborhood Park Improvements***Public Service Activities** **\$95,000.00***Homeless Youth Connections* \$30,000.00*Empowering Youth for the Future**Threaded Together* \$39,826.00*Sewing and Textile Employment Pathway**Flagstaff Shelter Services* \$25,174.00*The Crown: Housing as Healthcare***Total City of Flagstaff Fund Request** **\$842,411.32**

SECTION 2. Once funding allocations are release, should the City of Flagstaff receive notice of either a larger than estimated CDBG allocation and/or a post allocation adjustment to the CDGB allocation, each awarded project would receive an allocation increase by an equal percentage.

Alternatively, if the City of Flagstaff's entitlement is less than estimated or decreases, each awarded project would decrease by an equal percentage.

SECTION 3. That the Housing Section be authorized to submit this resolution and Annual Action Plan to HUD.

SECTION 4. That the City Manager be authorized to execute agreements for the allocations with the parties and in the amounts authorized by Council in this Resolution and that the Mayor and/or the City Manager be authorized to execute all associated certifications and grant acceptances.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 19th day of April, 2022.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

City of Flagstaff
**Community Development
Block Grant**

Program Year 2022

Annual Action Plan

April 12, 2022



Kristine Pavlik, Housing & Grants Administrator



Purpose & Agenda

- Brief CDBG Recap
- 2022 Annual Action Plan Process
- Proposals Received
- Allocation Recommendations
- Discussion & Direction

C

D

B

G





CDBG Overview

What is the Community Development Block Grant?

- Federal grant program administered by HUD
- Created in 1974 to provide funding for housing & community development activities
- Serves primarily low to moderate income households

Why does the City of Flagstaff receive CDBG \$\$\$?

- Metropolitan city with a population of 50,000+
- Entitlement Community
- Annual Allocation based on a formula set by HUD





CDBG Overview

CDBG Primary Objective

The development of viable urban communities through the provision of the following, principally for low- and moderate-income persons:

- Decent Housing
- A suitable living environment
- Economic opportunity

How can the City spend CDBG dollars?

As the City Council determines based on:

- Priorities and needs identified in the Consolidated Plan
- The Primary Objective
- One or more of the National Objectives



CDBG Overview

National Objectives

To be eligible, an activity must qualify as one of the following:

- Limited Clientele
- Housing Activity
- Area Benefit
- Job Creation or Retention Activities (Economic Development)





CDBG Overview



Criteria for use of CDBG Funds

- At least **70%** of the CDBG funds **must** benefit low to moderate income persons over the program year (July 1 to June 30)
- Historically, Flagstaff serves **100%** low to moderate income persons with CDBG funding



CDBG Overview

How does the City access the funds?

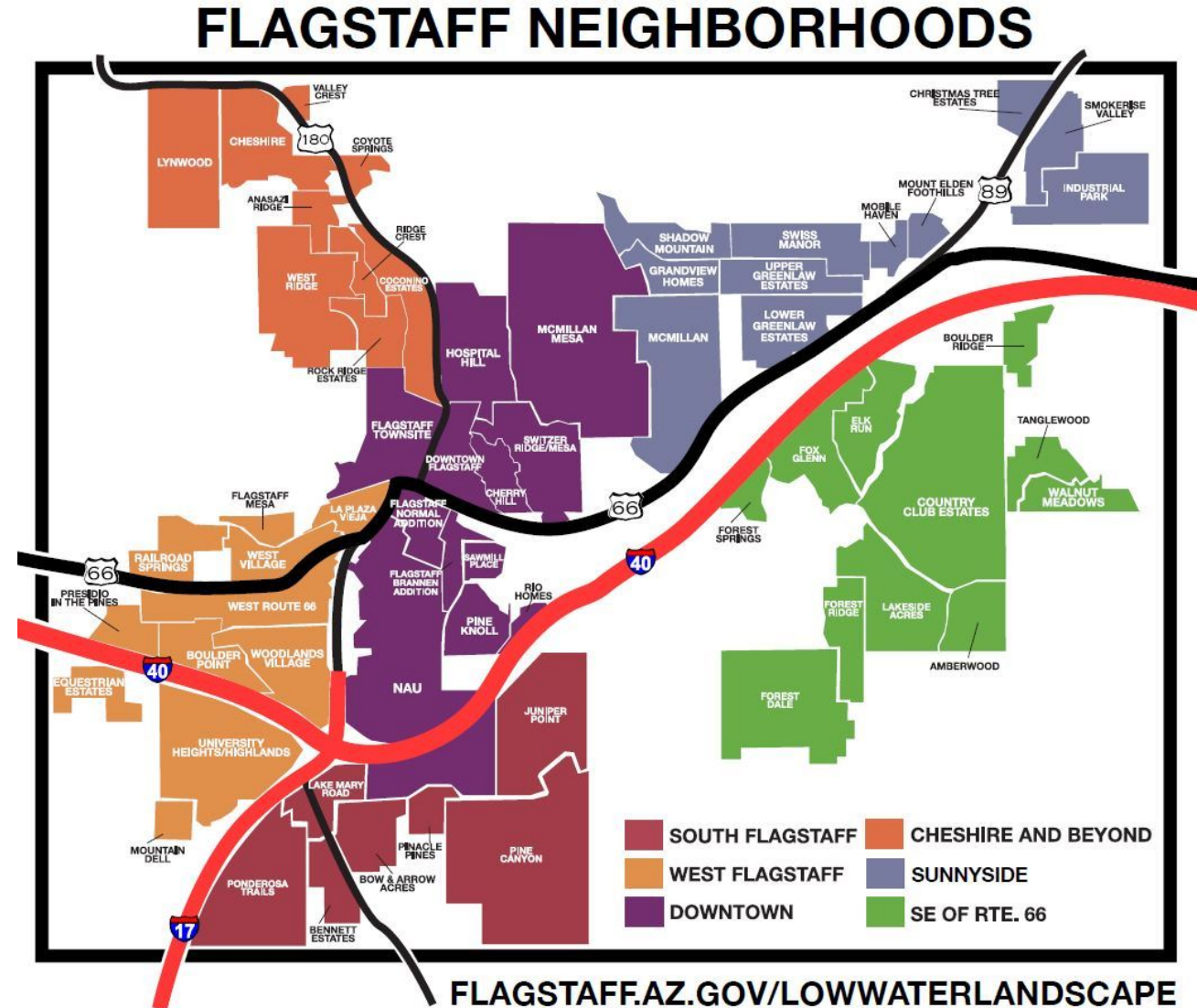
- **Annual Action Plan - “What are we are going to do?”**
Outlines yearly funding allocations – Due every May
- **Consolidated Annual Performance Evaluation Report (CAPER) - “What did we do?”**
Summary of outcomes for prior year allocations - Due every September
- **Consolidated Plan – “How should we choose what to do?”**
Assessment of housing & community development needs – Due every 5 years
- **Analysis of Impediments to Fair Housing choice - “City of Flagstaff Fair Housing Plan”**
Analysis and City goals for Fair Housing – Due every 5 years
- **Substantial Amendments to Annual Action Plan – “What do we need to change?”**
To accommodate changes and additional funding, as needed only



CDBG Overview

The City may designate target areas for CDBG projects in the Consolidated Plan. These target areas encompass many of the areas of low-income and minority concentration:

- **La Plaza Vieja**
Census Tract 11.02, Block Groups 1 & 3.
- **Sunnyside**
Census Tract 3, Block Groups 2, 3, & 4.
- **Southside**
Census Tract 8, Block Group 1.
- **Pine Knoll**
Census Tract 8, Block Group 2.





Council / Staff Responsibilities

Council CDBG Priorities

(established Dec 2020)

- Provide affordable housing (rental and ownership)
- Address Homelessness
- Support Neighborhood Revitalization
- Workforce Development

City Staff Responsibilities

- Conduct proposal process
- Determine activity eligibility
- Assess activity viability
- Conduct agency risk assessment
- Provide recommendations to the City Council



- Objectives & Council's Priorities
- Number Served & Area Benefit
- Community Need & Collaboration
- Budget, Leverage & Cost Effectiveness
- Organizational /Federal grant Experience
- Financial Capacity & Rate of Expenditure
- Budget Analysis & Sufficient Leverage
- Duplication of Benefits/Supplanting





2022 Annual Action Plan Process



Public Outreach and Participation

- **A League of Neighborhoods (ALN)**
June 24, 2021 & January 8, 2022
- **CDBG 101 and Application Overview**
January 13, 2022
- **Review of applications**
February 24, 2022
- **City Council Meetings**
April 12 and 19, 2022





2022 Annual Action Plan Process

Timeline

- **NOFA (Notice of Funding Available)**
 - Released January 13, 2022
- **Applications due February 22 at 5pm**
 - Online and paper
- **Ranking Committee met March 10, 2022**
 - 3 Staff, 1 Housing Commission, 1 ALN, 2 Community Members
- **DRAFT Annual Action Plan Posted Online**
 - Public Comment Period: March 1, 2022 to April 1, 2022



American Rescue Plan Act

Coronavirus Local Fiscal Recovery Funds

- Congregate Care Services
\$400,000

NOFA with CDBG 2022

- Housing Assistance Programs
\$1,900,000

NOFA June 2022

- Aid to Victim Services Non-Profits
\$300,000

NOFA October 2022

- **Emergency Congregate Care Allocations**

- Flagstaff Shelter Services - \$100,000.00
Motel Room & Payroll Expenses

- Northland Family Help Center - \$75,873.43
Payroll and COVID-19 HVAC Improvements

- **Remaining Congregate Care Funds**

- \$224,126.57 remaining after emergency allocations to FSS and NFHC
- Included in 2022 CDBG NOFA
- Council Meeting – May 3, 2022



2022 Annual Action Plan

City of Flagstaff 2022 CDBG Annual Action Plan NOFA

- 6 external proposals received
- 1 applicant withdrew application
- 5 proposals ranked
- 1 internal funding request received

**Total
Requested
\$990,237.32**





2022 CDBG Funding Recommendations



Estimated 2022 Entitlement	\$571,367.00
----------------------------	--------------

<i>Program Income</i>	<i>\$264,000.00</i>
<i>Reallocated Funds</i>	<i>\$13,411.32</i>

Total Available for Allocation	\$842,411.32
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2022 CDBG Funding Recommendations

Administration (20% Cap)		\$127,000.00*
<i>Grant Compliance and Administration</i>	<i>\$68,963.00</i>	
<i>Estimated City Indirect Rate (10%)</i>	<i>\$58,037.00</i>	
Public Service Activities (15% Cap)		\$95,000.00*
Housing Activities		\$620,411.32
Total Available for Allocation		\$842,411.32

**Rounded down to ensure compliance with administrative and public service activities caps*





2022 CDBG Requests Received

Agency	Project/Program	Request	Serving	Ranking
City of Flagstaff	Murdoch Neighborhood Park Improvements	\$370,411.32	1,000+ LMI HH living in Southside	Internal
Flagstaff Shelter Services	The Crown: Hotel to Housing Renovation	\$250,000.00	56 units (12 family units) emergency shelter 100 people/ year	161
Homeless Youth Connection	Empowering Youth for the Future Host Family Program	\$30,000.00	60 youth/year 5 host family beds	172
Threaded Together	Sewing and Textile Employment Path (STEP) Expansion of Program	\$39,826.00	6 LMI persons/ year	171
Flagstaff Shelter Services	The Crown: Housing as Healthcare Operation of Non-Congregate Shelter	\$300,000.00	1200 persons/ year	170
Total Requests Received		\$990,237.32		



Housing Activity Recommendations

Agency	Project/Program	Request	Recommendation	Serving	Ranking
City of Flagstaff	Murdoch Neighborhood Park Improvements	\$370,411.32	\$370,411,.32	1,000+ LMI HH living in Southside	Internal
Flagstaff Shelter Services	The Crown: Hotel to Housing Renovation	\$250,000.00	\$250,000.00	56 units (12 family units) emergency shelter 100 people/ year	161
Total Recommended Allocation \$620,411.32					





Public Service Activity Recommendations

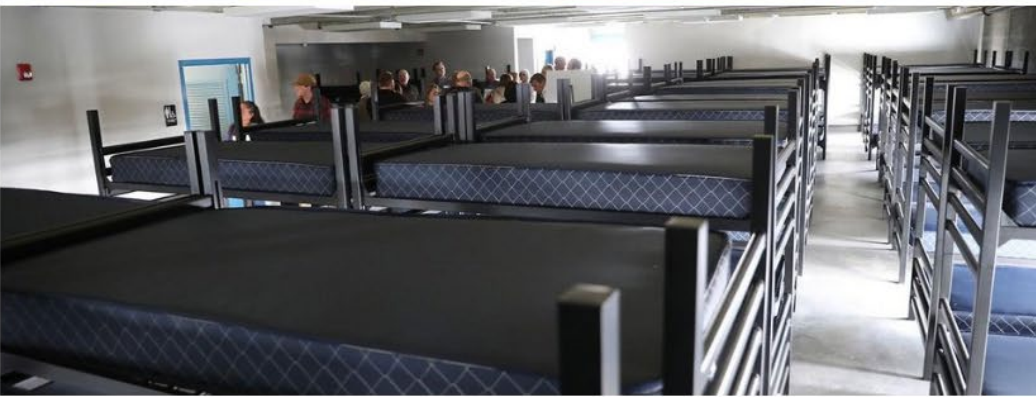


Agency	Project/Program	Request	Recommendation	Serving	Ranking
Homeless Youth Connection	Empowering Youth for the Future Host Family Program	\$30,000.00	\$30,000.00	60 youth/year 5 host family beds	172
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Flagstaff Shelter Services	The Crown: Housing as Healthcare Operation of Non-Congregate Shelter	\$300,000.00	\$25,174.00	1200 persons/ year	170
Total Recommended Allocation			\$95,000.00		





Next Steps & Questions



CITY OF FLAGSTAFF





2022 CDBG Allocation Recommendations



Agency	Project/Program	Recommendation	Serving
City of Flagstaff	Murdoch Neighborhood Park Improvements	\$370,411.32	1,000+ LMI HH
Flagstaff Shelter Services	The Crown: Hotel to Housing Renovation	\$250,000.00	56 units (12 family units)
Homeless Youth Connection	Empowering Youth for the Future Host Family Program	\$30,000.00	60 youth/year
Threaded Together	Sewing and Textile Employment Path (STEP) Expansion of Program	\$39,826.00	6 LMI persons/year
Flagstaff Shelter Services	The Crown: Housing as Healthcare Operation of Non-Congregate Shelter	\$25,174.00	600 LCI persons/year
Total Housing and Public Service Activities		\$715,411.32	
Administration including Indirect (20%)		\$127,000.00	
Total 2022 CDBG Allocations		\$842,411.32	

Kristine Pavlik

Housing & Grants Administrator

City of Flagstaff

Kristine.Pavlik@flagstaffaz.gov

(928) 213-2749





CITY OF FLAGSTAFF



Community Development Block Grant 2022 Annual Action Plan

Year 2 of the 2021-2025 Consolidated Plan

July 1, 2022 – June 30, 2023

Submitted to the U.S. Department of
Housing and Urban Development
May 15th, 2022

Mayor

Paul Deasy

Council

Vice-Mayor Becky Daggett
Councilmember Miranda Sweet
Councilmember Regina Salas

Councilmember Austin Aslan
Councilmember Adam Shimoni
Councilmember Jim McCarthy

City Manager

Greg Clifton

Community Development Director

Daniel Folke

Housing Director

Sarah Darr

Annual Action Plan
2022

1

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Annual Action Plan (Action Plan) is submitted to the U.S. Department of Housing and Urban Development (HUD) on an annual basis and serves as the formal application for the use of Community Development Block Grant (CDBG) entitlement funds received by the City of Flagstaff.

The City of Flagstaff Annual Action Plan describes allocations for the Community Development Block Grant program for the coming year – Program Year 2022, the second year of the 2021-2025 Consolidated Plan. The Consolidated Plan guides the allocation of funds over the five year period and addresses the goals and priorities identified by the Community. New activities selected for funding were determined through a Notice of Funding Available and application process approved by the Flagstaff City Council.

2. Summarize the objectives and outcomes identified in the Plan

The Annual Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the Consolidated Plan covering Program Years 2021-2025, submitted to HUD on May 15, 2021. The Annual Action Plan provides a brief description of the programs and projects of the City of Flagstaff in Program Year 2022-2023, as well as funding announcements for the CDBG program.

The City of Flagstaff's Five-Year Consolidated Plan for Program Years 2021-2025 outlines specific steps for the community as it works to meet the housing and community development needs of low-and moderate income and special needs households. As part of the consolidated planning process the City conducted a comprehensive housing and community development Needs Assessment and Market Analysis. With these assessments and additional community data along with public and stakeholder input collected the City identified four priority needs and established 11 activity goals for meeting these community needs in the five years covered by the Consolidate Plan.

Identified High Priority Needs and Activity Goals Established

- Support neighborhood revitalization and public facilities and infrastructure improvements especially in established target areas
- Support public services and economic opportunities for low-and moderate income persons
- Support services and projects addressing homelessness
- Support the development, accessibility, and preservation of decent affordable housing

The Community Development Block Grant program is provided through the US Department of Housing and Urban Development (HUD) Office of Community Planning and Development. Due to its size and composition, the City of Flagstaff is classified as an 'Entitlement community'. This means that Flagstaff does not apply for the CDBG program but is awarded CDBG funds at a level based on a HUD formula involving population and demographics. To receive CDBG funds, every five years the City must complete a Consolidated Plan and an Annual Action Plan, based on the

Consolidated Plan that details the uses of funds. Congress' primary objective for CDBG is to improve communities, principally for low and moderate-income persons by:

1. Providing Decent Housing,
2. Providing a Suitable Living Environment, and
3. Expanding Economic Opportunities.

3. Evaluation of past performance

In the context of limited CDBG and leverage funding, the City made significant progress towards investing in housing and public and supportive services for vulnerable populations. Throughout the last Program Year, the COVID-19 global pandemic led to more households desperately needing relief programs and the City and its partner agencies stepped in to provide a variety of services, many aimed to serve people at risk of or experiencing homelessness. Significant progress was also made towards providing economic opportunities and a large number of individuals benefitted from non-congregate shelter, homeless services outreach, homeless youth educational services and the development and expansion of permanent supportive housing.

Moderate progress towards increasing the availability and affordability of housing for owners and renters was also made due to few opportunities to invest in additional housing. The City continued to make progress towards strengthening coordination and delivery of resources, operating the Flagstaff Public Housing Authority and City Housing Sections in one department, and maintaining a high level of involvement with the Coconino County Continuum of Care and Flagstaff Front Door for Coordinated Entry.

Flagstaff is proud of prior year CDBG accomplishments and continues to utilize viable resources to improve the quality of life in the community. In all, approximately 12,579 individuals and an additional 59 households were beneficiaries of CDBG services during the 2020 Program Year. Emergency Rental Assistance programs prevented 44 low to moderate households facing eviction from entering into Flagstaff's homelessness system. Additionally, rehabilitation and expansion of units at Sharon Manor has provided transitional housing to 4 households experiencing homelessness and victims of domestic violence. The City of Flagstaff is proud to say that CDBG funds served 100% low to moderate income individuals.

The City strives to utilize CDBG funds in target neighborhoods; however, the actual distribution of funds to target areas depends on the number and type of proposals received. The target neighborhoods include Flagstaff's historic settlements and are characterized by the widespread need for housing rehabilitation; dilapidated structures and under-utilized sites; as well as water and sewer line replacement. Neighborhood Infill programs, revitalization efforts, and planning processes are now being implemented in all target neighborhoods, as the market and funding allows. Last fiscal year, 22% of CDBG funding was expended in the target neighborhood of Sunnyside and 30% in La Plaza Vieja. This fiscal year, the city will expend 44% of CDBG funding in the Southside Target Neighborhood. The remaining 66% of CDBG funding will be utilized for hotel to housing renovations and public service projects offered citywide.

4. Summary of Citizen Participation Process and consultation process

Annual Action Plan
2022

The consultation and public participation process for the development of this year's Annual Action Plan consisted of four public meetings and one-on-one technical assistance with multiple interested agencies. The draft Annual Action Plan was made available for public comment from March 1, 2022, to April 1, 2022. The funding allocations in this plan were brought to the City Council during a public meeting held on April 12, 2022 and were approved by City Council on April 19, 2022.

A draft of the Annual Action Plan was available on-line at the City's website for a 30-day comment period beginning March 1, 2022 and ending April 1, 2022. A virtual public hearing was held on April 12, 2022 with City Council to recommended activity allocations for the Program Year 2022 Entitlement. The public and stakeholders were encouraged to attend and offer comments or to submit written comments directly to Council. At the City Council Meeting held April 19, 2022 final decisions on the funding allocations for selected proposals were received and approved by Council.

Notice of public meetings was published at one week prior to each meeting in the Arizona Daily Sun, a newspaper of general circulation and to members of the local Continuum of Care. The Continuum of Care has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful. Notifications were also published on the City of Flagstaff Housing social media and web pages.

Emails and notices provided information about the topic of the forum or meeting, location, and how comments could be submitted if the person(s) was unable to attend. The forums and meetings were held in handicapped accessible locations. Accommodations for those with hearing and special language needs were made on an as needed basis when at least twenty-four-hour notice was provided to the City.

In 2019, City Council added a new chapter to the Flagstaff City Code, creating a Housing Commission. The Housing Commission consists of thirteen citizens, with twelve members appointed by the City Council and one representative from the Flagstaff Housing Authority Board of Commissioners. It serves as an advisory board to City Council; makes recommendations with respect to housing policies, needs, and programs in Flagstaff; and furnishes the Council with information through the Housing Director. The Commission holds monthly public meetings and provides an avenue for the community and stakeholders to communicate with the Commission and City staff. A representative member of the Housing Commission took part in the official ranking of applications for the 2022 program year.

With the 2021 Consolidated Plan, the City added additional public participation to its Citizen Participation Plan. This includes two meetings with target neighborhoods residents in partnership with A League of Neighborhoods (including Southside Community Association, La Plaza Vieja Neighborhood Association and Sunnyside Neighborhood Association).

In June 2021, A League of Neighborhoods (ALN) and City staff from Housing, Capital Improvements, Transportation, Code Enforcement, Planning, and Parks and Recreation held an open house for residents from target neighborhoods to provide an overview of the CDBG program, the 5 year Capital Improvement Plan and the internal process for identifying projects in target areas that may be eligible to be funded with CDBG dollars. The residents and neighborhood association members provided a wealth of feedback regarding area needs and priorities. Applicable City Commissions will be

encouraged to attend. As part of the Annual Action Plan process, City staff also hosted a meeting for target neighborhood residents in January 2022 to discuss projects proposed by the City for potential CDBG funding for the upcoming program year.

5. Summary of public comments

A summary of comments received.....

6. Summary of comments or views not accepted and the reasons for not accepting them

All public comments were accepted.

7. Summary

The City of Flagstaff conducted public outreach and accepted applications and public comment related to funding recommendations/allocations that meet the priority needs and established 5-year goals and objectives in following priority areas - 1) neighborhood revitalization, public facilities, and infrastructure, 2) public services and economic opportunities, 3) addressing homelessness, and 4) decent affordable housing.

The table below summarizes planned CDBG activities and the priority level and 5-year numeric goal for each. Activities that might be targeted to special populations are indicated. The table is designed to meet HUD requirements.

5-year Consolidated Plan Goals					
Activity	Special Population	Request	Priority Level	1 Year Goal	5-year Goal
<u>Priority Need:</u> Neighborhood Revitalization, Public Facilities & Infrastructure					
Neighborhood Facility and Infrastructure Improvements - <i>Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.</i>			High		3,000 people
Public Facilities - <i>Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.</i>	X		High		100 people
Acquisition for Affordable Housing Development - <i>Land/ Real Property</i>			Low		3 units
<u>Priority Need:</u> Public Services & Economic Opportunities					
Services to Meet Basic Needs - <i>Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Counseling/ Substance Abuse/ Etc.</i>	X		High		300 people
Workforce Development - <i>Includes Employment/ Job Training/ Business mentorship/ support/ assistance</i>	X		Low		15 people
Housing Stabilization - <i>Includes Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services/ Housing Counseling/ Etc.</i>			High		50 households
<u>Priority Need:</u> Addressing Homelessness					
Service and Facility Operating Support - <i>Includes Outreach/</i>	X		High		1,500 people

<i>Shelter Managers / Case Managers/ Coordinated Entry/ Etc.</i>					
Increase Shelter Beds/Units - <i>Includes Emergency / Transitional Shelter/ Permanent Supportive Housing/ Etc.</i>	X		High		15 beds/units
Priority Need: Decent Affordable Housing – Owner & Renter					
Housing Rehabilitation - <i>Grants or Deferred Loan for Rehabilitation Costs</i>	X		High		20 units
Housing Development - <i>Includes Acquisition/ Demolition/ Preconstruction Costs/ Infrastructure</i>	X		High		3 units
Housing Assistance - <i>Includes Financial Assistance for Down-payment, Deposits/ Closing Costs</i>			High		50 households

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	FLAGSTAFF	City of Flagstaff Housing Section

Table 1 – Responsible Agencies

Narrative (optional)

The City's Housing Section is the HUD “lead agency” for the CDBG Consolidated Plan and Annual Action Plan. The Housing Section is part of the City's Community Development Division. In addition to Housing, the Community Development Division includes the Planning and Development services sections.

The Housing Section works to address the shortage of affordable housing with a number of programs and tools. In addition to administration of the CDBG program, the Housing Section performs four primary functions.

1. Research and Planning. Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, the location and review of best practices and additional tools being used in other communities, and project specific planning.
2. Policy. The development and subsequent implementation of policy initiatives is critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market based solutions.

3. Housing Programs and Development. This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.
4. The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 333 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 20 Emergency Housing Vouchers and several Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center.

Consolidated Plan Public Contact Information

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The City of Flagstaff DUNS Number is 08-830-2625

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

In developing the 2022 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, children experiencing neglect, and individuals and families impacted by homelessness.

A draft of the Consolidated Plan was made available on-line at the City's website starting March 1, 2022. A public hearing was held on April 12, 2022 with City Council. The public and stakeholders were encouraged to attend and offer comments or to submit written comments.

Additional consultation took place with the Coconino County Continuum of Care, a group of organizations providing services to homeless individuals and families as well as with residents of CDBG identified target neighborhoods through two outreach meetings held in June 2021 and January 2022.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The City has developed an extensive mailing and email list that includes over 150 people that represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful.

In developing the 2020 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, children experiencing neglect, and individuals and families impacted by homelessness. Agencies participating in the Annual Action Plan public meeting were:

1. Catholic Charities of Northern Arizona
2. Coconino County Health and Human Services
3. City of Flagstaff

4. Southwest Behavioral Health Services
5. Flagstaff Shelter Services
6. The Guidance Center
7. Housing Solutions of Northern Arizona
8. Building Community Flagstaff
9. Salvation Army
10. Threaded Together
11. Health Choice Integrated Care
12. DNA People's Legal
13. Habitat for Humanity
14. Flagstaff Family Food Center
15. Chicanos Por La Casa

The City Housing Section works with coordinated entry, various agencies, committees along with City and County departments to coordinate resource delivery to eligible households. The City supports developers, when appropriate, that are seeking funding for Low Income Housing Tax Credits and provides support to other projects that will serve Flagstaff's low and moderate-income households.

Activities that serve a special population, including homeless populations, and projects located in target neighborhoods received additional points in the ranking process. The City also gives points to activities that evidence community collaborations including leverage, staffing partnerships, other formal agreements, and letters of support.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The City participates with the Coconino County Continuum of Care (managed by the Arizona Department of Housing), including working groups, sub-committees and advisory groups around specific homeless and at risk-populations. These meetings bring together shelter providers, prevention providers, housing providers and agencies that deliver prevention, rapid re-housing, emergency and transitional shelter services and permanent supportive housing opportunities. City of Flagstaff staff participate on the Executive Committee.

The City has participated on the Point-In-Time (PIT) steering committee for the seven years and worked with Northern Arizona University to assist in developing the survey instrument for the Balance of State Continuum of Care. In addition, City Staff leads the Flagstaff Project Homeless Connect steering committee and the System Design Steering committee.

City staff has been instrumental in the creation of Front Door Coordinated Entry. The System Design Steering committee has created a single point of entry for coordinated assessment in the Flagstaff area, known as Front Door. Since January 2017, accessing housing and services has been dramatically simplified for those in crisis. When members of the community identify themselves to be in a housing crisis, they can access community services by entering the Front Door Program.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Flagstaff is not an ESG grantee.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	CATHOLIC CHARITIES OF NORTHERN ARIZONA
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	Agency/Group/Organization Type Services - Housing Services-Children Services-Elderly Persons Services-homeless
What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Catholic Charities of Northern Arizona continued to monitor the needs of Northern Arizona communities and responded by providing life-changing services that protect and nurture children, help strengthen families and assist individuals in crisis. Catholic Charities delivers services in foster care, adoption and pregnancy counseling, North Star youth development and Westside Head Start early education. Over the years in response to community needs, Catholic Charities has grown to serve veterans and their families, sex-trafficked survivors, victims of domestic abuse, refugees and those experiencing homelessness. Catholic Charities of Northern Arizona is also a key partner of the Front Door of Coconino County.
2	Agency/Group/Organization Coconino County Health and Human Services

Agency/Group/Organization Type	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Health Services-Education Services-Employment Health Agency Other government - County Major Employer
What section of the Plan was addressed by Consultation?	Housing Need Assessment Non-Homeless Special Needs Anti-poverty Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Coconino County Community Services Department (CCCSD) is the largest provider of emergency services in the community, specifically eviction/foreclosure prevention and move in assistance; it is the number one referral agency in both the County and the City of Flagstaff. Coconino County Health and Human Services is the recognized Community Action Agency for the County and covers a service area of 18,000 square miles. CCHHS has successfully administered an eviction and foreclosure prevention program for the last thirty-six (36) years. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

3	Agency/Group/Organization	CITY OF FLAGSTAFF
	Agency/Group/Organization Type	Housing PHA Services - Housing Service-Fair Housing Other government - Local Major Employer
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Economic Development Lead-based Paint Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City will continue to utilize CDBG funds in target neighborhoods. These programs serve low to moderate income residents of target neighborhoods. The programs improve infrastructure and revitalize low income neighborhoods
4	Agency/Group/Organization	SOUTHWEST BEHAVIORAL HEALTH SERVICES, INC.
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Persons with Disabilities Services-homeless Services-Health
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Southwest Behavioral & Health Services offers an array of programs to meet the unique needs of the communities we serve. These include outpatient mental health treatment and psychiatric services including medication monitoring; assistance for persons with addictions; intensive inpatient care for persons in crisis; residential housing, in-home and supported housing services; prevention services, community outreach and school-based counseling; services throughout the lifespan for members with Autism Spectrum Disorder (ASD); and four opioid replacement clinics throughout the state that are working tirelessly to save lives and help alleviate the statewide crisis. SB&H also offers permanent supportive housing funding for seriously mentally ill clients. The agency was consulted through public meetings, the public comment period and one on one technical assistance.
5	Agency/Group/Organization	Flagstaff Shelter Services
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Flagstaff Shelter Services offers homeless individuals shelter and supportive services and is focused on chronically homeless individuals, many of whom have serious psychiatric or substance abuse issues. Flagstaff Shelter Services provides all individuals experiencing homelessness with coordinated entry know as Flagstaff's Front Door. The agency was

		consulted through public meetings, the public comment period and one on one technical assistance.
6	Agency/Group/Organization	The Guidance Center
	Agency/Group/Organization Type	Housing Services-Health Health Agency

	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Guidance Center (TGC) is a not-for-profit Community Mental Health Center with locations serving Flagstaff. TGC provides a full range of services, which include everything from general mental health counseling for everyday stressors, to our inpatient psychiatric hospital for acute psychiatric emergencies. TGC is committed to creating healthy individuals, families, and communities. The agency was consulted through public meetings, the public comment period and one on one technical assistance.
7	Agency/Group/Organization	Housing Solutions of Northern Arizona

Agency/Group/Organization Type	Housing Services - Housing Services-Victims of Domestic Violence Services - Victims
What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Housing Solutions of Northern Arizona (HSNA) is a nonprofit housing organization, founded as the Affordable Housing Coalition in 1990 through the grassroots efforts of local citizens concerned about the lack of affordable housing in the Flagstaff community. HSNA expanded from an advocacy organization to one that focuses on programs designed to help residents identify and maintain safe, decent, and affordable housing. The agency's mission is "building opportunities for sustainable, affordable housing in northern Arizona." The agency was consulted through public meetings, the public comment period and one on one technical assistance.

8	Agency/Group/Organization	Building Community Flagstaff
	Agency/Group/Organization Type	Consultant for Nonprofits
	What section of the Plan was addressed by Consultation?	Economic Development

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Building Community Flagstaff's mission is to develop reciprocal relationships and communication systems among staff, organizations, and populations served to optimize organizational development, service alignment, and community development. The organization's vision is to develop efficient, effective, and comprehensive social service networks. The agency was consulted through public meetings and the public comment period.
9	Agency/Group/Organization	SALVATION ARMY
	Agency/Group/Organization Type	Services-Children Services-homeless Services-Employment
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Veterans Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The Salvation Army is an evangelical organization working to meet basic human needs in the community. The agency was consulted through public meetings and the public comment period.
10	Agency/Group/Organization	Threaded Together

Agency/Group/Organization Type	Services-Victims of Domestic Violence Services-Education Services-Employment Services - Victims
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	What section of the Plan was addressed by Consultation?	Economic Development
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Threaded Together is a nonprofit organization devoted to inspiring creativity and connection through textile arts programs that empower participants, enrich community, and offer employment pathways for women and vulnerable populations. The agency was consulted through public meetings, the public comment period and one on one technical assistance.
11	Agency/Group/Organization	Health Choice Integrated Care
	Agency/Group/Organization Type	Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Health Agency Regional organization

What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Health Choice Integrated Care is the Northern Arizona Accountable Care Organization and provides an integrated approach to health and wellness for patients. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

12	Agency/Group/Organization	Desert Seeds / Semillas del Desierto
	Agency/Group/Organization Type	Services -Gardening
	What section of the Plan was addressed by Consultation?	Public Services
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The agency attended public meetings.
13	Agency/Group/Organization	Habitat for Humanity of Flagstaff

	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Families with children Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Habitat for Humanity believes that every man, woman, and child should have a decent, safe, and affordable place to live. The organization builds and repairs houses all over the world using volunteers and donations. Partner families purchase these houses through no-profit, no-interest mortgage loans and other innovative financing methods. The agency was consulted through public meetings, the public comment period and one on one technical assistance.
14	Agency/Group/Organization	Flagstaff Family Food Center
	Agency/Group/Organization Type	Services-homeless Services-Health Services-Education
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated	Serving hope to Flagstaff families by providing hunger relief and children's literacy programs. The agency was consulted through public meetings, the public comment period and one on one technical assistance.

	outcomes of the consultation or areas for improved coordination?	
15	Agency/Group/Organization	CHICANOS POR LA CAUSA
	Agency/Group/Organization Type	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-homeless Services-Health Services-Education
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Chicanos Por La Causa (CPLC) programs work to help individuals and families achieve self-sufficiency by providing accessible healthcare; affordable housing; a quality education; access to meaningful work; and political representation. The agency was consulted the public comment period and one on one technical assistance.

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

All major agencies providing a full range of public services in and around the Town of Gilbert were contacted to request comments. No specific agency or agency type was excluded. service, housing, and health agencies; other government agencies; planning organizations; and business and civic leaders. All agencies are offered the opportunity to have input into the Consolidated Plan and Action Plan through stakeholder meetings, public meetings, e-mail, and written input. No specific agency types were identified as not consulted.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Coconino County Continuum of Care	Arizona Department of Housing	The City's Consolidated Plan identifies addressing homelessness as a priority need.
City of Flagstaff	10 Year Housing Plan	The City's Consolidated Plan and this Plan define the City's housing related needs and policy goals for overcoming barriers to affordable housing.
Coconino County Action Alliance	Coconino County Health and Human Services	The City's Consolidated Plan priority needs all overlap with the goals of the County Action Alliance
Housing Attainability Study	Housing Solutions of Northern Arizona	The City's Consolidated Plan and this study provide a thorough assessment of housing needs in Flagstaff
Community Needs Assessment 2020	Coconino County Health and Human Services	The City's Consolidated Plan and this assessment both work to identify community needs

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

The City Housing Section works with Coconino County and various City and County departments to coordinate resource delivery to eligible households. The City works with the State's homeless and special needs staff and the local Continuum of Care to support as many targeted activities as CDBG funding will allow. The City supports developers, when appropriate, that are seeking funding for LIHTC and other projects that will serve Flagstaff's low and moderate income households. The City participates with the Coconino County Continuum of Care (managed by the Arizona Department of Housing), including working groups, sub-committees, and advisory groups around specific homeless and at risk-populations. These meetings bring together shelter providers, prevention providers, housing providers and agencies that deliver prevention, rapid re-housing, emergency, and transitional shelter services, as well as permanent supportive housing opportunities. Flagstaff City staff participate on the Executive Committee. City staff also lead the Point-in-Time steering committee, the Homeless Connect steering committee and sit on the systems design steering committee.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The City of Flagstaff makes funding allocations based on community priorities and input. Priorities are determined by City Council and through input provided by the public, both in the planning and application processes.

Investments are allocated based on City Council's determination. Proposals for eligible activities are solicited through a formal Request for Proposals (RFP) process, which is open to qualified external organizations and City sponsored projects. Submitted proposals are evaluated and ranked, and a summary of the evaluation is presented to City Council for its review and consideration in making final funding decisions. A review committee consisting of City staff and external members determines a score for each proposal and makes recommendations to City Council based on the following priorities:

1. City Council annual CDBG priorities, 5-year Consolidated Plan and eligible CDBG funding. The need for funds and the demand for the project are demonstrated; Geographic areas designated as target neighborhoods due to a disproportionate concentration of low income and minority populations; Projects that meet the previous criteria and address the Primary, National and Consolidated Plan Objectives of the CDBG program; and Projects that demonstrate the capacity to provide timely, compliant, and sustainable benefits to the community.

Activities that will serve a special population, including homeless populations, and projects located in target neighborhoods receive additional points in the ranking process. The City also gives points to activities that evidence community collaborations including leverage, staffing partnerships, other formal agreements, and letters of support.

The consultation and public participation process for the development of this year's Annual Action Plan consisted of three public meetings, a request for proposal process, and an invitation for written comment. Forums and meetings were conducted to solicit information on housing and community development needs and to elicit public comment on planned activities. The draft Annual Action Plan was made available for public comment from March 1, 2022 to April 1, 2022.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	40+ residents, Councilmembers and City Staff	Comments and feedback received from neighborhood residents regarding crime, code violations, housing, etc.	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Non-targeted/broad community	20+ Residents, Council and Staff	Comments and feedback received from neighborhood residents regarding crime, code violations, housing, etc.	N/A	
7	Public Hearing	Non-targeted/broad community	15 Non-profit representatives	No Comments Received	N/A	
8	Public Hearing	Non-targeted/broad community	No one attended this meeting	No Comments Received	N/A	
8	Internet Outreach	Nontargeted/broad community	Emails were sent to over 300 member of Coconino County's Continuum of Care informing agencies of important dates for the 2022 Community Development Block Grant Schedule, public comment period and deadlines.	No Comments Received	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
9	Newspaper Ad	Persons with disabilities Nontargeted/broad community	Arizona Daily Sun ad February 8 & 15, 2022 - Invited the public to second Public Meeting to discuss the use of CDBG funding on February 26, 2022.	No Comments Received	N/A	
10	Newspaper Ad	Persons with disabilities Nontargeted/broad community	Arizona Daily Sun ad December 16 & 30, 2021 - Invited the public to first Public Meeting re NoFA for CDBG funding on Jan 13, 2022.	No Comments Received	N/A	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Flagstaff Annual Action Plan describes allocations for the Community Development Block Grant program for the coming year – Program Year 2022, the second year of the 2021-2025 Consolidated Plan. These allocations fund activities to address goals from the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Neighborhood Revitalization, Economic Opportunities, Public Services, Fair Housing and Citizen Participation.

The amount of CDBG funding received by the City of Flagstaff varies from year-to-year is based on the federal budget. The City expects to receive between \$510,000 and \$615,000 each year during the next five years. The 2021 Program Year CDBG Entitlement for the City of Flagstaff was \$571,367 and the City expects to see a similar allocation for Program Year 2022. In addition, the City is utilizing \$264,000 in CDBG Program Income and \$13,411.32 in de-obligated past years funds in combination with the 2022 Entitlement for an estimated total of \$842,411.32 available to allocate.

Additional federal funds to address goals were made available for public housing and programs addressing the needs of people experiencing homelessness. State government, local general funds and private resources are occasionally secured by the City or by local agencies for a variety of uses.

As of the date of submission of the Program Year 2022 Annual Action Plan, a portion of CDBG funds from previous program years is currently unspent. However, these funds have been allocated to projects in the corresponding Annual Action Plans and will not be reallocated to different activities. Previous years' funds are not accounted for in this Annual Action Plan.

In Program Years 2019 and 2020 the City of Flagstaff received CDBG-CV funds provided by the CARES (Coronavirus, Aid, Relief and Economic Security) Act. These funds were allocated in the 2019 Annual Action Plan completing two substantial amendments. A portion of the CDBG-CV funds remain unspent yet allocated to projects that prevent, respond to and/or prepare for Coronavirus. These funds will not be reallocated to different activities and are not accounted for in the PY 2022 Annual Action Plan.

Anticipated Resources

Program	CDBG	Source of Funds	Public-federal
Uses of Funds: Affordable Housing, Public Services, Acquisition, Administration & Planning			
Narrative Description: The 2021 Program Year CDBG Entitlement for the City of Flagstaff was \$571,367 and the City expects to see a similar allocation for Program Year 2022. In addition, the City is utilizing			

\$264,000 in CDBG Program Income and \$13,411.32 in de-obligated past years funds in combination with the 2022 Entitlement for an estimated total of \$842,411.32 available to allocate.				
Expected Amount Available Year 1				
Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$	Expected Amount Available Remainder of ConPlan: \$
\$565,000	\$264,000	\$13,411.32	\$842,411.32	\$1,720,468

Table 5 - Expected Resources – Priority Table

Federal funds will leverage possible additional resources to rehabilitate and/or develop affordable housing for renters or owners, to provide services to vulnerable populations including people experiencing homelessness, people living in poverty, and other people with special needs. When funding has matching requirements, match may be satisfied through local fundraising by nonprofit organizations, State Housing Trust Funds, and City General Funds. \$457,551 federal, state, and local funds will leverage 2022 CDBG projects.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City of Flagstaff utilizes CDBG funds to improve public facilities and infrastructure in low- and moderate-income neighborhoods, specifically the Sunnyside, Pine Knoll, La Plaza Vieja and Southside target neighborhoods. The City relies on the Council adopted and voter ratified Flagstaff Regional Plan 2030 as well as Neighborhood Specific Plans for La Plaza Vieja and Southside to guide area needs and project allocations for public facilities and infrastructure such as sidewalk improvements, recreation improvements and more. These Neighborhood Specific Plans were developed in partnership with the corresponding neighborhood associations and extensive public involvement.

Discussion

The City of Flagstaff continues to receive periodic Program Income from previous homebuyer assistance and owner occupied housing rehabilitation programs. In PYs 2020 and 2021 the City received an unprecedented amount of Program Income due to the favorable housing market and interest rates in the City of Flagstaff. Those funds will be allocated in this Annual Action Plan. Should the City receive additional Program Income in excess of an amount that could make it difficult for the City to remain timely, a mid-year allocation and amendment to the Annual Action Plan will be considered.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Activity Matrix Code:	Goal Outcome Indicator
1	Neighborhood Facility and Infrastructure	2022	2023	Non-Housing Community Development	Southside	Neighborhood Revitalization	CDBG \$370,411.32	14A	Public Facilities & Infrastructure Improvements: 1,000 Households Served
2	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units	2022	2023	Homeless	Citywide	Homelessness	CDBG \$250,000	14G	Overnight/ Emergency Shelter/ Transitional Housing Beds/Units added: 56 Units
3	Services to Meet Basic Needs	2022	2023	Homeless Non-Homeless Special Needs	Citywide	Homelessness Public Services & Economic Opportunities	CDBG \$30,000	05D 05N 03T 05H	Public service activities other than Low-/Moderate-Income Housing Benefit: 60 Persons
4	Workforce Development	2022	2023	Non-Housing Community Development	Citywide	Public Services & Economic Opportunities	CDBG \$39,826.00	05H 05Z	Individuals/Businesses assisted: 6 Persons

5	Service and Facility Operating Support, including Outreach Services to Meet Basic Needs	2022	2023	Homeless Non-Homeless Special Needs	Citywide	Homelessness Public Services & Economic Opportunities	CDBG \$25,174.11	03T	Public service activities other than Low-/Moderate-Income Housing Benefit: 600 Persons
6	Planning & Administration	2022	2023	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	Citywide	Homelessness Affordable Housing Public Services & Economic Opportunities Revitalization, Public Facilities & Infrastructure	CDBG \$127,000.000	20 21A 21B 21C 21D 21E	Other: 1

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Neighborhood Revitalization, Public Facilities, and Infrastructure
	Goal Description	Improvements to public facilities located primarily in majority low – and moderate income areas. Improve Neighborhood Involvement and Interaction • Provide Neighborhood Safety and Pride • Improve Physical Appearance and Property Values • Promote Sustainability and Conservation • Address Infrastructure and Public Facility Needs • Identify In-Fill Housing Opportunities

2	Goal Name	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds
	Goal Description	<p>Funds will be used to increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds for homeless and chronically homeless individuals/households.</p> <p>Projects include acquisition, construction, conversion of buildings, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disaster victims, runaway children, drug offenders, and parolees.</p>
3	Goal Name	Services to Meet Basic Needs
	Goal Description	<p>Public service projects may include Pandemic Response, Homeless/AIDS Patients Programs, Senior Services, Services for Persons with Disabilities, Legal Services, Youth Services, Transportation Services, Substance Abuse Services, Services for Special Needs, Employment Training, Crime Awareness/Prevention, Fair Housing Activities, Tenant/Landlord Counseling, Child Care Services, Health Services, Mental Health Services, Screen for Lead Poisoning, Subsistence Payments, Food Banks, Etc.</p>
4	Goal Name	Workforce Development
	Goal Description	<p>Assistance for programs providing workforce development including employment/job training and business development support services carried out as a public service.</p> <p>Activities include skill development programs, vocational programs, apprenticeship programs, paid internships, and technical assistance for businesses and/or business counseling for individuals.</p>

5	Goal Name	Service and Facility Operating Support, including Outreach
	Goal Description	CDBG funds will be used for costs associated with the operation of programs for the homeless or for AIDS patients, such as staff costs, utilities, maintenance, and insurance.
6	Goal Name	Planning and Administration
	Goal Description	CDBG funds will be used for expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses.

Projects

AP-35 Projects – 91.220(d)

Introduction

The strategies listed in this plan address the second-year allocation of the 2021-2025 Consolidated Plan for the City of Flagstaff in Program Year 2022. The City will be allocating funds to local agencies/ subrecipients to carry out projects and manage funds with City of Flagstaff oversight. Projects align with the priority needs of the community: Revitalization, Public Facilities and Infrastructure, Public Services & Economic Opportunities, Addressing Homelessness, Develop and Preserve existing Affordable Housing.

Through the 2022 CDBG process, the City of Flagstaff Housing Section received 6 external Community Development Block Grant/ARPA Recovery Fund proposals and 1 internal request for CDBG funds for the 2022 Program Year. One applicant withdrew their CDBG application with the intention of applying for future ARPA Recovery Funds from the Housing Assistance allocation.

Per HUD's guidance, the City of Flagstaff has estimated the 2022 allocation will be slightly less than last year's federal allocation. Six external agency proposals were received. When program income and de-obligated funding is included, the 2022 CDBG allocation is \$842,411.32.

Recommendations were discussed at a public hearing and City Council Work Session on April 12, 2022. Resolutions approving the allocations and submission of the Annual Action Plan were approved by the City Council at a public hearing and City Council Meeting on April 19, 2022. The following table identifies approved projects for 2022-2023 Program Year with a budget of \$842,411.32.

Projects

#	Project Name
1	Neighborhood Revitalization and Public Facilities Improvements
2	Public Facility Improvements – Homeless Shelter Rehabilitation
3	Increase Shelter Beds/Units – Emergency and Transitional Hotel Housing
4	Service and Facility Operating Support – Youth Homelessness
5	Workforce Development – Job Training

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

For Program Year 2022, the City issued a request for proposals for CDBG eligible activities. Proposals are evaluated based on CDBG eligibility and funding criteria (for example: benefit of ratio of dollars per person, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations. At least 70% of CDBG funds must serve low and moderate-income people and not more than 15% may be used for public services. Up to 20% may be used to cover administrative costs, including indirect costs. The largest obstacle to addressing underserved needs is insufficient funding, particularly for public services projects. This City of Flagstaff evaluates past and present projects for efficient and effective use of funds in addressing the high priority needs identified in the Consolidated Plan as well as for the impact on low- and moderate-income City residents.

Project Summary Information

1	Project Name	Neighborhood Revitalization, Public Facilities, and Infrastructure Improvements
	Target Area	Citywide
	Goals Supported	Neighborhood Revitalization
	Needs Addressed	Neighborhood Revitalization, Public Facilities & Infrastructure
	Funding	CDBG \$370,411.32
	Description	The City of Flagstaff Murdoch Neighborhood Park Improvements project proposes to solve multiple nuisance and environmental issues within the Southside Neighborhood and places a renewed focus on the Murdoch Community Center as the public meeting center of the Southside and the community at large.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	A total of 1,257 households in the Southside neighborhood will benefit from the project.
	Location Description	NA

	Planned Activities Activity Matrix: 14A, 14H 24 CFR 570.202(a)(1), 24 CFR 570.202(b)(9 or 42 USC 5305(a)(4)	The western right-of-way landscaped area is proposed to be incorporated into the current Murdoch grounds with a low decorative fence that is consistent in defining the overall park area. Problematic landscaping will be thinned, and improved lighting (dark sky compliant), park rules signage, and security provisions provided. The existing chain-link fence is to be removed from the north perimeter and replaced with the decorative pier and rail fencing. The north grounds currently have a mega sized chess board that will be incorporated with new hardscape and paths that provides ADA access into the site improvements. A turf lawn area is planned as a general play area. Playground equipment is not initially planned unless public input dictates. Informal areas are conceived that promotes creative play opportunities. Existing trees will be retained and additional provided. New shrubbery will not be provided but low-water native plantings encouraged where appropriate and limited. Appropriate site furnishings and lighting (dark sky) are to be provided.
2	Project Name	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units
	Target Area	Citywide
	Goals Supported	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds
	Needs Addressed	Homelessness Public Services & Economic Opportunities
	Funding	CDBG: \$250,000
	Description	With the support and financial backing of the Arizona Department of Housing, Flagstaff Shelter Services is acquiring a 56-room motel on Route 66, complete with 12 family units. To address community needs resulting from the COVID-19 pandemic, Flagstaff Shelter Services will use this new site to provide non-congregate, emergency shelter to diverse Flagstaff individuals and families experiencing homelessness. Eventually, once the pandemic is no longer an active threat to our community, the site will offer much-needed Permanent Supportive Housing units for vulnerable, housing-insecure community members. In the meantime, CDBG funds are needed to support crucial renovation costs to the motel property.

	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	56 non congregate, emergency shelter units – 12 family units
	Location Description	3300 E Route 66, Flagstaff, AZ 86004
	Planned Activities Activity Matrix: 01, 14G 24 CFR 570.201(e) or 42 USC 5305(a)(1), 24 CFR 570.202(b)(1) or 42 USC 5305(a)(1)	CDBG funds will be used to renovate a former motel that will bring 56 much-needed, non-congregate emergency shelter units to Flagstaff. While the Crown Motel (currently known as the Howard Johnson on Route 66) is livable and includes all furnishings, the proposed renovations are needed to improve safety and security. These changes include installing wrought iron fencing around the property, filling in the existing pool, installing an interior fire sprinkler system, removing the existing Porte cochere, updating the existing laundry facilities to add four additional washers and dryers, and redoing the dilapidated parking lot.
3	Project Name	Service & Facility Operating Support
	Target Area	Citywide
	Goals Supported	Service & Facility Operating Support
	Needs Addressed	Homelessness Public Services & Economic Opportunities
	Funding	CDBG: \$30,000
	Description	Provide youth experiencing homelessness with basic needs and resources and housing options including Host Family programming.
	Target Date	6/30/2023

	Estimate the number and type of families that will benefit from the proposed activities	60 homeless youth served with housing resources and established The Host Family program in Flagstaff.
	Location Description	Citywide
	Planned Activities Activity Matrix: 03T, 05D, 05H, 05N 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)	Funding would be used to hire a Community Outreach Manager to recruit families for the Host Family component of the EYFTF program.
4	Project Name	Workforce Development
	Target Area	Citywide
	Goals Supported	Workforce Development
	Needs Addressed	Public Services & Economic Opportunities
	Funding	CDBG: \$39,826

	Description	The Sewing and Textile Employment Pathway (STEP) program is a 4-6 month paid vocational training program in Flagstaff, AZ that expands economic opportunity for low to moderate income (LMI) residents and enriches our community. Housed in our Threaded Together Workroom, a full-service sewing shop in the Sunnyside/Lower Greenlawn neighborhood, this program provides residents the opportunity to learn technical and employable skills in a safe and empowering environment. Through the STEP program, Threaded Together is also helping to develop viable urban communities by providing employment opportunities within walking distance of partnering organizations. CDBG grant funds will be used to cover STEP training participants wages, and to supplement staff wages for training time.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	6 Low and Moderate Income individuals
	Location Description	Citywide
	Planned Activities Activity Matrix: 05H, 05Z 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)	CDBG grant funds will be used to cover STEP training participants wages, and to supplement staff wages for training time.
5	Project Name	Service & Facility Operating Support
	Target Area	Citywide
	Goals Supported	Service & Facility Operating Support

Needs Addressed	Homelessness Public Services & Economic Opportunities
Funding	CDBG: \$25,174
Description	Flagstaff Shelter Services will provide safe, non-congregate, emergency shelter to an estimated 600 diverse Flagstaff residents experiencing homelessness
Target Date	6/30/2023
Estimate the number and type of families that will benefit from the proposed activities	600 individuals experiencing homelessness
Location Description	Citywide
Planned Activities Activity Matrix: 03T, 05D, 05H, 05N 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2) , 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2), 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)	Requested funds will support operational costs of these units to get vulnerable households out of congregate shelter. As a result of this timely project, every individual and family experiencing homelessness in Flagstaff (regardless of COVID-19 status) will have access to safe shelter, nutritious meals, culturally sensitive medical and behavioral health care, day services, and evidence-based housing placement services.

6	Project Name	Planning and Administration
	Target Area	Citywide
	Goals Supported	All
	Needs Addressed	Homelessness Affordable Housing Public Services & Economic Opportunities Revitalization, Public Facilities & Infrastructure
	Funding	CDBG: \$127,000
	Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.
	Target Date	6/30/2023
	Estimate the number and type of families that will benefit from the proposed activities	Planning and administration of HUD programs provides a benefit to all residents.
	Location Description	Citywide

<p>Planned Activities</p> <p>Activity Matrix: 20, 21A, 21D, 21H</p> <p>24 CFR 570.206 or 24 CFR 570.489(a)(3) + 24 CFR 570.206 or 24 CFR 570.205 + 24 CFR 570.206(i)(2) or 42 USC 5305(a)(13)</p>	<p>Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category including City of Flagstaff Indirect.</p>
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AP-50 Geographic Distribution – 91.220(f)

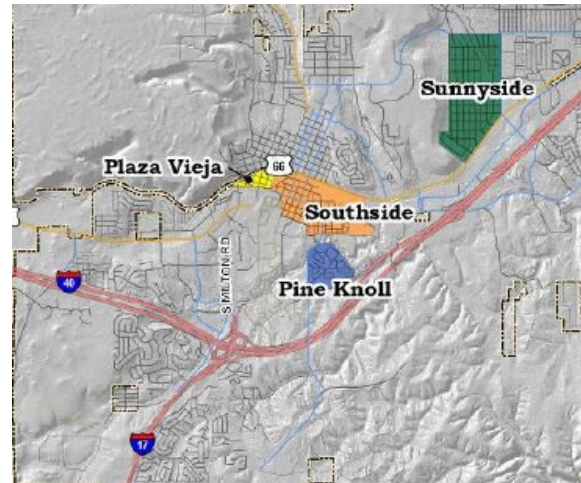
Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of Flagstaff has identified four target neighborhoods. Target neighborhoods are defined by HUD as those where more than 50% of households have low- to moderate-incomes (80% or less of Flagstaff's Area Median Income).

- ▲ Sunnyside - Census Tract 3, Block Group 2, 3, & 4
- ▲ Southside - Census Tract 8, Block Group 1 & 2
- ▲ Pine Knoll - Census Tract 8, Block Group 3
- ▲ La Plaza Vieja - Census Tract 11.02, Block Group 3.

Together the 8,565 people who live in the target neighborhoods have the following characteristics:

- ▲ 6,210 are considered low- and moderate-income.
- ▲ 33% are Hispanic or Latino.
- ▲ 27% are people of color.
- ▲ 50% live in family households.
- ▲ 21% have a head of household that is 24 years old or younger.
- ▲ 24% own the home they occupy.



Three of these neighborhoods have formed a coalition referred to as the “A League of Neighbors”. The coalition includes the Sunnyside Neighborhood Association, La Plaza Vieja Neighborhood Association, and the Southside Community Association. Associations work hard to improve neighborhoods with grass-roots efforts in safety improvements, beautification, job development, and community spirit. These resident-driven 501(c)3 organizations work collectively and advocate for continual and necessary infrastructure improvements in historic neighborhoods, more local jobs, increasing voter registration, and unity among neighbors.

The 2022 Annual Action Plan directs 44% of the total annual entitlement towards facility improvements in the Southside neighborhood. **The Murdoch Park project proposes to solve multiple nuisance and environmental issues within the Southside Neighborhood and placing a renewed focus on the Murdoch Community Center as the public meeting center of the Southside and the community at large. The intent is to provide a small safe neighborhood park, landscaped and irrigated that promotes creative plan and contemplative areas with overall improved security. It has been state by many that the importance of the Murdoch and its relationship to Flagstaff’s ethnic history should be shared and integrated into the site in the potential for art and interpretive plaque installations.**

Geographic Distribution

Target Area	Percentage of Funds
Sunnyside	0%
La Plaza Vieja	0%
Southside	44%
Pine Knoll	0%
Citywide	100%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Proposals are evaluated based on CDBG eligibility and funding criteria (for example: benefit of ratio of dollars per person, percent of leverage funding, past successful CDBG contract administration, location of the project in a target area, and evidence of community collaborations).

The City's four target areas encompass many of the areas of low-income and minority concentration and have been identified as high priority need in all categories.

Research has shown that neighborhoods can be a good predictor of health. Therefore, it is imperative to invest funding in areas of opportunity such as, community spaces, open space, quality schools, food, and transportation.

The Murdoch Park project proposes to solve multiple nuisance and environmental issues within the Southside Neighborhood and placing a renewed focus on the Murdoch Community Center as the public meeting center of the Southside and the community at large. The landscaped area to the west (closed off right-of-way) and the grounds immediately north of the Murdoch are proposed as a public park. The landscaped area to the west (closed off right-of-way) and the grounds immediately north of the Murdoch are proposed as a public park. The landscaped area to the west has been the site of behavioral problems and police calls that has included public health issues. The north Murdoch grounds is currently not supported by working irrigation and park-like improvements. These conditions add to the impression that this area is uncared for and reduce the utilization of the space by the neighborhood residents. In a 2018 survey of neighborhood residents, this area was highlighted as a place that individuals felt unsafe walking through because of these environmental factors.

Discussion

The City strives to utilize CDBG funds in target areas; however, the actual distribution of funds to target areas depends on the number and type of proposals that are received. In the 2022 Program Year, 44% of funds will be expended in the Southside neighborhood. **The Murdoch Park project proposes to solve multiple nuisance and environmental issues within the Southside Neighborhood and placing a renewed focus on the Murdoch Community Center as the public meeting center of the Southside and**

the community at large.]

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Annual Action Plan requirement is to provide information on the number of households that will benefit from affordable housing and the types of housing these households will be supported through. The following HUD tables define the City's goals for the number of households that will be provided housing by housing activity.

One Year Goals for the Number of Households to be Supported	
Homeless	660
Non-Homeless	0
Special-Needs	0
Total	0

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	56
Rehab of Existing Units	0
Acquisition of Existing Units	0
Total	56

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

Over the coming year a total of 1,666 households will benefit from PY 2022 CDBG funded projects included in the Annual Action Plan. Hotel renovations will help to create 56 units of non-congregate, emergency shelter. Public facility improvements and neighborhood revitalization efforts will create a park space and improve safety in the Southside neighborhood, a CDBG target area with over 1,000 LMI households. 6 LMI individuals will be able to participate in a paid apprenticeship program, learning skills for long term job and/or small business success.

AP-60 Public Housing – 91.220(h)

Introduction

The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 333 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 20 Emergency Housing Vouchers and several Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center.

While chronically underfunded by HUD for capital needs, the public housing units are in good repair. The Housing Authority follows a system of ensuring that all major systems are well maintained. The Housing Authority develops a 5-year Plan, updated, and submitted to HUD on an annual basis, to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

Actions planned during the next year to address the needs to public housing

In March 2021, the City of Flagstaff released a Request for Statement of Qualifications from firms experienced in the repositioning of Public Housing through the Rental Assistance Demonstration (RAD) program, to partner on the repositioning of its Public Housing through RAD or other repositioning options allowed by U.S. Department of Housing and Urban Development (HUD). The most qualified respondent to the RSOQ has been selected and negotiations for a Master Development Agreement are underway. It is anticipated that a RAD application will be submitted by spring of 2023.

The City intends to reposition and redevelop its public housing in order to increase the inventory of public and private affordable housing for renters and, potentially, homeowners throughout the City. The City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units

to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The Housing Authority has multiple goals and objectives created to increase resident involvement including: providing maintenance and repair training prior to occupancy; continuing resident education; partnering with the Boys and Girls Club, Tynkertopia and the City Recreation Department to provide free on-site programs; resident meetings, barbeques and newsletters to help residents with education, employment, job training and youth services.

The City Housing Authority produces a monthly newsletter for public housing residents. Newsletter content includes food and utility assistance, library programming, free tax assistance information, healthcare marketplace information, regular deadlines for rent and recertification submission, public notice regarding policy changes, and countless other resources.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Flagstaff's Housing Authority is a high performing PHA.

Discussion

The Flagstaff Housing Authority owns and manages 265 units of low-income public housing, administers 333 Section 8 Housing Choice Vouchers, 106 VASH Vouchers for Veterans, 40 Mainstream vouchers for households with a disabled adult, 20 Emergency Housing Vouchers and several Foster Youth Initiative (FYI) Vouchers for youth aging out of the State foster care system. We partner with the Veterans Administration (VA) on the VASH program and with the State Department of Child Safety on the FYI program. The Housing Authority also manages Clark Homes, a Section 8 new construction development with 80 units of low-income housing and provides twelve Section 8 Certificates for the seriously mentally ill, in partnership with the Guidance Center.

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City's goals are to reposition its public housing portfolio, through RAD and other options allowed by HUD in order to stabilize funding, modernize properties, and increase the number of affordable housing units to create vibrant, attractive, and diverse mixed-income communities that include a mix of rental units to house families, as well as units specifically designed for the elderly and other groups with special needs.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City is not a direct recipient of Emergency Solutions Grant funds from HUD yet invests a significant amount of financial and staff resources in addressing the needs of people experiencing homelessness and people with special needs in the City of Flagstaff. This section describes the City's one-year goals and actions for reducing and ending homelessness.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Continuum of Care (C of C) members and participants in the Front Door coordinated entry program may apply for CDBG funds to assist street outreach, but with limited public service dollars, local agencies choose to apply for support in prevention and diversion programs. There are currently three nonprofit organizations that conduct outreach services, two of which only serve veterans. Funded programs are highly encouraged to participate in coordinated entry through the Front Door and the C of C's individual assessment plan (VI-SPDAT) if not already involved.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City and Coconino County's Continuum of Care members recognize the critical nature of Housing First and permanent supportive housing. **In the 2020 Point in Time Count 817 men, women and children were experiencing homelessness in Coconino County.** Approximately 801 people remain on income restricted complex waitlists, while 1,250 people were on the waitlist in 2018. The high cost of housing and a 20% employment rate among individuals experiencing homelessness means that these individuals and families may require a longer stay in shelter or transitional housing.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming

homeless again

The City will continue to support agencies that provide emergency and transitional housing to the extent allowable under the CDBG program. In the 2022 Program Year, agencies will receive funds to support supportive housing services for chronically homeless individuals as well as basic needs and educational services for homeless and unaccompanied youth. The City and C of C members recognize the critical nature of Housing First and permanent supportive housing, yet the large number of homeless individuals and families, the high cost of housing, and a 20% employment rate among homeless individuals means that homeless individuals and families may require a longer stay in transitional housing. The City will also continue its active participation in the Coconino County Continuum of Care.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

In the 2022 Program Year operational dollars will be granted to Flagstaff Shelter Services for renovations of a facility that will provide 56 non-congregate, emergency units for chronically homeless individuals. Additionally, Homeless Youth Connection will receive operational funds to provide services for homeless and unaccompanied youth, including a host family program for creating transitional housing for youth in need.

Community leadership is committed to bringing a higher level of coordination of services to those experiencing homelessness in our community. The Front Door is a collaborative project serving as a “front door” to those experiencing homelessness. Front Door is a diversion program and provides a single point of entry into the shelter and housing system to streamline services, reduce shelter stay and length of time that individuals and families are homeless, increase program utilization and eliminate the need for households in crisis to “service hop.”

The City will continue to support agencies that provide emergency and transitional housing to the extent allowed under the CDBG program. The City will also continue its active participation in the Coconino County Continuum of Care.

Discussion

The City is an active participant in the local Continuum of Care and staff members participate in multiple committees and lead the annual point-in-time count (conducted for the Arizona Rural Continuum of Care.) The City will continue to implement VASH Vouchers for Veterans experiencing homelessness as

well as Foster Youth Initiative Vouchers.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Affordable housing barriers are regulatory, process, or financial systems that make it harder for developers to create affordable housing. Barriers to affordable housing development can occur at many levels – local, state, and federal government, as well as related industries, such as the real estate, insurance, and finance industries.

HUD defines a regulatory barrier as "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." To identify potential local public barriers to affordable housing development, the City completed HUD's Regulatory Barriers checklist.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Limited land and the current shortage in housing supply, relative to demand, are the primary reasons housing costs are increasing. A significant increase in housing supply is necessary to keep pace with current and projected housing demands. Strategies around affordable housing are incomplete when the focus is solely on increasing supply without giving attention to increasing density, establishing building innovation and cost saving practices, preserving affordable housing stock that already exists in the Flagstaff community and reviewing City codes, processes and fees to determine whether modification, reductions, or elimination would facilitate cost saving housing development strategies.

Zoning has a profound impact on housing location and type, but it can also impact cost and affordability. In addition to regulating where housing can be built, the Flagstaff zoning codes regulate other elements such as lot sizes, number of bedrooms, lot coverage, parking, and setbacks, all of which can impact the cost of development and overall housing supply. Currently, 58% of land in Flagstaff is zoned for Single-family residential, which allows for single-family homes and accessory dwelling units on each property. R1N also allows duplexes. These are low-density zones generally capped between 1 and 7 dwelling units per acre. In addition, 5.6% of land is zoned industrial, 12% is Public Open Space and 10% is Public Facilities. Approximately 14% of the land within the city allows for medium or high-density housing to be constructed, either through the commercial zoning categories as mixed-use or as apartments, condos, etc.

According to Arizona Housing Coalition, Best Practices Toolkit for Municipalities, overregulation of land use can create barriers to affordable housing supply. Zoning regulations, parking requirements, height restrictions, lengthy permitting processes, City codes and community opposition can contribute to increased development costs. Overregulation can restrict the ability of the developer to offer affordable rents and mortgages. Addressing overregulation and reform of land use policy is therefore a vital strategy to addressing housing affordability.

A prominent barrier to affordable housing development is the State law prohibition on mandatory inclusionary zoning policy. Inclusionary zoning policies are imposed at the local municipal level to require private developers to set aside a certain percentage of their units within new construction projects at an affordable rent. State law determines whether municipal inclusionary housing measures are mandatory or voluntary. In Arizona, as well as Colorado, Idaho, Indiana, Kansas, Texas, Tennessee, and Wisconsin—local governments are prohibited from adopting at least some form of mandatory inclusionary housing (for ownership housing, rental housing, or both). In some cases, courts have determined that statutes limiting rent control also preempt mandatory inclusionary measures for rental housing. Inclusionary housing is a complicated national issue that varies greatly by state, with litigation and new legislation continually shaping the issue. The City of Flagstaff has worked within the confines of state statutes to develop a voluntary program to incentivize the creation of both rental and ownership housing, yet, until such time as our State law is changed, mandatory inclusionary zoning is not a tool available to Arizona's local municipalities for increasing the supply of affordable rental housing.

While municipalities cannot supersede this State law regulation, they may mitigate its effects through the creation of policies that incentivize the inclusion of affordable units. Land use policy reform can be critical to encouraging equitable development in response to the Flagstaff's affordable Housing Emergency.

Since the Great Recession, the City has steadily made efforts to increase its capacity for affordable housing development and programs. The development of an Incentive Policy for Affordable Housing (IPAH) in 2009 and the 2011 overhaul of the Flagstaff Zoning Code were two of the biggest efforts to remove barriers to the creation of affordable housing. The IPAH is designed to foster the production of affordable housing units and is intended to reduce the deficit of all types of housing for households earning under 150% of the Area Median Income (AMI). The document incentivizes developers that commit to permanently affordable housing units through the reimbursement of development-related fees. The Flagstaff Zoning Code also implements affordable housing incentives through various development standards like density bonuses and reductions to parking and natural resource protection.

Another zoning code amendment was approved in 2021 that allows for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment was processed to accommodate the tight external timeline requirements of any current and future Low-Income Housing Tax Credit

projects in the City.

In recent years, several zoning code amendments have implemented policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in 2018. The intent of that Plan was to identify areas of the city where high density residential projects are encouraged, and what development standards, features, and amenities are desired in those projects. An example of a recent code amendment included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

Also in 2021, City staff led a stakeholder outreach effort to prepare for a comprehensive update to the existing IPAH document and associated zoning code incentives. Interviews with the development community and housing practitioners shaped new concepts and proposed revisions, which were reviewed with a working group made up of members from the Housing and Planning and Zoning Commissions. The intent of this update to the IPAH is to ensure the incentives offered are not only useful and effective, but flexible enough to be applied under varied market conditions. This work will continue in the coming years as an implementation strategy of the 10 Year Housing Plan. The City's recently approved 10 Year Housing Plan is the most current and comprehensive plan to address the growing number of barriers to affordable housing, a brief discussion of the Plan is below.

Discussion:

Throughout 2021 City staff led an extensive public outreach effort to create a community-focused housing plan, one that offers goals and implementation strategies to improve access to housing and to increase the supply of housing across the entire housing continuum. This effort originated as a response to the City's declared Housing Emergency in December 2020. City Council approved the Plan in February 2022 and over the next ten years, staff will work to advance housing opportunities for all Flagstaff residents. The Plan is a foundational framework for establishing work programs, prioritizing staff work and allocating the necessary funding for its implementation. The Plan establishes policy initiatives and strategies that will be accomplished through the budget process, collaboration with City staff, and private, public, and nonprofit partnerships.

Going forward, the City's Incentive Policy for Affordable Housing, Flagstaff Zoning Code, Regional Plan, and other planning documents will need consider how to incorporate the policy initiatives and strategies identified in the 10 Year Housing Plan.

AP-85 Other Actions – 91.220(k)

Introduction:

On December 1st, 2020, Flagstaff City Council declared a Housing Emergency for the City of Flagstaff and resolved to prioritize affordable housing within City operations to create safe, decent and affordable housing for all community members. Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the city's immediate and long-term needs and strategies to improve housing affordability. Flagstaff's 10-Year Housing Plan was presented to the Housing Commission on January 27. The Plan was approved unanimously by Housing Commissioners. Flagstaff City Council unanimously adopted the Plan on February 15, 2022.

This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially increase housing subsidies for our neighbors that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff residents at all income levels.

The City continues to establish goals related to the use of CDBG funds and has also established HUD-required strategies to improve the delivery system, address lead-based paint hazards, reduce the incidence of poverty, and address barriers to affordable housing development. The City has continued to perform HUD-required program monitoring for all sub-recipients.

Actions planned to address obstacles to meeting underserved needs

The development and subsequent implementation of policy initiatives are critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation are designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market-based solutions. At present, the greatest obstacle to meeting underserved needs is insufficient funding. The City addresses this obstacle by prioritizing CDBG projects that provide leverage funding to meet the needs of a larger number of people.

Although the City has several Housing planning documents, when declaring the Housing Emergency, Flagstaff City Council directed staff to create a single, comprehensive community-facing document to summarize the city's immediate and long-term needs and strategies to improving housing affordability.

This Plan defines the Housing Emergency in Flagstaff and provides policy initiatives and strategies that the City will implement to address the Housing Emergency. As the City implements the 10-Year Housing Plan, the goal is to substantially to increase housing subsidies for residents that are unable to afford housing in Flagstaff and to increase the number of available and affordable housing options for Flagstaff residents at all income levels.

Actions planned to foster and maintain affordable housing

The City of Flagstaff 10 Year Housing Plan establishes one overarching goal, supported by two fundamental elements that together will significantly impact housing attainability. The goal will be achieved through the implementation of the policy initiatives and strategies in this document. Implementation of the policy initiatives and strategies will be accomplished by the City of Flagstaff through the budget process, collaboration with City staff and private, public and nonprofit partnerships.

The overarching goal of the 10 Year Housing Plan is to reduce the current affordable housing need in our community by half over the next ten years.

- ▲ Element one: Impact at least 6,000 low-to-moderate income Flagstaff residents through a combination of unit creation or subsidy provision.
- ▲ Element two: Create or preserve 7,976 housing units by 2031 with a minimum of 10% of them being affordable. This will increase the overall supply of market rate, workforce and affordable housing occupied by local residents.

The following are all policy initiatives and strategies intended to preserve and increase the supply of affordable housing in Flagstaff, as determined through the public engagement process for Flagstaff's 10 Year Housing Plan. This list will be updated annually based on current actions the City is taking to implement the Housing Plan.

- Incentivize the creation of affordable units through various programs and mechanisms.
 - Ensure that modifications to the zoning code improve and maintain the effectiveness of the density incentives for affordable housing.
 - Update the City's affordable housing incentive policy to implement the goals and policies of the 10-Year Housing Plan.
 - Amend the City code to implement the revised affordable housing incentive policy.
 - Explore implementing reduced fees and waivers to incentivize the development of affordable housing.
 - Explore in-lieu alternatives to providing affordable housing units (e.g. down payment assistance program, donation of finished lots, in-lieu payment, etc.).
 - Explore expedited review as an incentive to developments that provide affordable housing units.
 - Explore ways to incentivize employers to offer Employer Assisted Housing (EAH) programs.
 - Explore the use of the community land trust model and public/private partnerships to incentivize the development of ownership units that are priced significantly below market rate.
- Ensure that the Flagstaff Regional Plan includes robust affordable housing goals and policies.
 - Update the Regional Plan policies to support increased density related to affordable housing.
 - Identify suburban areas to support greater density and intensity of development.

- During the update of the Flagstaff Regional Plan, revise the Community Character chapter for goals and policies to include cost saving methods that reduce the conflict between affordable housing, historic preservation, and urban design.
- Create a dedicated funding source for affordable housing in Flagstaff.
 - Present 2022 Bond Measure to Council and Community for consideration for additional funding to be leveraged with local, state and federal dollars.
 - Create a fund for the purpose of acquiring land/units for affordable housing in order to be able to respond to opportunities as they arise.
 - Identify ongoing resource opportunities for the purpose of assisting households experiencing homelessness, households at risk of becoming homeless, first-time homebuyers, and affordable housing targeted to these populations.
 - Explore other funding mechanisms for affordable housing developments such as Revitalization District and dedicated sales tax.
- Amend the Flagstaff Zoning Code to facilitate the development of all housing types.
 - Review and amend the Planned Residential Development (PRD) standards and process to address barriers for infill development and allow for more flexibility in development options, building types, and lot configurations.
 - Explore options with appropriate land use and economic studies as necessary that could integrate affordable housing units to be developed in commercial and industrial locations where suitable.
 - Explore adding affordable housing as an allowed use in the Public Facilities (PF) Zone.
 - Review parking standards for all residential development with the goal of reducing the cost of development and increasing the number of dwelling units that may be achieved.
 - Evaluate and amend the Resource Protection Overlay standards to ensure that the minimum densities can be met on most sites, including making the requirements for residential sites to be similar to those for a commercial site.
 - Evaluate Resource Protection Overlay standards in terms of consistent application across each zone and allow for greater maximum densities.
 - Continue to evaluate and amend the current Accessory Dwelling Unit (ADU) zoning code standards with the goal of increasing supply.
 - Explore allowing additional flexibility for homeowners and landlords to increase density.

Actions planned to reduce lead-based paint hazards

Distribute lead poisoning and lead hazard information to participants in federally-funded programs and to any interested resident.

The City follows a multi-pronged approach to reduce lead hazards, integrating the following actions into housing policies and procedures:

1. Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal

programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed contractors located outside of the City.

2. Section 8 Housing Choice Vouchers. The PHA inspects prospective dwellings constructed prior to 1978 that will have a child under the age of six residing therein, for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.
3. Public Education. Lead hazard information is distributed to participants in homeownership and rental programs.

Actions planned to reduce the number of poverty-level families

The City will reduce the number of poverty level households by providing CDBG public services resources to local agencies that provide social supports, and eviction and foreclosure prevention. The City will also fund programs to rehabilitate housing units owner-occupied by households living at or below the poverty level to support these households in retaining quality, safe housing. Households living below the poverty level will also be made aware of the various local services available that provide an economic safety net and opportunities for increased earnings.

Actions planned to develop institutional structure

The City of Flagstaff has well-developed and experienced institutional infrastructure for the delivery of housing and community development programs. The Housing Section works closely with nonprofit organizations to ensure that CDBG funds reach the neediest Flagstaff residents and neighborhoods. Organizations must annually apply for CDBG funds for eligible activities. The City also works closely with and is a member of the Coconino County Continuum of Care.

In 2019, City Council added a new chapter to the Flagstaff City Code, creating a Housing Commission. The Housing Commission consists of thirteen citizens, with twelve members appointed by the City Council and one representative from the Flagstaff Housing Authority Board of Commissioners. It serves as an advisory board to City Council; makes recommendations with respect to housing policies, needs, and programs in Flagstaff; and furnishes the Council with information through the Housing Director.

Actions planned to enhance coordination between public and private housing and social service agencies

A Housing Navigator is a person who works intensively with high-need clients, often those with high housing barriers including mental health issues, homelessness, past evictions etc. The main responsibility of the position is assisting clients with obtaining and maintaining housing. This includes

lots of one-on-one client and landlord interaction and, when necessary, mediation. The Housing Navigator also works on landlord recruitment for all voucher programs, a long-established need.

While one-time funding has been allocated by HUD related to the EHV program, on-going funded has been requested to fund the Housing Navigator position on a permanent basis through the general fund. Funding through the GF will allow the position to not be bound to one program or another, allowing for the work to occur where the greatest need is and facilitate stronger partnerships with local agencies. This will also allow federal funds to be directed to direct client services were possible.

The City has developed an extensive mailing and email list that includes over 300 people who represent organizations that serve homeless and at-risk households, mainstream service and housing agencies, community development organizations, civic leaders, etc. This list is used to regularly inform these agencies of planning efforts, funding opportunities, changes in policy and practice or any other information that agencies may find useful.

The Flagstaff Community has implemented a Coordinated Entry System for those experiencing homelessness, known as the Front Door. The Front Door Specialist conducts an assessment using The Vulnerability Index – Service Prioritization and Decision Assistance Tool (VI-SPDAT). The Front Door collaboration has united the Flagstaff community and the local Continuum of Care to fast track those in crisis to the best program to end that crisis.

On a weekly basis, a cadre of service providers meet for the Case Conferencing Team Meeting. Each case manager is representing his or her own agency that has signed the Service Provider Memorandum of Understanding (MOU). The purpose of this meeting is to have a real-time discussion of each person or family on the community waitlist and to utilize scores from the VI-SPDAT to ensure fast and appropriate referrals to end homelessness for those on the list.

The Front Door is a cost-effective strategy; that prioritizes a community conversation about how the systems function together, where the gaps in services exist, and how to answer the need. No longer will those in crisis be forced to go from shelter to shelter to access services.

Discussion:

Affordable, accessible, and decent housing is of critical importance to a community's health and viability. The Housing Plan will consolidate existing housing documents and augment with an additional planning effort to create a 10-year plan that seeks to define the housing emergency in Flagstaff and to provide policies and strategies to reduce the emergency. The Housing Plan will help identify needs, create an existing list of affordable housing, identify the affordable housing units underway, engage partners, and compile research on best practices. Altogether, these components will help identify specific policies and educational and advocacy strategies that can be implemented within our community to substantially increase the number of affordable housing units. As the City implements

Flagstaff's 2022 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan
3. The amount of surplus funds from urban renewal settlements
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.
5. The amount of income from float-funded activities

Total Program Income

Other CDBG Requirements

1. The amount of urgent need activities
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Kristine Pavlik, Housing and Grants Administrator
Date: 03/28/2022
Meeting Date: 04/19/2022



TITLE:

Consideration and Adoption of Resolution No. 2022-16: A resolution approving the City of Flagstaff's 2022 Annual Action Plan and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2022-16 by title only
- 2) City Clerk reads Resolution No. 2022-16 (if approved above)
- 3) Adopt Resolution No. 2022-16

Executive Summary:

This staff summary is for the approval of the City of Flagstaff's 2022 Annual Action Plan that is a required submission to the U.S. Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant (CDBG) program. This document identifies how the anticipated 2022 CDBG allocation will address Flagstaff's community needs identified in the 2021-2025 Consolidated Plan and how funding will be distributed within Flagstaff city limits.

The Annual Action Plan is due to HUD on or before July 11, 2022. As of the date of this report, the City of Flagstaff has not been notified of its 2022 CDBG allocation amount. However, HUD has provided guidance that the City should anticipate the 2022 allocation to be slightly less than the prior year (2021) federal allocation. HUD has also approximated the release of actual allocation amounts to be on or around May 13, 2022. Timely submission of the Annual Action Plan will enable the City to continue its annual entitlement allocation of CDBG funding.

Financial Impact:

Approval of the above resolution is critical to the City of Flagstaff receiving its annual CDBG entitlement allocation. The 2022 CDBG estimated allocation is \$565,000. In addition, the City of Flagstaff is able to include program income and prior year de-obligated funds to increase funding available for allocation. These additional funds equal \$277,411.32. Therefore, an estimated grand total of \$842,411.32 is available for CDBG eligible projects for 2022 program year, through the Annual Action Plan. The proposed allocation takes into consideration administrative cost and the City's financial impacts by including the estimated indirect rate of 10%.

Additionally, in response to the urgent need of local congregate care service providers impacted by the Coronavirus, the 2022 Notice of Funding Available (NOFA) included the American Rescue Plan Act (ARPA) Coronavirus State and Local Recovery Funds. These funds were allocated by Council for congregate care services, such as shelters. Council allocated a total of \$400,000 in this category. Flagstaff Shelter Services and Northland Family Help Center were provided emergency allocations and disbursements in the amounts of \$100,000 and \$75,873.43 respectively. The remainder of funds were included as part of the above mentioned NOFA. The total ARPA and Local Recovery funding available, after accounting for emergency allocations, is \$224,126.57. Staff will return to Council on May 3, 2022 to request ratification of the grant agreement with Northland Family Help Center and for consideration and approval of staff's recommendations for the remainder of the funds.

Policy Impact:

The City of Flagstaff Council's CDBG Priorities:

- Provide affordable housing (rental and ownership)
- Address homelessness
- Support neighborhood revitalization
- Workforce development (including job training and lifespan education)

Priority Based Budgeting

- **High Performing Governance**
 - Encourage public trust through transparency, accessibility & use of the City's public participation policy
 - Implement innovative local government programs, new ideas & best practices; be recognized as a model for others to follow
- **Safe & Healthy Community**
 - Support social services, community partners & housing opportunities
 - Provide alternative responses, resources & programs, inclusive of mental health & other services
- **Inclusive & Engaged Community**
 - Foster community pride & civic engagement by increasing opportunities for public involvement, in line with best practices & legal requirements
 - Advance social equity & social justice in Flagstaff by supporting social services
 - Facilitate & foster diversity & inclusivity, including support of anti-racist policies & practices
 - Enhance community involvement, education & regional partnerships to strengthen the level of public trust
 - Ensure city facilities, services, & programs are accessible for all residents & representative of Flagstaff's diverse community
- **Sustainable, Innovative Infrastructure**
 - Support the community's social infrastructure needs; assist those partner organizations that provide services the City does not
- **Robust Resilient Economy**
 - Support & strengthen a more robust, diverse, & sustainable economy in ways that reflect community values & provides for affordable housing opportunities
 - Enhance understanding between the development community, the City & Flagstaff residents
 - Enhance the community's workforce development programs & improve partnerships with higher education institutions & the private & public sectors
- **Livable Community**
 - Support regional partners which provide equitable & inclusive educational opportunities for Flagstaff residents of all ages
 - Actively support attainable & affordable housing through City projects & opportunities with developers
- **Environmental Stewardship**
 - Implement, maintain & further the Climate Action & Adaptation Plan (CAAP) with awareness of social inequities

Regional Plan

- **Goal NH.1. Foster and maintain healthy and diverse urban, suburban, and rural neighborhoods in the Flagstaff region.**
 - Policy NH.1.1. Preserve and enhance existing neighborhoods.

- **Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunities for all economic sectors.**
 - Policy NH.3.1. Provide a variety of housing types throughout the City and region, including purchase and rental options, to expand the choices available to meet the financial and lifestyle needs of our diverse population.
 - Policy NH.3.3. Increase the availability of affordable housing for very low-income persons, through innovative and effective funding mechanisms
- **Goal NH.4. All housing is safe and sanitary.**
 - Policy NH.4.1. Expand the availability of affordable housing throughout the region by preserving existing housing, including housing for very low-income persons. Policy NH.4.2. Reduce substandard housing units by conserving and rehabilitating existing housing stock to minimize impacts on existing residents.
 - Policy NH.4.3. Address accessibility issues and other housing barriers to persons with disabilities or special needs.
 - Policy NH.4.4. Encourage green practices in housing construction and rehabilitation that support durable, healthy, and energy efficient homes.
 - Policy NH.4.5. Renovate the existing housing stock to conserve energy and reduce utility and maintenance costs for owners and occupants.
 - Policy NH.4.6. Consider and integrate public transportation, when possible, in planning housing developments, to help reduce a household's transportation costs and minimize impact on the community's roads and transportation system.
 - Policy NH.4.7. Enforce compliance with fair housing laws.
- **Goal NH.5. Eliminate homelessness.**
 - Policy NH.5.1. Provide adequate resources for families with children experiencing homelessness.
 - Policy NH.5.2. Provide adequate resources for individuals experiencing homelessness.
 - Policy NH.5.3. Support and expand programs that prevent homelessness.
 - Policy NH.5.4. Make transitional housing resources available to populations experiencing homelessness

Carbon Neutrality Plan

- **Community resilience**
 - CR-1: Ensure all mitigation actions improve Flagstaff's ability to adapt to the future.
 - CR-2: Strengthen existing community systems to create resilience to both short-term shocks and long-term change.
- **Equitable systems**
 - ES-2: Proactively engage community members on an ongoing basis
 - ES-4: Actively seek to recognize past harms, repair trust, and build deeper relationships with community members.

10 Year Housing Plan

Connect people to equitable housing solutions.

- **Connect 1: Reduce homelessness in the Flagstaff community and seek creative solutions to foster housing permanency for all.**
 - Connect 1.3 Continue to support and develop Coordinated Entry as a meaningful process that provides linkages to healthcare, behavioral health, and housing
- **Connect 2: Implement a framework for centering equity in proposed and existing housing practices, policies, and programs.**

- Connect 2.1 Evaluate housing policies and strategies in City of Flagstaff planning documents through an equity lens.
- Connect 2.2 Encourage community organizations such as local Continuum of Care to continue to integrate equity into programs and policies.
- Connect 3: Integrate healthcare into housing programs, and housing into healthcare programs, as appropriate.
 - Connect 3.1 Raise awareness of housing security as a social determinate of health
 - Connect 3.2 Encourage neighborhoods, housing types and building practices that increase health.
 - Connect 3.3 Work in partnership with the community to develop and promote community health measurement data collection into housing services when viable

Preserve affordable housing

- Preserve 1: Encourage the adaptive reuse of buildings.
 - Preserve 2.2 Acquire and rehabilitate already built properties for affordable housing projects when financially feasible.

Protect people from housing discrimination and remove housing barriers.

- Protect 1: Continue Flagstaff's commitment to further Federal and Arizona Fair Housing laws in all housing-related services and programs, valuing the efforts of those who seek to reduce barriers to equitable housing opportunities, and providing Fair Housing education and resources to the community.

Has There Been Previous Council Decision on This:

Staff received Council direction on Council CDBG priorities during the December 22, 2020 Council meeting which are identified in Policy Impact above and Background/History below.

Management Services staff received Council direction regarding allocation amounts and categories of the American Rescue Plan Act Coronavirus State and Local Recovery Funds at the October 12, 2021 Council Meeting.

On February 1, 2022 City Council approved the ratification of an emergency grant agreement with Flagstaff Shelter Services in the amount of \$100,000, utilizing funds from the Council ARPA allocation for congregate care services.

Options and Alternatives:

1. Approve Resolution No. 2022-16 and authorize the submission of the Annual Action Plan to HUD on or before July 11, 2022.
2. Modify Resolution No. 2022-16 and authorize the submission to HUD.
3. Not approve Resolution No. 2022-16 and risk losing the 2022 CDBG allocation.

Background/History:

In order to receive CDBG funding, the City must complete and submit to HUD the required 2022 Annual Action Plan by July 11, 2022. This plan describes how CDBG funds will be used in the coming year and how the annual allocation will be used to meet community needs identified in the 2021-2025 Consolidated Plan.

Every two years, staff requests guidance from Council on CDBG Priorities for the coming two years. On December 22, 2020, Council received an overview of the CDBG program and established four priorities:

- Provide affordable housing (rental and ownership)
- Address homelessness
- Support neighborhood revitalization
- Workforce development (including job training and lifespan education)

Through the 2022 CDBG process, the City of Flagstaff Housing Section received 6 external Community Development Block Grant/ARPA Recovery Fund proposals and 1 internal request for CDBG funds for the 2022 Program Year. One applicant withdrew their CDBG application with the intention of applying for future ARPA Recovery Funds from the Housing Assistance allocation.

Housing staff are responsible for determining whether a proposed activity is eligible, conducting a risk assessment of the project as well as the applying agency. Federal funds require administrative knowledge and capacity to ensure compliant and timely expenditure of funds. Additionally, a Ranking Committee comprised of three community representatives and three City staff met to review the external proposals and rank them by consensus. Rankings primarily serve as a risk and benefit assessment and are the guiding input for staff recommendations forwarded to City Council.

Below is a list of the proposals in ranking order. The proposals are divided between Housing and Public Service categories as HUD requires two separate funding limits and different criteria. Internal City of Flagstaff proposals are presented to meet City Council priorities or other unmet needs in the community and are not ranked (NR) competitively with the other proposals, since the City would administer these projects directly. A comprehensive Proposal Book that includes each of the below proposals was distributed to Council on April 1, 2022.

Housing Activities	Proposal/ Project	Request	Ranking
Flagstaff Shelter Services	The Crown: Hotel to Housing Renovation	\$250,000.00	161
City of Flagstaff	Murdoch Neighborhood Park Improvements	\$370,411.32	NR

Public Service Activities	Proposal/ Project	Request	Ranking
Homeless Youth Connection	Empowering Youth for the Future Host Family Program	\$30,000.00	172
Threaded Together	Sewing and Textile Employment Pathway (STEP) Program Expansion	\$39,826.00	171
Flagstaff Shelter Services	The Crown: Housing as Healthcare Operation of Non-Congregate Shelter	\$300,000.00	170

Key Considerations:

In order to receive CDBG funding, the City must complete an AAP that describes how CDBG funds will be used in the coming year and how the activities will accomplish the goals outlined in the 2021-2025 Consolidated Plan.

The creation of the Consolidated Plan is an extensive process involving public and stakeholder input (gathered through surveys, public meetings, and a 45 day public comment period), community needs assessments and a housing market analysis. The data outlined in the Con Plan helps determine the relative priority of activities and the populations that will be served in the coming years with federal funds. HUD allows two priority designations – high and low. Assignment of priority does not reflect a lack of need for any particular population or activity; it merely identifies those conditions that are most likely to be addressed with limited CDBG funding.

- High (H) priority activities are likely to be funded with CDBG resources during the next five years.
- Low (L) priority activities may be funded as opportunities arise.

Special Populations are certain clientele that are presumed by HUD to be low/moderate income and are defined as senior citizens, severely disabled adults, persons living with AIDS, battered spouses, abused children, the homeless, illiterate adults, or migrant farm workers.

The table attached summarizes the 5 Year Con Plan Goals outlining associated CDBG activities, the priority level and 5-year numeric goals for each. Activities that will be targeted to special populations are also indicated.

The table is designed to meet HUD requirements.

5 Year Consolidated Plan Goals

Activities	5 Year Consolidated	Special Goals	Priority Level	5 Year Goal
Activities	Population	Special Population	Priority Level	5 Year Goal
Priority Need: Neighborhood Revitalization, Public Facilities & Infrastructure				
Neighborhood Facility and Infrastructure Improvements <i>Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.</i>			High	3,000 people
Public Facilities <i>Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.</i>	X		High	100 people
Acquisition for Affordable Housing Development <i>Land/ Real Property/ Etc.</i>			Low	3 units
Priority Need: Public Services & Economic Opportunities				
Services to Meet Basic Needs <i>Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.</i>	X		High	300 people
Workforce Development <i>Includes Employment/ Job Training/ Business mentorship/ support/ assistance</i>	X		Low	15 people
Housing Stabilization <i>Includes Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services/ Housing Counseling/ Etc.</i>			High	50 households
Priority Need: Addressing Homelessness				
Service and Facility Operating Support <i>Includes Outreach/ Shelter Managers / Case Managers/ Coordinated Entry/ Etc.</i>	X		High	1,500 people
Increase Shelter Beds/Units <i>Includes Emergency / Transitional Shelter/ Permanent Supportive Housing/ Etc.</i>			High	15 beds/units
Priority Need: Decent Affordable Housing				
Housing Rehabilitation <i>Includes Owner and Renter Housing</i>	X		High	20 housing units
Housing Development <i>Includes Owner and Renter Housing</i>			High	3 units
Housing Assistance <i>Includes Owner and Renter Housing</i>			High	50 households

Expanded Financial Considerations:

Through the 2022 CDBG process, the City of Flagstaff Housing Section received 6 external Community Development Block Grant/ARPA Recovery Fund proposals and 1 internal request for CDBG funds for the 2022 Program Year. One applicant withdrew their CDBG application with the intention of applying for future ARPA Recovery Funds from the Housing Assistance allocation .

Per HUD's guidance, the City of Flagstaff has estimated the 2022 allocation will be slightly less than last year's federal allocation.

The below funding recommendations are based on an estimated allocation amount, once HUD releases the funding allocations, should the City of Flagstaff receive notice of either a larger than estimated CDBG allocation and/or a post allocation adjustment to the CDGB allocation, each awarded project would receive an allocation increase by an equal percentage.

Alternatively, if the City of Flagstaff's entitlement is less than estimated or decreases, each awarded project would decrease by an equal percentage.

2022 CDBG Funding Recommendations

Funding recommendations are made after an extensive risk assessment and based on eligibility of the project, adherence to CDBG regulations and alignment with Council CDBG goals and goals within the Consolidated Plan.

Below is the estimated funding available for the 2022 Annual Action Plan:

2022 Estimated Funding Available	
Total Estimated 2022 Entitlement Award	\$565,000.00
Program Income (PI) and re-allocated funds	\$277,411.32
Total Estimated Available Funding for Allocation	\$842,411.32

Planning and Administration

Funding Recommendation

Federal CDBG regulations do not allow more than 20% of funds to be spent on Planning and Administration activities; estimating Program Year 2022 program income at \$60,000, allowable administrative funding for Program Year 2022 equals \$127,682.26.

Below are the funding recommendations for the Administration category:

Administration (20%)	
Grant Compliance and Administration	\$68,963.00
Estimated City Indirect at 10%	\$58,037.00
Total Administration	\$127,000.00*

**Rounded down to ensure compliance with 20% Administrative Cap*

Public Service Funding Recommendation

Federal CDBG regulations do not allow more than 15% of funds to be spent on Public Service Activities: \$95,761.70 for Program Year 2022. Because there was an excess of Public Service funds, staff is recommending that after fully funding the requests of Homeless Youth Connection and Threaded Together for CDBG public service projects, the remaining funds are recommended for allocation to Flagstaff Shelter Services for The Crown: Housing as Healthcare Operations project. Staff will be

before Council on May 3rd with recommendations for the use of ARPA Recovery Funds.

Below are the funding recommendations for the Public Service Category:

Public Service Activities	Proposal/Project	Request	Staff Recommendation	Ranking
Homeless Youth Connection	Empowering Youth for the Future Host Family Program	\$30,000.00	\$30,000.00	172
Threaded Together	Sewing and Textile Employment Pathway (STEP) Program Expansion	\$39,826.00	\$39,826.00	171
Flagstaff Shelter Services	The Crown: Housing as Healthcare Operation of Non-congregate Shelter	\$300,000.00	\$25,174.00	170
Total Public Service Allocation		\$95,000.00*		

**Rounded down to ensure compliance with 15% Public Services Cap*

Housing Activity Funding Recommendation

After the above recommended allocations are accounted for, there is \$620,411.32 in CDBG funds available for Housing Activities.

Below are the funding recommendations for the Housing Category:

Housing Activities	Proposal/Project	Request	Staff Recommendation	Ranking
Flagstaff Shelter Services	The Crown: Hotel to Housing Renovation	\$250,000.00	\$250,000.00	161
City of Flagstaff	Murdoch Neighborhood Park Improvements	\$370,411.32	\$370,411.32	Internal
Total Housing Activity Allocation		\$620,411.32		

Community Benefits and Considerations:

The below chart compares each project's intended impact and the number of beneficiaries with the goals outlined in the 2021-2025 Consolidated Plan to demonstrate the Community Benefit of the CDBG funding recommendations.

The chart below details the 2022 CDBG funding and allocation recommendations:

2022 CDBG Funding Allocation Recommendations			
Housing and Public Service Activities	Staff Recommended Funding	Individuals/ Households Served	Consolidated Plan 5-Year Goal

2022 CDBG Funding Allocation Recommendations			
Housing and Public Service Activities	Staff Recommended Funding	Individuals/ Households Served	Consolidated Plan 5-Year Goal
Flagstaff Shelter Services The Crown: Hotel to Housing Renovation	\$250,000.00	56 units (12 family units)	100 individuals 15 beds/units
City of Flagstaff Murdoch Neighborhood Park Improvements	\$370,411.32	1,257 LMI HH	3,000 HH
Homeless Youth Connection Empowering Youth for the Future Host Family Program	\$30,000.00	60 youth experiencing homelessness	1,500 individuals
Threaded Together Sewing and Textile Employment Pathway (STEP) Program Expansion	\$39,826.00	6 LMI individuals	15 LMI individuals
Flagstaff Shelter Services The Crown: Housing as Healthcare Operation of Non-congregate Shelter	\$25,174.00	600 individuals	1,500 individuals

Total Housing & Public Service Activities	\$715,411.32
Total Administration (20% Cap)	\$127,000.00
Total City of Flagstaff 2022 CDBG Allocation	\$842,411.32
Total Individuals/ Households Proposed Served in 2022	1,100 households 666 individuals

If funded as detailed in the chart above, these recommendations would create 56 units of transitional, emergency shelter, including 12 units exclusively for families, provide a publicly accessible park for the low and moderate income residents of the Southside neighborhood, serve 60 youth and an additional 600 individuals experiencing homelessness and provide 6 individuals with workforce job training in the 2022 program year.

Community Involvement:

Public process requirements for the Annual Action Plan offer extensive community involvement and collaboration ranging from public meetings and public comment periods to a ranking committee and are outlined in the Council adopted CDBG Citizen Participation Plan

In preparing the Annual Action Plan, the City encouraged public input by contacting public and private agencies that provide housing or human services, neighborhood organizations and citizens. The City held three meetings to solicit public input on the past year's project performance and recommendations for new project allocations for the upcoming program year. Public meetings included:

1. Discussion of the amount of CDBG funds expected to be available including program income and prior year's funds not yet allocated to project use;
2. The full range of HUD activities that may be undertaken with the funding being discussed;
3. The amount of resources that will be directed to low- and moderate-income households; and
4. The uses of funds in the prior year

Public Participation

Public Hearings: Neighborhood/Target Area

First Flagstaff Neighborhoods Meeting – June 24, 2021

Second Target Neighborhood Specific Meeting - January 8, 2022

1. Discussed purpose and content of Consolidated/Annual Action Plan
2. Received public comment regarding community needs and priorities
3. Discussion of the type and amount of Federal funds anticipated to be available and eligible activities
4. Discussion with City of Flagstaff Capital Improvement, Planning, or Parks and Rec departments as applicable regarding upcoming City projects in target area.

Public Hearings: Annual Action Plan Agenda

First Public Meeting – January 13th, 2022

- Display advertisement (December 16th & 30th, 2021 – AZ Daily Sun)
- Meeting to discuss the CDBG proposal process and the Annual Action Plan
 1. Discussed purpose and content of Annual Action Plan
 2. Received public comment regarding community needs and priorities
 3. Discussion of the type and amount of Federal funds anticipated to be available and eligible activities
 4. Discussion of the City's CDBG open proposal process (proposals are due in February) and dissemination of proposal packets

Public Hearing: Public Comment on Annual Action Plan Agenda

Second Public Meeting February 24th, 2022

- Display advertisement (February 8th & 15th, 2022 – AZ Daily Sun)
- Meeting to review the submitted proposals and allowed public comment in preparation for making funding recommendations to City Council
 1. Presentation by City staff of activities proposed to be undertaken and funded
 2. Open discussion of the proposed activities
 3. Discussion of estimate of the low income benefit related to proposed activities
 4. Discussion of displacement issues and City anti-displacement policy
 5. Presentation by staff of draft Annual Action Plan

Open Grant Process

- NoFA (Notice of Funding Available) Released
- Proposal dues to the City of Flagstaff February 22nd, 2022

- Proposal Ranking Committee with Citizen Participation and Staff on March 10, 2022

Public Comment Period for Draft documents posted on City of Flagstaff Housing Section Website:

Annual Action Plan - March 1 – April 1, 2022

- Display advertisement (December 16th & 30th, 2021 – AZ Daily Sun)
- Display advertisement (February 8th & 15th, 2022 – AZ Daily Sun)

April City Council Public Hearing-30 days after draft publication date Agenda

- Presentation by City staff of Annual Action Plan and recommendations for funding
- Open public hearing regarding activities proposed to be undertaken
- Approval by City Council

City Council Work Session – April 12th, 2022

- Presentation and Discussion with City Council regarding 2022 Annual Action Plan – requesting Council input and direction
- Comments may be submitted by mail or email, or citizens could provide public comment at the meeting

City Council Meeting – April 19th, 2022

- Consideration and Approval of Resolutions No. 2022-16 and authorizing the submission of the Annual Action Plan to HUD.

With efforts to attract a diverse group of social service agencies, emails were distributed to all members of Coconino County's Continuum of Care (300 members). Additionally, agencies that had previously requested information and/or had been involved in the CDBG proposal process in prior years received personal invitations. The proposal format was provided at the first public meeting and placed on the City website with a submission deadline of February 22nd, 2022.

Expanded Options and Alternatives:

1. Approve Resolution No. 2022-16 and authorize the submission of the 2022 Annual Action Plan to HUD.
2. Modify any or all of the Resolution No. 2022-16.
3. Not approve Resolution No. 2022-16.

Attachments: [2022 CDBG Annual Action Plan DRAFT](#)
[2022 CDBG Annual Action Plan DRAFT](#)
[Res. 2022-XX](#)
[April 12 CDBG Presentation](#)

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Kevin Fincel, Deputy City Attorney
Date: 04/06/2022
Meeting Date: 04/12/2022



TITLE:

Discussion regarding recreational marijuana social equity license program

DESIRED OUTCOME:

Receive direction from Council regarding whether to allow social equity licensees to operate in Flagstaff.

EXECUTIVE SUMMARY:

The “Smart and Safe Arizona Act” (the “Act”), certified as Proposition 207, was passed by Arizona voters at the November 3, 2020 general election and became effective on December 1, 2020. The Act declared that “the responsible adult use of marijuana should be legal for persons twenty-one years of age or older, subject to state regulation, taxation, and local ordinance.”

The Act decriminalizes the use and possession of up to one ounce of recreational marijuana by a person who is at least twenty-one years of age. Individuals who are at least twenty-one years of age can also legally grow and possess up to six marijuana plants, but no more than twelve plants can be grown at a single residence and cultivation must take place in an enclosed, secure area not visible from public view.

The Act also allows for marijuana establishments, which are entities licensed by the Arizona Department of Health Services to operate a retail location for the sale of recreational marijuana, an off-site marijuana cultivation facility, and an off-site manufacturing facility. Pursuant to the licensing rules in the Act, the vast majority of the marijuana establishment licenses were given to entities that were already operating medical marijuana dispensaries. However, the Act also directed the Arizona Department of Health Services to issue twenty-six additional marijuana establishment licenses across the State of Arizona for the purpose of encouraging social equity in marijuana establishment ownership. The Arizona Department of Health Services was also charged with adopting rules to create and implement the Social Equity Ownership Program to promote the ownership and operation of marijuana establishments by individuals disproportionately impacted by the enforcement of previous marijuana laws. The social equity licenses will be issued to applicants who qualify under the Social Equity Ownership Program at a random drawing on April 8, 2022.

On March 16, 2021, the Flagstaff City Council adopted Ordinance 2021-03, which enacted certain regulations regarding the use and sale of recreational marijuana in Flagstaff. The Ordinance was codified in City Code Title 6, Police Regulations, Chapter 6-10, Regulation of Recreational Marijuana. A copy of the relevant code section is attached to this staff summary.

One of the regulations adopted by Council prohibits the operation of recreational marijuana establishments in Flagstaff, except where authorized by a dual licensee that is permitted by the State of Arizona to operate both a nonprofit medical marijuana dispensary and a marijuana establishment at a shared location. Under the current rules, social equity licenses are not dual licenses—they are recreation only. Thus, if the Council decides to not remove the dual licensee limitation, social equity licensees will not be able to operate in Flagstaff.

INFORMATION:

If Council would like to allow social equity license holders to operate in Flagstaff, it will need to direct staff to come back to Council with an amendment to the current ordinance that removes the requirement that marijuana establishments in Flagstaff be dual licensees.

Attachments: [Chapter 6-10 Regulation of Recreational Marijuana](#)

CHAPTER 6-10

REGULATION OF RECREATIONAL MARIJUANA

SECTIONS:

6-10-001-0001	PURPOSE
6-10-001-0002	DEFINITIONS
6-10-001-0003	MARIJUANA PROHIBITED ON PUBLIC PROPERTY
6-10-001-0004	MARIJUANA ESTABLISHMENT PROHIBITED; EXCEPTION
6-10-001-0005	CONSUMPTION OF MARIJUANA ON PRIVATE PROPERTY PROHIBITED WHEN NOTICE OF PROHIBITION PROVIDED
6-10-001-0006	CONSUMPTION OF MARIJUANA IN TRANSPORTATION
6-10-001-0007	HOME CULTIVATION
6-10-001-0008	REFUSING TO PROVIDE TRUTHFUL NAME, DATE OF BIRTH, AND CURRENT ADDRESS WHEN LAWFULLY DETAINED
6-10-001-0009	PENALTIES
6-10-001-0010	ENFORCEMENT

6-10-001-0001 PURPOSE

This chapter is adopted to protect the health, safety, and welfare of the general public. Except as allowed by law for personal use, the City of Flagstaff hereby enacts reasonable regulations and requires compliance with zoning laws for the retail sale, cultivation, and manufacturing of marijuana. Nothing in this chapter is intended to promote or condone the sale, cultivation, manufacture, transport, production, distribution, possession, storage, or use of marijuana or marijuana products in violation of any law. It is the intent of the City that this chapter be read and interpreted in conjunction and compliance with State law pertaining to marijuana. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0002 DEFINITIONS

The below words and phrases, wherever used in this chapter, shall be construed as defined in this section unless, clearly from the context, a different meaning is intended. Words used in the present tense include the future tense, words in the plural number include the singular number, and words in the singular number include the plural number. Definitions set forth in this section apply only to this chapter of the City Code.

- A. "City" means the City of Flagstaff, Arizona, a political subdivision of the State of Arizona.
- B. "Consume," "consuming," and "consumption" mean the act of ingesting, inhaling, or otherwise introducing marijuana into the human body.
- C. "Consumer" means an individual who is at least twenty-one (21) years of age and who purchases marijuana or marijuana products.
- D. "Cultivate" and "cultivation" mean to propagate, breed, grow, prepare, and package marijuana.
- E. "Deliver" and "delivery" mean the transportation, transfer, or provision of marijuana or marijuana products to a consumer at a location where the marijuana was cultivated, manufactured, processed, or sold.
- F. "Dual licensee" means an entity that holds both a nonprofit medical marijuana dispensary registration and a marijuana establishment license issued by the Arizona Department of Health Services.

G. "Manufacture" and "manufacturing" mean to compound, blend, extract, infuse, or otherwise make or prepare a marijuana product.

H. "Marijuana" means all parts of the plant of the genus cannabis, whether growing or not, as well as the seeds from the plant, the resin extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin.

1. Includes "cannabis" as defined in A.R.S. Section [13-3401](#).

2. Does not include industrial hemp, the fiber produced from the stalks of the plant of the genus cannabis, oil or cake made from the seeds of the plant, sterilized seeds of the plant that are incapable of germination, or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

I. "Marijuana concentrate" means resin extracted from any part of a plant of the genus cannabis and every compound, manufacture, salt, derivative, mixture, or preparation of that resin or tetrahydrocannabinol. "Marijuana concentrate" does not include industrial hemp or the weight of any other ingredient combined with cannabis to prepare topical or oral administrations, food, drink, or other products.

J. "Marijuana establishment" means an entity licensed by the Arizona Department of Health Services to operate all of the following:

1. A single retail location at which the licensee may sell marijuana and marijuana products to consumers, cultivate marijuana, and manufacture marijuana products.

2. A single off-site cultivation location at which the licensee may cultivate marijuana, process marijuana, and manufacture marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.

3. A single off-site location at which the licensee may manufacture marijuana products and package and store marijuana and marijuana products, but from which marijuana and marijuana products may not be transferred or sold to consumers.

K. "Marijuana products" means marijuana concentrate and products that are composed of marijuana and other ingredients and that are intended for consumption, including edible products, ointments, and tinctures.

L. "Marijuana testing facility" means the Arizona Department of Health Services (ADHS) or other entity that is licensed by ADHS to analyze the potency of marijuana and test marijuana for harmful contaminants.

M. "Open space" means a public park, public sidewalk, public walkway, or public pedestrian thoroughfare.

N. "Process" and "processing" mean to harvest, dry, cure, trim, or separate parts of the marijuana plant.

O. "Public place" has the same meaning prescribed in the Smoke-Free-Arizona Act, A.R.S. Section [36-601.01](#). (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0003 MARIJUANA PROHIBITED ON PUBLIC PROPERTY

It is unlawful for an individual to smoke, consume, use, sell, cultivate, manufacture, produce, transfer, or distribute marijuana or marijuana products on property that is occupied, owned, controlled, or operated by the City. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0004 MARIJUANA ESTABLISHMENT PROHIBITED; EXCEPTION

The operation of a marijuana establishment is prohibited in Flagstaff, except where authorized for a dual licensee that:

- A. Is permitted by the State of Arizona to operate both a nonprofit medical marijuana dispensary and a marijuana establishment at a shared location, and
- B. Has not terminated its status as a dual licensee with the Arizona Department of Health Services by forfeiting either its marijuana establishment license or nonprofit medical marijuana dispensary registration. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0005 CONSUMPTION OF MARIJUANA ON PRIVATE PROPERTY PROHIBITED WHEN NOTICE OF PROHIBITION PROVIDED

It is unlawful, where reasonable notice prohibiting marijuana or marijuana product consumption has been provided, to knowingly consume marijuana or marijuana products in or on property where an individual, partnership, limited liability company, private corporation, private entity, or private organization of any character that occupies, owns, or controls the property has prohibited consumption of marijuana or marijuana products on the premises. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0006 CONSUMPTION OF MARIJUANA IN TRANSPORTATION

- A. It is unlawful to consume marijuana or marijuana products while driving, operating, or riding in the passenger seat or compartment of an operating motor vehicle, boat, vessel, aircraft, or another vehicle used for transportation.
- B. A person who violates this section is subject to the following penalties:
 - 1. Individuals over the age of twenty-one (21) are guilty of a petty offense.
 - 2. Individuals under the age of twenty-one (21) will be subject to progressive enforcement as follows:
 - a. First violation: civil penalty of not more than one hundred dollars (\$100.00).
 - b. Second violation: guilty of a petty offense, and in the court's discretion may be ordered to attend up to eight (8) hours of drug education or counseling.
 - c. Third or subsequent violation: guilty of a Class 1 misdemeanor. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0007 HOME CULTIVATION

- A. It is unlawful for an individual to possess, transport, cultivate, or process more than six (6) marijuana plants for personal use at the individual's residence. For residences where two (2) or more individuals who are at least twenty-one (21) years of age reside at one (1) time, it is unlawful for the residents to possess, transport, cultivate, or process more than twelve (12) marijuana plants at the residence.
- B. A person who violates this section is subject to the following penalties:
 - 1. Individuals over the age of twenty-one (21) are guilty of a petty offense.
 - 2. Individuals under the age of twenty-one (21) will be subject to progressive enforcement as follows:
 - a. First violation: civil penalty of not more than one hundred dollars (\$100.00).

- b. Second violation: guilty of a petty offense, and in the court's discretion may be ordered to attend up to eight (8) hours of drug education or counseling.
- c. Third or subsequent violation: guilty of a Class 1 misdemeanor. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0008 REFUSING TO PROVIDE TRUTHFUL NAME, DATE OF BIRTH, AND CURRENT ADDRESS WHEN LAWFULLY DETAINED

A. It is unlawful for a person, after being advised that the person's refusal to answer is unlawful, to fail or refuse to state the person's true full name, date of birth, and current address on request of a peace officer who has lawfully detained the person based on reasonable suspicion that the person has committed a criminal or civil violation of this chapter or of A.R.S. Section [36-2853](#). A person detained under this section shall state the person's true full name, date of birth, and current address, but shall not be compelled to answer any other inquiry of a peace officer.

B. A person who violates this section is guilty of a Class 2 misdemeanor. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0009 PENALTIES

A violation of this chapter is a petty offense and shall be adjudicated in the Flagstaff Municipal Court, unless a different penalty is specified in this chapter. (Ord. 2021-03, Enacted, 03/16/2021)

6-10-001-0010 ENFORCEMENT

The Flagstaff Police Department is authorized to enforce the provisions of this chapter. (Ord. 2021-03, Enacted, 03/16/2021)

The Flagstaff City Charter and City Code are current through Ordinance 2021-24, and legislation passed through December 28, 2021.

Disclaimer: The City Clerk's Office has the official version of the Flagstaff City Code. Users should contact the City Clerk's Office for ordinances passed subsequent to the ordinance cited above.

CITY OF FLAGSTAFF STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Alaxandra Pucciarelli, Current Planning Manager
Date: 04/02/2022
Meeting Date: 04/12/2022



TITLE:

Proposed 4th amendment to the Timber Sky Annexation and Development Agreement

DESIRED OUTCOME:

Discussion and Direction

EXECUTIVE SUMMARY:

The proposed fourth amendment to the development agreement will include an increased commitment to the number of Affordable Units from 100 to 160 in blocks 1, 2, 9 or 13. (See Section 5.2 Original DA) The developer proposes to be able to fulfill their obligation by way of rental, deed restriction, or Community Land Trust (CLT) units.

- o 100% AMI for Deed Restriction or CLT
- o 60% AMI for Rental Units

In addition, the developer would like to request three other changes:

- **Density Transfer** – The density will be calculated by reviewing the overall Timber Sky project. The density of the Timber Sky development can be transferred between development parcels regardless of zoning category. No individual parcel can exceed maximum density for that zoning of that parcel and the overall density of the project cannot exceed the approved density for the Timber Sky development. (See section 5.1.3 – Original DA)
- **Deletion of \$1.6 Million Repayment Requirement for Failure to Provide Affordable Units in Phases 1-3**- Elimination of penalty for not developing affordable units before the 4th phase. City will not review and/or approve final plat for final High Density development block (9 or 13) until 125 affordable units are constructed and occupied. (See Second Amendment to the Timber sky DA for repayment obligation)
- **Deletion of Advance Payment of Water Fees** - 8.4.1./8.4.1.1/8.4.1.2 – Advance payment of water fees are no longer necessary.

No materials were provided to support this discussion item. A request from Vintage Partenrs will be required prior to consideration of the amendment.

INFORMATION:

VP 66 & Woody Mountain LLC, which is managed by Vintage Partners, LLC, is the developer of the Timber Sky project generally located at 3425 West Route 66. In late 2016, the City and VP 66 & Woody Mountain, LLC entered into a development agreement pertaining to the Timber Sky project.

The original development agreement included City obligations to reimburse the developer for upsizing and extending water and sewer infrastructure adjacent to and extending beyond the boundaries of the Subject Property. Owner obligations included the provision of on-site and off-site water and sewer improvements per the approved Water Sewer Impact Analysis, the provision of a sewer line easement through the property at the time of Phase 1 Final Block Plat, traffic mitigation, increased outdoor lighting mitigation, the provision of 100 affordable housing units, storm water mitigation as well as maintenance of on-site improvements.

First Amendment: In the original development agreement the Owner agreed to replace the existing 8" sewer line with an 18" diameter pipe the reach of 3,100 feet along Thomson Street and West Kaibab. The first amendment had the Owner agreeing to replace this section of sewer with a combination of an 18", 21" and 24" diameter pipe as well as the extension of the 24" line in the Clay Avenue Wash. These improvements were a planned City project and as a result, the City agreed to reimburse the Owner for the cost of the project. The original development agreement also required all off-site sewer improvements completed prior to the issuance of the first building permit. The City agreed that there is capacity in the current sewer system for 125 single-family dwelling units and the City agreed to issue permits for those units in advance of the completion of the above referenced sewer improvement. Additional units may be permitted depending upon the completion of the sewer improvement plans.

Second Amendment: In August 2017, representatives from Vintage approached the City Manager with the concern that the increase in Engineering Fees would derail the Timber Sky project. Vintage estimated that the new Engineering Fees would add \$1.6 million in costs to the project, which the developer could not sustain. Over the next few months, Staff worked with Vintage on a proposed Second Amendment to the Timber Sky Development Agreement that would waive or forgive the estimated \$1.6 million in increased Engineering Fees. After a series of back-and-forth negotiations with Vintage, a proposed Second Amendment was finalized for Council consideration. An overview of the Second Amendment is provided below.

- Locked-in Fees: Engineering Fees and cost recovery schedule that were in place when Development Agreement was adopted by City Council will apply to the project for the term of the Development Agreement as an incentive for Vintage delivering one hundred (100) affordable housing units within the development.
- 75% Target for Affordable Units: Amendment establishes 75% target for sale of affordable housing units prior to plat recordation within Phase 4. If 75% of the affordable units have not been sold and transferred to the City's Community Land Trust (CLT) prior to developer requesting plat approval for Phase 4, the City will withhold plat recordation within Phase 4 until the target is met, or until Vintage pays \$16K for each undelivered affordable unit.
- Flexibility to go to 125% AMI: If the affordable units are not selling at 100% of area median income (AMI), the amendment allows for the Affordability Plan to be amended to adjust the AMI for qualified buyers to 125% of the AMI affordability level.
- Affordable Unit Delivery Requirements Unchanged: The Development Agreement still requires delivery of 100 affordable housing units.

Third Amendment: The original Development Agreement pertaining to the Timber Sky project required the developer to construct certain off-site sewer improvements. These off-site sewer infrastructure improvements were part of a larger "Westside Sewer Improvement Phase 1 and Phase 2," contained in the City's five year CIP plan. The First Amendment to the Development Agreement dated September 18, 2017 designated Vintage Partners, LLC to construct both phases of the downstream sewer improvements and outlined a schedule for the City to provide reimbursement. Since that time Vintage Partners' construction schedule has been delayed and the City elected to proceed with construction of Phase 1 of the Westside Sewer Improvements along Clay Avenue Wash ahead of Vintage's schedule,

Overview of Proposed Third Amendment to the Timber Sky Development Agreement:

- Attachments:** Timber Sky DA
 First Amendment
 Second Amendment
 Third Amendment

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

TIMBER SKY ANNEXATION AND DEVELOPMENT AGREEMENT

AMONG

CITY OF FLAGSTAFF

AND

VP 66 & WOODY MOUNTAIN, LLC

ANNEXATION AND DEVELOPMENT AGREEMENT

THIS ANNEXATION AND DEVELOPMENT AGREEMENT ("Agreement") is made as of this 15th day of November, 2016, among the City of Flagstaff, a municipal corporation organized and existing under the laws of the State of Arizona ("City"), and VP 66 & Woody Mountain, LLC, an Arizona limited liability company ("Owner").

RECITALS

- A. The Owner owns approximately 197.58 acres of real property situated south and west of the intersection of Route 66 and Wood Mountain Road within Coconino County, Arizona, and partially within the incorporated boundaries of the City of Flagstaff, Arizona, as described legally in **Exhibit A** (the "Property" or "Project"), attached to this Agreement.
- B. The Owner and City desire that the portion of the Property currently within Coconino County be annexed into the corporate limits of the City and be developed as part of the City. The Property to be annexed is depicted generally and described legally in **Exhibit B** (the "Annexation Property"), attached to this Agreement.
- C. The annexation and development of the Property pursuant to this Agreement and the Concept Zoning Plan, dated August 9, 2016 and attached as **Exhibit C** (the "CZP") is acknowledged by the parties to be consistent with the City's General Plan, will operate to the benefit of the City, the Owner and the general public. The annexation of the Property would allow the City to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the City, including enhanced citizen pedestrian and vehicular mobility by widening US Route 66 at the western part of the City and creating connections to the Flagstaff Urban Trail System and the City Loop Trail.
- D. The CZP contains exhibits and conceptual renderings that convey a scope and direction for the phasing of the parcels, which will be individually developed pursuant to the terms and conditions of this Agreement and subject to all applicable City ordinances, regulations, and resolutions, as provided in this Agreement, including requirements for conditional use permits. Subject to the terms of this Agreement, the Timber Sky community will provide a mix of new housing options, including a minimum of 100 housing units that will be sold at 100% of the Area Median Income ("AMI").
- E. The City and the Owner are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes ("A.R.S.") § 9-500.05 (pertaining to development agreements) in order to facilitate the proper municipal zoning designation and development of the Property by providing for, among other things: conditions, terms, restrictions, and requirements for the permitted uses of the Property, the density and intensity of such uses, and other matters related to development of the Property as depicted on the CZP. This Agreement will also provide for a mechanism to establish dark skies measures beyond current city standards that will govern future development on the Property.

- F. A blank annexation petition was filed on October 11, 2016 with Coconino County and a public hearing was held on November 1, 2016, in connection with the annexation of the Annexation Property into the City.
- G. The City desires to annex the Annexation Property into the incorporated limits of the City and intends to rezone the Annexation Property and Property to zoning classifications consistent with the Flagstaff Region Plan 2030 (FRP2030) and CZP, and provide for a maximum overall residential unit count of 1300 (the "CZP Ordinance").
- H. The City has an interest in ensuring that the development of the Property complies with City standards for development and engineering improvements, and the City believes that development of the Property pursuant to this Agreement will result in planning, safety and other benefits to the City and its residents as enumerated in these Recitals and this Agreement.
- I. The Owner acknowledges that development of the Property pursuant to this Agreement will be beneficial and advantageous to the Owner by providing assurances to the Owner that they will have the ability to develop the Property within the City pursuant to this Agreement under the zoning described in the CZP.
- J. The public services/infrastructure improvements to be provided by Owner, which are necessary to serve development within the Property, will also, in certain instances, facilitate and support the development of other projects in the region.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Annexation, Effective Date and Term.

1.1 Annexation. Concurrently with the execution of this Agreement by the City and Owner, Owner will deliver to the City an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). Upon receipt of the Annexation Petition, the City Council will consider the petition and, if determined to be in the best interest of the City, adopt a final ordinance annexing the Property into the corporate limits of the City (the "Annexation Ordinance"). The Annexation Ordinance will contain a provision requiring, upon Owner's written request made prior to the effective date, the immediate rescission and termination of the Annexation Ordinance by the City if the City does not approve the CZP Ordinance at the same meeting, or if any person or entity, other than a party to this Agreement, files (i) a valid petition appearing (A) to be in proper form and (B) to have the requisite number of valid signatures to cause a referendum challenging this Agreement, the CZP Ordinance, and/or the Annexation Ordinance, (ii) litigation in a court of proper jurisdiction concerning this Agreement or the annexation or (iii) petition pursuant to A.R.S. § 9-471(C) challenging the validity or approval of the Annexation Ordinance.

The City agrees to use its best efforts to accomplish the intent of this Section 1.1, even if a special meeting of the City Council must be called for the purpose of repealing the Annexation Ordinance. The City will schedule and advertise a Council Meeting for this purpose at the latest date reasonably possible prior to the Annexation Ordinance becoming final and effective and shall use its best efforts to perform in accordance with this Section. The City and Owner hereby acknowledge and agree that this Agreement will automatically terminate and be of no force or effect if the City's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D) on or before December 31, 2017. The City and Owner further agree that this Agreement satisfies the requirements under A.R.S. § 9-471(O).

1.2 Effective Date. This Agreement will not become effective, and no party will have any obligation under this Agreement unless each of the following occurs: (1) this Agreement is executed by all parties; (2) this Agreement is recorded as required by A.R.S. § 9-500.05(D), and (3) the Annexation Ordinance becomes final and effective. The date on which all of the foregoing items have been completed is the "Effective Date" of this Agreement. If a challenge is properly made to the Agreement, this Agreement will become effective after resolution of such challenge in favor of the City.

1.3 No Default. Any delay relative to the Effective Date of this Agreement by judicial challenge, referendum, or injunction filed by parties acting independently of and not under the control of the City will not be deemed a default by the City.

1.4 Duration. This Agreement will automatically terminate on the twenty-fifth (25th) anniversary of the Effective Date, unless this Agreement is rescinded or terminated earlier as provided for herein. However, if any of the Property still is subject to this Agreement twenty-five (25) years after the Effective Date of this Agreement, this Agreement shall automatically extend without the necessity of any notice, agreement, or recording by or between the parties an additional ten (10) years, for a total of thirty-five (35) years, at which time this Agreement shall automatically terminate as to the Property without the necessity of any notice, agreement, or recording by or between the parties.

1.5 Release of Public Lots. In order to alleviate any possible concern as to the effect of this Agreement on the status of title to any of the Property, so long as not prohibited by law, the provisions of this Agreement will not apply to any lot which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to third party residential end purchasers or users thereof (a "Public Lot") and thereupon such Public Lot will be released from and no longer be subject to or burdened by the provisions of this Agreement.

2. Zoning and Vested Rights. Owner hereby agrees to be subject to all the terms, conditions, and stipulations of the CZP Ordinance (City Ordinance No. 2016-39) approving the CZP, attached as **Exhibit D** and incorporated by this reference. The City acknowledges and agrees that the zoning approved and adopted for the Property through the CZP Ordinance is vested for the term of this Agreement (the "Vested Rights") and that the Owner shall have a right to develop the Property consistent with the Vested Rights and the Concept Zoning Plan, subject to the Applicable Rules (as defined in Section 3, below) and any changes to the Rules as permitted by this Agreement. The City agrees not to initiate any changes or modifications to the

zoning of the Property as of the Effective Date of this Agreement, except at the request of the owner of that portion of the Property for which such zoning change is sought, or except pursuant to the provisions of A.R.S. § 9-462.01(E). Owner acknowledges that they are still required to satisfy any remaining conditions of development of the Property as set forth in this Agreement and the CZP Ordinance.

3. Development Standards. Development of the Property will be governed by the City's codes, ordinances, regulations, rules, guidelines and policies controlling permitted uses of the Property, design review guidelines, the density and intensity of uses, the maximum height and size of the buildings within the Property, as well as the standards for off-site and on-site public improvements in existence as of the Effective Date of this Agreement, except as modified herein or otherwise agreed to, in writing, by Owner and the City (collectively, the "Applicable Rules" or "Rules"). Specifically, with regard to Title 10 of the Flagstaff City Code, the version in place as of January 1, 2016 shall apply to the Property ("Zoning Ordinance" or "Zoning Code").

4. Guiding Principles. The parties acknowledge that development activities for the Property may extend over several years and that many of the requirements and procedures provided for in this Agreement contemplate that use of the Property in the future may be subject to procedures, requirements, regulations and ordinances not presently in effect, as well as actions and decisions by City staff and officials which cannot be provided for with particularity at the time the Agreement was executed.

5. Project Description, Site Layout, and Design Considerations.

5.1 Development Allocations. As depicted on the CZP, the overall maximum number of residential units to be developed on the Property is 1,300.

5.1.1 Open Space. The Parties agree that any residential development within MR and HR zoned portions of the Property requires a minimum of 15% gross lot area to be set aside as open space. This open space may include resource protection area, active and passive recreation uses, landscape areas, community gardens, roof decks and courtyards. Any phase of the project may develop with less than 15% open space, provided that an accounting of the Project open space is documented with each plat or site plan, subject to reallocations from civic space as provided in Section 5.1.2 below. Owner agrees that non-vehicular connectivity between adjacent development parcels will be provided for as set forth in the CZP Ordinance to achieve cross-community access to the Project neighborhoods and open space areas. Additionally, under the CZP Ordinance, all FUTS trails are required to be dedicated to the public.

5.1.2 Civic Space. The Parties agree that a total of 5% of the gross site shall be designated as civic space. If the Community Center is not included within the first developing phase, Owner may provide for the requisite 5% civic space within the first phase(s) through various interim civic space amenities such as trails with benches or other seating or gathering areas. Upon the completion of the Community Center, any previously allocated civic space elements may be converted to satisfy open space requirements.

5.1.3 Densities. The Zoning Ordinance reflects minimum and maximum densities for each non-transect residential zoning category. Due to the topography of the Property and the Resource Protection Overlay requirements, minimum densities are based on the total gross acreage for the zoning category and not on a per parcel basis. Maximum density is based on maximum allowable density in the total gross acreage for the zoning category within the Resource Protection Overlay District (RPO) and not on a per parcel basis.

5.1.4 Residential Character. The character of the residential units will be guided by the reference materials contained in the CZP.

5.1.5 PRD Option. All residential development within the Property may elect the Planned Residential Development ("PRD") option as provided for in Section 10-40.60.270 of the Zoning Ordinance.

5.1.6 Duration of Preliminary Plat Approvals. Given the size and significance of the project and related infrastructure, an extended duration for preliminary plat approvals is warranted such that Section 11-20-60.040(B) of the City Code will not apply. Instead, the initial approval for a preliminary plat of the Property will be for a period of five years from the date of the City Council approval. If a complete final plat submittal has been made within the fifth year of the preliminary plat approval, the duration of the preliminary plat will be automatically extended for one year from the date of the completeness determination. If the final plat has not been recorded before the expiration of the preliminary plat, the plat will expire unless otherwise extended by the Director under Section 11-20-60.040(C).

5.2 Workforce Housing. The Project will deliver 100 residential ownership units with a minimum of 2 bedrooms and 2 bathrooms that will be sold at or below 100% of the AMI affordability level (which as of the date of this Agreement, would be approximately \$220,000 based on an income of \$60,200) ("AMI-accessible units"). To ensure that the AMI-accessible units remain affordable after the initial sale, Owner will work with the City to develop a program ("Affordability Plan") to make the AMI-accessible units consistent with the Permanent Affordability definition in the Zoning Code through a community land trust program administered by the City of Flagstaff and subject to any necessary City Council approvals. The Affordability Plan must be in place prior to the first final plat that contains residential uses. The parties acknowledge that restrictions on lending and market conditions could require that the terms of the Affordability Plan evolve over time. Further, this Agreement may require amendment if "permanently affordable" AMI-accessible units remain unsold or unoccupied after an extended period of time due to market, financing or other external conditions.

The location of the units will be determined as the parcels are platted, and it is intended that they be located within the MR and HR zoning districts and disbursed throughout the first three phases of development, the final location of which is subject to the Owner's sole and absolute discretion. The intent of this program is for the units to blend in with the surrounding lots and the Owner does not plan to identify the units involved, nor cluster them. Rather, Owner intends

to keep them distributed throughout the blocks they fall within to the extent feasible. Once designated, the Owner will work with the City to implement the Affordability Plan to ensure that the buyers meet ownership and income eligibility requirements within reasonable time frames established by Owner to coincide with the development of the balance of the parcel.

5.3 Commercial Development. The Commercial Services may be converted to residential development, subject to both a PRD option and Conditional Use Permit under Table 10-40.30.040B of the Zoning Ordinance. If the property is developed residentially the Resource Preservation requirements will be changed to comply with the residential development standard requirement of 47.5% or as otherwise provided for in the Zoning Ordinance. Any commercial buildings within the Commercial Services parcel will have four-sided architecture, including display windows or other exterior wall treatments along the street frontage(s) designed to provide street-level visual interest and provide compatibility with the surrounding residential development.

5.4 Outdoor Lighting Plan. Upon completion of the incorporation of the Annexed Property into the City's municipal boundaries, Owner acknowledges that the City's requirements within Zone 1, per Section 10-50.70 of the Zoning Ordinance, included as **Exhibit E** will impose certain restrictions related to lighting on the Property ("Zone 1 Requirements"). The Owner has built upon the Zoning Ordinance requirements to prepare a unique set of Dark Sky Standards that will apply to all development on the Property through the implementation of Conditions, Covenants & Restrictions ("CC&Rs"), as provided for in Section 5.5 below. A complete list of the standards and concepts that the Owner will record against the Property to supplement the Zone 1 requirements are provided in **Exhibit F** (the "Project Lighting CC&Rs"). The Project Lighting CC&Rs will be administered by the HOA for the Property and included in the master CC&Rs. Further, the CC&Rs will have special amendment criteria that limit the future Homeowners' Association's ("HOA") ability to process amendments to the Project Lighting CC&Rs without City Council approval.

5.4.1 Lumen Caps. Single family homes will be limited to a total of 1350 lumens and can only be exceeded with the use of motion sensors on fixtures such that the non-motion sensor light fixtures do not exceed the 1350 lumen limit. These additional limits set shall not be interpreted to allow the current limits of the City of Flagstaff Zoning Code, Division 10.50.70 to be exceeded for multi-family residential development in any zone.

5.4.2 Fully Shielded Fixtures. Exterior lighting on all residential structures shall be fully shielded fixtures to be installed a minimum of five feet from the nearest edge of a canopy or overhang. Where not feasible or practical a fully shielded fixture with a motion sensor shall be utilized.

5.4.3 Lighting Source. All outdoor lighting will use either low-pressure sodium (LPS) or narrow-spectrum amber LED except for lighted entry monuments or other Class 1 lighting applications.

5.4.4 Lighting Curfews. For any commercial development within Block 12, lighting fixtures exempted from the existing curfews imposed by the City of Flagstaff Zoning Code shall only be motion sensor fixtures.

5.5 Community Identification Signs. Owner may construct and maintain community identification signs in accordance with the Division 10-50.100 of the Flagstaff Zoning Code. Owner may not lease any community identification signs to third parties or use the signs for any purpose other than community identification.

5.6 Homeowners' Association. Prior to the submittal of the first application for a residential building permit to the City and pursuant to a declaration of CC&Rs by the Owner, the Owner shall form a master Homeowners' Association ("HOA") that governs the single-family residential portion of the Property.

5.6.1 Homeowners' Association Responsibilities. The CC&Rs will incorporate the requirements of this Agreement and further provide that either the HOA, a sub-association, or the Owner (until such time as Owner, as "Declarant," relinquishes control of the HOA to the property owners, as provided in the CC&Rs) shall maintain the private trails, drainage facilities, landscaping within rights-of-way, medians, bridge abutment fascia, and private open spaces, and private common areas within the Property. The HOA will require homeowners to maintain the individual on-lot LID features through the CC&Rs.

6. Resource Protection Plan. The Property contains natural resources that warrant its inclusion within the City's Resource Protection Overlay as provided for in the CZP Ordinance. In connection with the Preliminary Block Plat submittal for the Property, a Natural Resource Protection Plan was prepared by Woodson Engineering & Survey dated July 13, 2016 that contains the approved resource protection strategy for the Property (the "NRPP"). The City agrees that the NRPP and Preliminary Block Plat will govern future plat submittals for the individual development parcels. The relocated 50-foot wide APS corridor, located in McAllister Ranch Road, will be excluded from the resource protection calculations as a regional utility corridor.

7. Infrastructure Plan. The City and Owner acknowledge that the Project will include certain infrastructure improvements, including drainage, water, sewer, and traffic circulation plans for the infrastructure (such infrastructure improvements hereinafter collectively referred to as the "Infrastructure Plan"), and that the following impact analyses are approved in connection with the CZP and applicable to the Project:

- Water and Sewer Impact Analysis, dated November 3, 2015 ("WSIA")
- Traffic Impact Analysis, dated June 24, 2016 ("Traffic Study")
- Preliminary Drainage Report and Drainage Impact Analysis, dated March 10, 2016, and its addendum, dated August 16, 2016 (collectively the "DIA")

Except as otherwise provided in this Agreement and subject to the Rules and any changes to the Rules permitted by Section 3, so long as Owner proceeds with the development of the Property,

Owner may implement and phase the infrastructure improvements to the Property in conformance with the Preliminary Block Plat, including the Infrastructure Phasing Plan provided as Appendix 5 to the CZP, and City agrees that the required infrastructure improvements for the Project are limited to those detailed in this Agreement and the Preliminary Block Plat.

7.1 Infrastructure Plan Amendment. The City and the Owner acknowledge that amendments to the approved Infrastructure Plan and/or Infrastructure Phasing Plan may be necessary from time to time to adapt to the actual number of units platted within the Property and identified uses. The Owner and the City agree that any such amendments shall be incorporated by this reference into this Agreement with the same force and effect as if set forth herein and shall not require corresponding amendment to this Agreement.

7.2 Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with the Rules and all other applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Improvements that relate to the phase or portion of the Property to be developed by Owner at any given time subject to approved civil plans. Owner shall cause the Infrastructure Improvements to be constructed and installed in a good and workmanlike manner and in compliance with the Rules and all other applicable requirements, standards, codes, rules or regulations of the City.

7.2.1 Owner, its agents, and employees, shall have the additional right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to facilitate such construction, or to perform necessary maintenance or repairs of such public Infrastructure Improvements. Owner's use of such easements and rights-of-way, pursuant to an encroachment permit, shall not impede or adversely affect the City's use and enjoyment thereof.

7.2.2 Owner shall restore such City easements and rights-of-way, used pursuant to the encroachment permit, to their condition prior to Owner's entry upon completion of such construction, repairs, or maintenance. Owner, its agent, and employees, also shall have the right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to install and maintain landscaping material within the portion of the City right-of-way not used for vehicular travel.

7.3 Infrastructure Assurance. The parties hereto acknowledge and agree that the City, prior to recording the final plat for each subdivision or issuance of a permit for the commencement of construction in connection with non-subdivision development, shall require the Owner and/or its designees, grantees or buyers under contract, to provide appropriate assurances in such form and amount as required by the Rules to assure that the installation of Infrastructure Improvements within that subdivision or other Infrastructure Improvements directly related to such building permit or permits will be completed ("Infrastructure Assurance"), except for infrastructure improvements detailed below in Sections 8.5.1.1 and

8.5.1.2. In such case, the Owner may elect, with the approval of the City, which approval shall not be unreasonably withheld, any one or combination of the following methods of Infrastructure Assurance. All assurances provided by the Owner shall comply with the applicable provisions of the City's subdivision ordinance relating to such assurances. The options, in forms reasonably acceptable to the City (each, an "Acceptable Assurance"), are as follows:

7.3.1. Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the City a performance bond; or

7.3.2 Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the City an irrevocable and unconditional letter of credit which, if necessary, will be acknowledged by the City in accordance with the appropriate lender's requirements; or

7.3.3 A letter of financial assurance from Owner's lender or the lender of Owner's assignees, designees, grantees and purchasers under contract; or

7.3.4 Dual Beneficiary Letter of Credit from a recognized financial institution acceptable to the City; or

7.3.5 Cash or certified check, which may be deposited into an escrow account and administered through an escrow agreement between the parties; or

7.3.6 Such other assurance mechanism as may be approved by the City in the exercise of its sole and absolute discretion.

Once the Owner required Infrastructure Assurances have been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the City, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other form of Acceptable Assurance, as set forth above. If a discrete and self-sustaining portion of the Infrastructure Improvements for which an appropriate assurance has been delivered is dedicated to and accepted by the City, the City agrees to release, within twenty (20) days from such acceptance by the City, the portion of the assurance that relates to the Infrastructure Improvement so completed. The City agrees that within twenty (20) days from the City acceptance of the particular completed Infrastructure Improvements for which the City has required and the Owner has provided Infrastructure Assurance, the City shall release such Infrastructure Assurance, in whole or in part as may be appropriate under the circumstances, in the manner provided in the Rules.

7.4 Necessary Easements. It shall be a condition precedent to the obligation of Owner to construct the Public Infrastructure herein specified or otherwise required to service the Property, that Owner shall have obtained any and all easements, rights of entry, and/or other use rights on or about all real property other than the Property upon, through or under which will be installed all or any portion of said Public Infrastructure, as useful or necessary for Owner to enter and to properly perform all activities incident to Owner's construction obligations hereunder

(collectively, the "Easements"). Owner shall use reasonable efforts to obtain the Easements; provided, however, that if despite the exercise of such reasonable efforts, Owner is unable to obtain any necessary Easements, the City upon request by Owner shall obtain said necessary Easements through the City's power of condemnation and the obtaining of immediate possession, all in accordance with applicable law. Such costs of obtaining the Easements (including, without limitation, the costs of condemnation including legal fees and court costs) shall be paid by Owner and shall be included in the costs of any and all Public Infrastructure for which Owner is entitled to a reimbursement, as hereinafter specified.

7.5 Rights-of-Way Dedication. All right-of-way dedications required within the developing phase of the Property will be completed in conjunction with the Final Plat or Block Plat, whichever comes first

7.5.1 Right-of-Way Acquisition. Owner shall be responsible for acquiring the right(s)-of-way necessary for all required public improvements through good-faith negotiation with the property owner. Owner shall follow the requirements in Title 12 of the Arizona Revised Statutes for acquisition of the property as if the Owner was a government entity obtaining property by eminent domain. Owner will work with the City's Real Estate Manager from the beginning of the negotiation process to ensure compliance with statute and to expedite the process. If the Owner is unable to acquire the right(s)-of-way within a reasonable timeframe and after the exercise of reasonable diligence, then Owner shall request in writing that the City initiate eminent-domain proceedings to acquire the right(s)-of-way. The City shall be the arbiter of whether or not the Owner has exhausted its ability to negotiate with the property owner, but shall be reasonable in its judgment. Once the City has determined that the Owner has exhausted its ability to negotiate with the property owner, the City shall promptly proceed in accordance with the state's eminent domain laws, (ARS 12-1111, et. Seq.) and use its best efforts to expedite acquisition. Owner must provide funding for all costs of such acquisition, including the fair-market value of the subject property, severance damage, cost to cure, appraisal costs, expert witnesses, legal costs including attorney's fees, and City staff and administrative costs, as the City may deem necessary and appropriate.

8. Water & Sewer Improvement Requirements

8.1 Water & Sewer Impact Analysis. Owner shall adhere to all of the requirements of the WSIA dated November 3, 2015, prepared by Civil Design & Engineering, Inc. for City of Flagstaff Utilities Department except as modified herein.

8.2 On-Site Water & Sewer Improvements Phasing. As identified in the WSIA and Preliminary Block Plat, construction of On-Site Water and Sewer Improvements shall be phased appropriately as provided for in this Agreement to ensure stand-alone water and sewer availability within each Phase. All phased on-site water and sewer infrastructure shall be designed and built in accordance with the City of Flagstaff Engineering Standards and Arizona Department of Environmental Quality. The Owner is required to dedicate the entire sewer line easement through the Property with the final plat of Phase 1. Owner will not be required to post assurances for sewer infrastructure beyond Phase 1, with the dedication of the entire easement.

8.3 On-Site Water & Sewer Improvements Requirements. Owner agrees to provide all on-site water and sewer systems required to support the overall development plan, including a 12" diameter looped water system from W Route 66 to Woody Mountain Road. Each of the development blocks will be connected to the water main within the collector roadway. The water system will be extended in coordination with the phasing and as needed for individual parcels. Owner agrees to provide a new 8" PVC waterline connection to the eastern boundary as part of the development of Block 2 as shown on the Preliminary Block Plat. All required improvements must be completed and accepted by the City prior to the issuance of any certificates of occupancy for the Project.

8.4 Water System Improvement Requirements.

8.4.1 Upfront Water Production Payment. The City has allocated water supply up to 480 units for the development. In order to exceed the City's water allocation of 480 units, Owner shall, provide the City with an advance payment of the Project's expected capacity fees related to water production per the terms defined in 8.4.1.3 of this Agreement ("Upfront Water Production Payment"). As defined in the City's Water, Sewer and Stormwater Rate and Capacity Fee Study, Final Report, June 20, 2016, page 41, the current Water Production portion of the total Water Capacity Fee is 38.5%. The Upfront Water Production Payment will be used by the City to construct a new well for the development in order to ensure that the City's water system has enough capacity for the development as it progresses. At the request of Owner, City agrees that Owner can make the Upfront Water Production Payment in two installments: (a) the first installment must be at least 50% of the total Upfront Water Production Payment, and (b) the second installment must be for the remaining portion of the Upfront Water Production Payment and must be received no later than nine (9) months after payment of the first installment ("Payment Schedule"). City estimates that the new well can be sited, constructed, and operable within eighteen (18) months after receipt of the first installment of the Upfront Water Production Payment. So long as Owner pays the first and second installments of the Upfront Water Production Payment according to the Payment Schedule, building permits for the construction of units in excess of 480 may be issued eighteen (18) months after receipt of the first installment of the Upfront Water Production Payment. If the Payment Schedule is not followed (e.g., if the first installment is made but the remainder of the Upfront Water Production Payment is not received within nine months after payment of the first installment) no building permits for construction of any units in excess of 480 will be issued until the new well is drilled, constructed, and connected to the City's existing water system. If the Owner changes its plans for development such that more water is required than currently forecast, Owner must update the WSIA and amend this Agreement accordingly. The City may withhold any and all building permits until the Owner complies with this provision.

The Parties further agree as follows:

8.4.1.1 Calculation of Upfront Water Production Payment. The parties acknowledge that water capacity fees will be collected for the Project as

development progresses, pursuant to City Code Section 7-03-001-0011. The Upfront Water Production Payment will be based on the anticipated capacity fees for 1,000 single family residential units. At the time Owner requests to make the first installment of the Upfront Water Production Payment pursuant to the Payment Schedule described in Section 8.4.1, the amount due for the entire Upfront Water Production Payment will be calculated by multiplying the prevailing Water Production portion of the capacity fee (currently 38.5%) by the difference between 1,000 units and the number of units for which a capacity fee has already been collected as of that time. The table below provides an example of the calculation:

Example Upfront Water Production Payment:

Water Capacity Fee (¾" Single Family)	\$5,728
Water Production portion (currently 38.5%)	\$2,205
Total Capacity Fee obligation with 1000 SF units	\$5,728,000 (\$5,728*1000 units)
Total Water Production portion (38.5%)	\$2,205,000 (\$2,205*1000 units)

Assume development of 200 SF units prior to funding the Upfront Water Production Payment:

Total Water Capacity Fee paid	\$1,145,600 (\$5,728*200 units)
Total Water Production portion paid	\$441,000 (\$2,205*200 units)

Therefore, the **Upfront Water Production Payment**: \$2,205,000 - \$441,000 = **\$1,764,000**

8.4.1.2 Reimbursement of the Upfront Water Production Payment. The City will reimburse the Owner the Water Production portion of each capacity fee collected by the City after receipt of the Upfront Water Production Payment until the Upfront Water Production Payment made by the Owner is paid back in full. The amount reimbursed from each capacity fee will be based on the Water Production portion of the capacity fee that was used at the time the Upfront Water Production Payment was calculated. Reimbursement payments will be determined and made on a quarterly basis by calculating the Water Production portion of all capacity fees collected in relation to the Project during that preceding quarter ("Reimbursement Payment"). The Reimbursement Payment will be paid by the City to Owner within thirty (30) days of the end of the quarter for which the Reimbursement Payment was calculated. The City will only reimburse owner the Water Production portion of the capacity fees collected up to 1,000 units. If the Project results in less than 1,000 units being constructed, City will reimburse Owner the portion of the Upfront Water Production Payment collected for any units between the actual number of units constructed and 1,000.

8.4.1.3 Well System Sites. The Owner will allow the City access to its property to conduct a geophysical survey to determine whether a desirable well site may exist on the Owner's property. If the City determines that a desirable well site exists on Owner's property, Owner agrees to dedicate the parcel of land required for the well and any necessary easements for construction of the well and to connect the well to the City's existing water system. Each well site shall be

located on a parcel of land no smaller than 150' x 150'. The City will work with Owner to locate the well on the property so as to have the least amount of impact on the proposed Project. If a desirable well site does not exist on Owner's property, Owner agrees to work with the City to obtain any necessary land and easements for the purposes of constructing the well and connecting it to the existing City infrastructure, at no additional cost to Owner.

8.5 Off-Site Sewer Improvement Requirements.

8.5.1 Increased Sewer Capacity. The Parties agree that pursuant to the WSIA, the Project will create the need for Off-Site Sewer Improvements, specially identified below. Owner acknowledges that modifications to the existing sewer collection system are required as part of this project as the existing downstream sewer collector system is not adequate for the proposed development. Prior to the issuance of the first building permit, the following off-site sewer modifications must be completed and accepted by the City.

8.5.1.1 The replacement of the 8" sewer line connecting manholes 2A-422 and 2A-360 with an 18" diameter pipe. This reach is approximately 3,100 feet in length and runs along Thompson Street and West Kaibab. This is a planned City project that is budgeted for fiscal year 2021. The City agrees to reimburse the Owner for the cost of the design and construction of this sewer improvement. Owner has requested that the City move the project to fiscal year 2020 (reimbursement available July 1, 2019) subject to approval by the Flagstaff City Council.

8.5.1.2 The installation of approximately 5,170 feet of sewer line to connect MH 2A-472 at the existing Adirondack Avenue 18" sewer interceptor line for this drainage basin through manhole #18, which is approximately 300 feet north of W Route 66. The line must be upsized to an 18" sewer line as the result of the additional load and to accommodate future load. Infrastructure improvements shall include the sewer line, manholes and any other incidental utility improvements necessary for construction. The City is scheduled to construct this sewer extension in fiscal year 2017. Should the Owners construct the sewer line in advance of the City, the City agrees to reimburse the Owner the cost of the improvements unless the City's Core Facilities project is terminated, in which case the Owner will only receive upsizing contributions for the difference between an 8" and an 18" sewer line.

8.5.2 Sewer Line Design and Construction Standards. Owner agrees to construct all of the Off-site sewer Improvements in accordance with all applicable City, State, and Federal rules, regulations, and design standards, including the City's procurement requirements.

9. Stormwater Drainage Impact Analysis.

9.1 Drainage Mitigation. Owner agrees to mitigate the Project's identified drainage impacts in accordance with the DIA and ensure maintenance of individual on-lot LID features.

9.2 New Impact Analysis. Pursuant to the conditions of the Concept Zoning Map Amendment a new Drainage Impact Analysis must be submitted and approved for the eastern side of the property if all drainage flows cannot be directed towards the westerly drainage corridor.

10. Road Improvement Requirements.

10.1 General Off-Site Roadway Improvements. The Owner provided a Traffic Impact Analysis ("Traffic Study") to determine the necessary traffic mitigation for the Project. The Parties agree that the Owner's traffic mitigation will be accomplished in two ways: 1. Owner will be solely responsible for the design and construction of certain Off-site Roadway Improvements in Phase 1 as identified below; 2. Owner may make a cash contribution to the City toward additional Off-site Roadway Improvements in Phase 3 as described in Section 10.4 below.

10.1.1 Construction Standards. Owner agrees to construct all of the On-site and Off-site Roadway Improvements in accordance with all applicable City, State, and Federal rules, regulation, and design standards.

10.1.2 Construction Timing. All Phase 1 On-site Roadway Improvements shall be substantially completed in accordance with the Section 13-10-013-001 of the Engineering Design and Construction Standards and Specifications prior to issuance of the first building permit in Phase 1. To obtain building permits in Phases 2, 3, and 4, the remaining improvements for each individual phase must be constructed and accepted. All Phase 1 Off-site Roadway Improvements shall be completed prior to the issuance of the first certificate of occupancy.

10.2 On-site Roadway Improvements. On-site Roadway Improvements shall consist of all internal roadway construction including but not limited to curb, gutter, sidewalks, pedestrian ways, FUTS trails, bicycle ways, medians, and turn lanes. On-site Roadway Improvements include all property frontage improvements along West Route 66 and Woody Mountain Road.

10.3 Phase 1 Off-site Roadway Improvements. The Parties agree that the Traffic Study has identified the Phase 1 need for improvements at two City intersections, as described below.

10.3.1 Woodlands Village Boulevard and W. Route 66. Phase 1 Improvements include the modification of the northbound Woodlands Village left turn lane/median to 250 feet or more of storage, final storage length to be worked out at final design.

10.3.2. Woodlands Village Boulevard & University Avenue. Phase 1 Improvements include the addition of an exclusive/permitted left turn phasing to both eastbound and westbound approaches.

10.4 Additional Contributions for Future Roadway Improvements. As provided in the September 9, 2016 letter from ADOT, ADOT and the Owner has agreed to certain phasing and improvements, as well as a mechanism by which a cash contribution may be paid to the City prior to the acceptance of the Phase 3 block plat infrastructure improvements. This contribution is subject to the financial assurance under Section 7.3 required for the recordation of the final block plat for Phase 3. The cash contribution will be \$1.5 million (Owner's approximate proportional share for all off-site roadway improvements) minus the amount of the Owner's actual cost (costs actually paid or incurred for design, surveying, mapping, historical clearance from the State Historic Preservation Office, engineering, materials, labor, testing, inspection, construction management, permit fees and other reasonably related cost necessary to complete the improvements to the point of final acceptance by ADOT, the City, the Arizona Department of Environmental Quality or any other agency and any other cost as approved by the City Engineer) of the off-site roadway improvements for Phase 1 in relation to Route 66 transportation corridor (excluding the improvements referenced above in section 10.3.2 of this Agreement). The Owner and City Engineer will work together to arrive at a mutually acceptable list of final costs allocated toward the \$1.5 million prior to the final block plat approval for Phase 3. Should the Phase 1 improvements exceed \$1.5 million, no cash contribution will be given to the City and Owner will not make any additional contributions to future roadway improvements and Owner shall be solely responsible for all costs exceeding the \$1.5 million. The City intends to utilize this cash contribution in partnership with ADOT to improve the West Route 66 corridor between Flagstaff Ranch Road and Milton Road.

11. Additional Conduit. Owner has agreed at the time of Phase 1 infrastructure construction to install an additional conduit so that APS can provide three-phased power to the north side of Route 66 at Alvin Clark Way to support the Core Facilities Project and installation of a new well pump.

12. Infrastructure Financing.

12.1 Impact Fees. Subject to the provisions of this Agreement and to the extent permitted by law, Owner agrees to pay all current and future enacted impact fees provided such impact fee is generally and uniformly applicable to the City and is consistent with the provisions of A.R.S. § 9-463.05 if such fee is charged by the City at the time of construction permit issuance. The City of Flagstaff does not currently have adopted utility impact fees. Notwithstanding any contrary provision of this Agreement, if Owner provides, dedicates or pays for any public sites or public infrastructure, the value or costs of which are included as a component of an impact fee pursuant to A.R.S. § 9-463.05, Owner shall receive a credit equal to the value or cost of such public site or infrastructure (the "Impact Fee Credit"), to be applied in lieu of existing or future impact fees imposed by the City which relate to or otherwise apply to the Property. In no event may the Impact Fee Credits in each category of impact fees exceed the actual impact fees paid or to be paid by or in connection with development on the Property. Wherever this Agreement provides that Owner shall be entitled to an Impact Fee Credit against any impact fee imposed by the City, the Impact Fee Credit shall be credited to Owner in increments equal to one hundred percent (100%) of the particular impact fee otherwise

applicable to each building permit issued with respect to a home or building or structure to be constructed on the Property, up to the maximum total credit provided for in this Agreement.

12.2 Reimbursement for Oversizing that Benefits Other Properties. The parties acknowledge that if Owner provides or pays for any dedicated public sites or public infrastructure that will directly benefit property or developments other than the Property and the developments thereon, and Owner may seek reimbursement pursuant to City Code Chapter 7-08.

13. City Services. Upon the Effective Date for the Annexation Property, City shall include the Property in the City's municipal service area and, upon completion of the construction and installation of the necessary Infrastructure Improvements by Owner as provided in or as required by this Agreement and the Rules, the City shall provide to the Property such utility and other services in a manner that is similar to that by which the City provides such utilities and services generally to the residents of similarly situated property in the City, including sewer, water, garbage, fire and police, provided that Owner has constructed and installed the necessary Infrastructure Improvements as provided in or as required by the Rules and the Infrastructure Improvement Schedule. The City agrees to assess and collect user fees or rates for each municipal utility service provided by the City consistent with the fees or rates established by the City and applied for other similarly-situated property and projects (residential property and projects greater than five acres) in areas of the City receiving similar municipal services. Failure by the Owner to promptly pay any amount owed, including but not limited to the obligations set forth in this Section 9, will constitute a breach of this Agreement and the City may collect such amounts owing by utilizing the remedies set forth this Agreement, and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

14. Notices. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be deemed to have been given if (1) delivered to the party at the address set forth below during normal business hours, (2) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, with sufficient postage, or (3) given to a recognized and reputable overnight delivery service, to the address set forth below, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section.

To City:

City Manager
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

To Owners:

Walter Crutchfield
VP 66 & Woody Mountain, LLC
2502 E. Camelback Road, Suite 214
Phoenix, AZ 85016

Notices will be deemed received (1) when delivered to the party, (2) three business days after being sent by U.S. mail, certified and return receipt requested, properly addressed, with sufficient postage, or (3) the following business day after being given to a recognized and reputable overnight delivery service.

15. General Provisions.

15.1 Further Assurances. Each party, promptly upon the request of the other, will take such further actions and will execute, acknowledge and deliver to the other any and all further instruments as may be necessary or proper to carry out the purpose and intent of this Agreement.

15.2 Successors and Assigns. All of the provisions hereof will inure to the benefit of and be binding upon the successors and assigns of the parties hereto pursuant to A.R.S. § 9-500.05(D), except as provided below. Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the official records of Coconino County, Arizona, expressly assigning such rights and obligations. All rights and obligations of the Owner under this Agreement will constitute covenants that run with the land and will be binding on all of the Owner's respective successors and assigns, except as provided in Section 1.5.

15.2.1 Notwithstanding the foregoing, the City agrees that each Owner's ownership, operation, and maintenance obligations provided by this Agreement may be assigned to HOA(s) to be established by the respective Owner. Owner individually agrees to provide the City with written notice of any assignment of an Owner's rights or obligations within a reasonable period of time following such assignment.

15.2.2 Notwithstanding any other provisions of this Agreement, any Owner may assign all or part of its rights and duties under this Agreement to any financial institution from which such Owner has borrowed funds for developing the Property or a portion thereof.

15.3 Entire Agreement. This Agreement contains the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes any prior written or oral understandings or agreements between the parties.

15.4 Modification of Agreement. This Agreement may be amended at any time by written amendment executed by and between the City and the Owner of the portion of the Property which is the subject of any such amendment. The balance of the Owners need not execute any such amendment for any such amendment to be effective, so long as such amendment does not alter the Applicable Rules for any portion of the Property owned by others. Where the amendment alters the Applicable Rules for Property owned by another party, that Owner must be a party to that amendment. All amendments to this Agreement must be recorded in the official records of Coconino County, Arizona, within ten (10) days following execution, as required by A.R.S. § 9-500.05(D).

15.5 Default. Failure of a party to perform a material obligation of this Agreement shall constitute a breach by that party of this Agreement and, if the breach is not cured within thirty (30) days after written notice thereof from the other party (the "Cure Period"), shall constitute a default under this Agreement provided; however, that if the failure is such that more than thirty (30) days would be reasonably required to perform such action or comply with any

term or provision thereof then the breaching party shall have such additional time as may be necessary to perform or comply so long as the party commences performance or compliance within said 30 day period and diligently proceeds to complete such performance or fulfill such obligation. In the event a breach is not cured within the Cure Period, the non-defaulting party shall have all the rights and remedies that may be available under law or equity, including the right to institute an action for damages. Any Owner not in default shall not be liable under this Section for the default of any other Owner.

15.6 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement. Nothing in this Agreement shall constitute or be deemed to be a waiver by an Owner of its right to request future rezonings or changes in development standards for all or any portion(s) of the Property pursuant to City procedures and requirements existing at the time of the request. Nothing in this Agreement shall be deemed to be a waiver by the City of the right to act, by approval or denial, on such rezoning or change. Further, nothing in this Agreement shall constitute or be deemed to be a waiver or relinquishment by an Owner of its rights to continue nonconforming uses of all or any portion(s) of the Property which may exist, or have existed, as of the date of this Agreement, subject to legal principles applicable to such non-conforming uses.

15.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which will constitute an original, but all of which will constitute one and the same agreement.

15.8 Terms. Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the person may in the context require; and the word "person" or "party" will include a corporation, limited liability company, firm, partnership, proprietorship, or other form of association.

15.9 Descriptive Headings. The descriptive headings throughout this Agreement are for convenience and reference only, and the words contained therein will in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

15.10 Construction of Agreement. This Agreement has been arrived at by negotiation and will not be construed against either party or against the party who prepared the last draft.

15.11 Recordation and Effect. This Agreement will be recorded by the City in its entirety, inclusive of all exhibits, in the official records of Coconino County, Arizona, as required by A.R.S. § 9-500.05(D).

15.12 Governing Law. This Agreement and the rights of the parties shall be governed by and construed in accordance with the laws of the State of Arizona.

15.13 Cancellation for Conflict of Interest. This Agreement is subject to the cancellation provisions of A.R.S. § 38-511.

15.14 Time of the Essence. Time is of the essence in implementing the terms of this Agreement.

15.15 Authorization. The execution and performance of this Agreement has been duly authorized by all necessary laws, resolutions, or corporate actions of the respective parties. The parties to this Agreement represent and warrant that the persons executing this Agreement have full authority to bind the respective parties.

15.16 Severability. If any provision or provisions of this Agreement, or the application thereof to any person or circumstance, is determined to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is so determined invalid or unenforceable, will not be affected thereby, and each provision hereof will be valid and will be enforced to the fullest extent permitted by law.

15.17 Exhibits. All exhibits attached hereto are incorporated herein by reference as though fully set forth herein.

15.18 Dispute Resolution. If a dispute arises out of or relates to this Agreement and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure.

15.18.1 Mediation Procedure. Mediation will take place in Flagstaff, Arizona, be self-administered and be conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, New York 10017, (212) 949-6490, www.cpradr.org, with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties.

15.18.1.1 Commencement of Mediation. Either party may refer the dispute to mediation by sending by U.S. mail, certified and return receipt requested, to the other party or parties a written notice (the "Mediation Notice") calling on the other party or parties to proceed to mediation. The party or parties who have received a Mediation Notice will contact the party calling for mediation 7 days from receipt of the Mediation Notice to confirm receipt of the Mediation Notice and to begin the mediator selection process.

15.18.1.2 Mediator Selection. Unless the parties agree otherwise, the parties will select the mediator(s) from the roster of attorney mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. If the parties are unable to agree upon a mediator within 10 business days of the confirmation of receipt of Mediation Notice, each party will independently inform the Director of the Alternative Dispute Resolution Program of the Coconino County Superior Court (the "Director") of three attorney mediators from that roster that are acceptable to the party, and further,

inform the Director of any preference as to matters such as whether co-mediation is preferable, mediation style, subject matter expertise, or other factors pertinent to the case. The Director will then select one or more attorney mediators from the parties' lists or such other attorney mediator(s) from the above noted roster as the Director may deem, in the Director's sole discretion, appropriate under the circumstances.

15.18.1.3 Fees and Costs. Each party agrees to bear its own fees and costs in mediation. The parties will enter into a written agreement with the mediator(s) regarding the mediator(s)' fees and expenses before the first mediation session. The parties will share equally the mediators' fees and mediation expenses.

15.18.1.4 Subsequent or Contemporaneous Contracts. The parties will include this provision in all subsequent or contemporaneous contracts relative to this matter, absent specific written agreement of the parties otherwise.

15.18.1.5 Participation in Mediation. The parties agree to encourage participation in mediation by all relevant parties. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation.

15.18.1.6 Waiver. This section does not constitute a waiver of the parties' rights to arbitrate or initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.

15.19 Venue and Attorneys Fees. Except as otherwise agreed by the parties, any litigation brought by either party against the other to enforce the provisions of this Agreement must be filed in the Coconino County Superior Court or in the United States District Court for the District of Arizona, if appropriate under 28 U.S.C. § 1331. In the event any action at law or in equity is instituted between the parties in connection with this Agreement, the prevailing party in the action will be entitled to its costs including reasonable attorneys' fees and court costs from the non-prevailing party, as well as expenses incurred in connection with the prosecution or defense of such action. For purposes of this Agreement, the term "attorneys' fees" or "attorneys' fees and costs" will mean the reasonable fees and expenses of in-house and outside counsel to the parties hereto, which may include reasonable printing, photocopying, duplicating and other expenses, air freight charges, and fees billed for law clerks, paralegals and other persons performing services under the supervision of an attorney, and the reasonable costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section will survive the entry of any judgment, and will not merge, or be deemed to have merged, into any judgment.

15.20 Negation of Partnership. The parties specifically acknowledge that the Project will be developed as private property, that no party is acting as the agent of any other party in any respect, and that each party is an independent contracting entity with respect to the terms,

covenants, and conditions contained in this Agreement. None of the terms or provisions of this Agreement are intended to create a partnership or other joint enterprise between the parties.

15.21 No Obligation to Develop Property. Except as expressly set forth in this Agreement, neither the City nor any Owner will be required to complete any part or all of the development of the Property.

15.22 No Third Party Beneficiaries. The City and Owner acknowledges and agree that the terms, provisions, and conditions of this Agreement are for the sole benefit of, and may be enforced solely by, the City and Owner, and none of the terms, provisions, conditions, and obligations are for the benefit of or may be enforced by any third party.

15.23 Compliance with All Laws. Owner will comply with all applicable Federal, State, County and City laws, regulations and policies.

15.24 Recitals. The Recitals set forth above are incorporated in this Agreement by reference as though fully restated.


16. Waiver of Claim for Diminution in Value. Each Owner hereby waives and fully releases any and all financial loss, injury, claims and causes of action that the Owner may have, now or in the future, for any "diminution in value" and for any "just compensation" under the Private Property Rights Protection Act, codified in A.R.S. §§ 12-1131 through 12-1138, (the "Act") in connection with the application of the City's existing land use laws and including Ordinance No. 2016-39 regarding the Property (collectively, the "Laws"). This waiver constitutes a complete release of any and all claims and causes of action that may arise or may be asserted under the Laws with regard to the subject Property. Owner agrees to indemnify, hold harmless and defend City, its officers, employees and agents, from any and all claims, causes of actions, demands, losses and expenses, including attorney's fees and litigation costs, that may be asserted by or may result from any of the present or future owners of any interest in the Property seeking potential compensation, damages, attorney's fees or costs under the Act that they may have, as a result of the application of the Laws upon the Property.

17. Estoppel Certificate. Any Owner may request of the City Manager, and the City Manager shall, within thirty (30) calendar days, respond and certify by written instrument to the requesting party that (a) the CZP Ordinance is unmodified and in full force and effect, or if there have been modifications, that the CZP is in full force and effect as modified, stating the nature and date of such modification; (b) there is or is not a default under the CZP or this Agreement and the scope and nature of the default; and (c) the City has or does not have any existing or pending legal or equitable claims against any party with an ownership interest in the Property. In the event an Owner has not received an estoppel certificate within thirty (30) days from the date of the request, then in such event, that Owner shall be entitled to prepare an estoppel certificate and deliver the certificate to the City Manager, and such estoppel certificate shall be binding upon City.

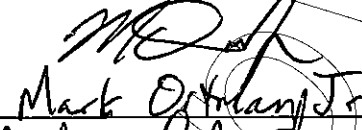
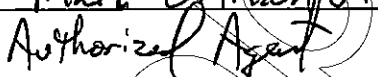
[Signature page follows.]

IN WITNESS WHEREOF, the City has caused this Agreement to be executed by its duly authorized representatives, and the other Owner has signed the same on or as of the day and year first above written.

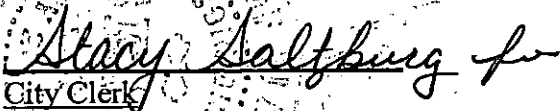
**City of Flagstaff,
an Arizona municipal corporation
"City"**


Jerry Nabours, Mayor


**VP 66 & Woody Mountain, L.L.C.,
an Arizona limited liability company
"Owner"**

By: 
Its: 
Authorized Agent

Attest:


City Clerk

Approved as to form:


City Attorney

STATE OF ARIZONA)
COUNTY OF COCONINO)

ACKNOWLEDGMENT

On this _____ day of _____, 2016, before me, a Notary Public, personally appeared Jerry Nabours, Mayor of the City Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

Notary Public
My Commission Expires: _____

STATE OF ARIZONA)
COUNTY OF Maricopa)

ACKNOWLEDGMENT

On this 17th day of November, 2016, before me, a Notary Public, personally appeared MARK E. ORTMAN, Jr., known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of VP 66& Woody Mountain, L.L.C., an Arizona limited liability company, for the purposes therein contained.



Cara LRP

Notary Public
My Commission Expires:
April 24, 2020

LIST OF EXHIBITS

- | | |
|-----------|--|
| Exhibit A | Legal Description of Property |
| Exhibit B | Legal Description of Annexation Property |
| Exhibit C | Concept Zone Plan |
| Exhibit D | Concept Zone Plan Ordinance |
| Exhibit E | Zone 1 Requirements |
| Exhibit F | Project Lighting CC&Rs/Lighting Mitigation Standards |

Exhibit A

Unofficial Copy

LEGAL DESCRIPTION FOR THE PROPERTY

A PARCEL OF LAND BEING A PORTION OF THE "PRESIDIO WEST TRACT" AS SAID TRACT IS DESCRIBED IN THAT CERTAIN WARRANTY DEED (DEED) RECORDED AS INSTRUMENT NO. 3229602, RECORDS OF COCONINO COUNTY, ARIZONA, WHEREIN SAID "PRESIDIO WEST TRACT" IS COMPRISED OF PARCEL NOS. 1D, 3, 4, 5B, 8 AND 9, WHICH ARE SITUATED IN THE EAST HALF OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 6 EAST AND IN SECTION 19, TOWNSHIP 21 NORTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, COCONINO COUNTY, ARIZONA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 24 AS DESCRIBED IN SAID DEED FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 19, AS DESCRIBED IN SAID DEED, LIES NORTH $89^{\circ} 31' 49''$ EAST, A DISTANCE OF 2,634.20 FEET;

THENCE FROM SAID NORTHEAST CORNER OF SECTION 24, SOUTH $01^{\circ} 56' 25''$ EAST, A DISTANCE OF 1,718.05 FEET ALONG THE LINE COMMON TO SAID SECTIONS 24 AND 19, TO A POINT ON THE NORTH BOUNDARY OF SAID "PRESIDIO WEST TRACT" FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 19, AS DESCRIBED IN SAID DEED, LIES SOUTH $01^{\circ} 54' 02''$ EAST, A DISTANCE OF 916.63 FEET, SAID POINT BEING THE POINT OF BEGINNING;

THENCE ALONG SAID NORTH BOUNDARY, SOUTH $72^{\circ} 44' 49''$ EAST, A DISTANCE OF 1,413.86 FEET TO THE BEGINNING OF AN OFFSET SPIRAL;

THENCE ALONG SAID NORTH BOUNDARY, BEING A LINE CURVED TO THE LEFT THAT IS OFFSET 66.00 FEET SOUTHERLY FROM THE CENTERLINE OF THE RIGHT OF WAY OF SAID U.S. HIGHWAY 66, SAID CENTERLINE BEING A CLOTHOID SPIRAL DEFINED BY THE ELEMENTS $\text{THETA} = 3^{\circ} 00' 00''$, $\text{XS} = 299.92$ FEET, $\text{YS} = 5.23$ FEET AND $\text{LS} = 300.00$ FEET, THE LONG CHORD BEARING AND LENGTH OF SAID CURVED LINE OF THE NORTH BOUNDARY ARE SOUTH $73^{\circ} 47' 13''$ EAST ~ 303.42 FEET, AND SAID CURVED LINE OF THE NORTH BOUNDARY RUNS TO AN OFFSET POINT OF SPIRAL TO CURVE;

THENCE ALONG SAID NORTH BOUNDARY, BEING A SIMPLE CURVE TO THE LEFT THAT IS OFFSET 66.00 FEET SOUTHERLY FROM SAID CENTERLINE OF THE RIGHT OF WAY OF U.S. HIGHWAY 66, SAID SIMPLE CURVE HAVING A RADIUS OF 2,930.79 FEET, CHORD BEARING AND LENGTH OF SOUTH $79^{\circ} 01' 53''$ EAST ~ 332.31 FEET AND CENTRAL ANGLE OF $6^{\circ} 30' 00''$, AN ARC DISTANCE OF 332.49 FEET TO AN OFFSET POINT OF CURVE TO SPIRAL;

THENCE ALONG SAID NORTH BOUNDARY, BEING A LINE CURVED TO THE LEFT THAT IS OFFSET 66.00 FEET SOUTHERLY FROM SAID CENTERLINE OF THE RIGHT OF WAY OF U.S. HIGHWAY 66, SAID CENTERLINE BEING A CLOTHOID SPIRAL DEFINED BY THE ELEMENTS $\text{THETA} = 3^{\circ} 00' 00''$, $\text{XS} = 299.92$ FEET, $\text{YS} = 5.23$ FEET AND $\text{LS} = 300.00$ FEET, THE LONG CHORD BEARING AND LENGTH OF SAID CURVED LINE OF THE NORTH BOUNDARY ARE SOUTH $84^{\circ} 16' 33''$ EAST ~ 303.42 FEET, AND SAID CURVED LINE OF THE NORTH BOUNDARY RUNS TO THE END OF SAID OFFSET SPIRAL;

THENCE ALONG SAID NORTH BOUNDARY, SOUTH $85^{\circ} 16' 49''$ EAST, A DISTANCE OF 203.51 FEET TO A $\frac{1}{2}$ " REBAR WITH PLASTIC CAP STAMPED "LS 14184" (SET);

THENCE DEPARTING SAID NORTH BOUNDARY OF THE "PRESIDIO WEST TRACT", SOUTH $00^{\circ} 42' 05''$ WEST, A DISTANCE OF 1,107.36 FEET TO A $\frac{1}{2}$ " REBAR WITH PLASTIC CAP STAMPED "LS 14184" (SET);

THENCE SOUTH $43^{\circ} 42' 33''$ WEST, A DISTANCE OF 785.53 FEET TO A $\frac{1}{2}$ " REBAR WITH PLASTIC CAP STAMPED "LS 14184" (SET);

THENCE SOUTH 54° 55' 29" EAST, A DISTANCE OF 708.84 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "LS 14184" SET ON THE WEST BOUNDARY OF THAT CERTAIN PARCEL OF LAND GRANTED TO THE CITY OF FLAGSTAFF FOR PUBLIC RIGHT OF WAY PER INSTRUMENT NUMBER 3337514, RECORDS OF COCONINO COUNTY, ARIZONA;

THENCE SOUTHERLY ALONG SAID WEST BOUNDARY, BEING A NONTANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 93.00 FEET, CHORD BEARING AND LENGTH OF SOUTH 09° 45' 40" WEST ~ 79.53 FEET AND CENTRAL ANGLE OF 50° 37' 42", AN ARC DISTANCE OF 82.18 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE BEGINNING OF A NONTANGENT CURVE ON SAID EAST BOUNDARY OF THE "PRESIDIO WEST TRACT";

THENCE SOUTHWESTERLY ALONG SAID EAST BOUNDARY, BEING A NONTANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 5,679.58 FEET, CHORD BEARING AND LENGTH OF SOUTH 43° 20' 50" WEST ~ 181.19 FEET AND CENTRAL ANGLE OF 1° 49' 41", AN ARC DISTANCE OF 181.20 FEET TO A POINT OF NONTANGENCY;

THENCE ALONG SAID EAST BOUNDARY, SOUTH 44° 18' 09" WEST, A DISTANCE OF 213.50 FEET TO THE SOUTHEAST CORNER OF SAID "PRESIDIO WEST TRACT";

THENCE ALONG THE SOUTH BOUNDARY OF SAID "PRESIDIO WEST TRACT", NORTH 75° 51' 05" WEST, A DISTANCE OF 2,083.39 FEET TO THE BEGINNING OF A POINT OF CURVATURE;

THENCE NORTHWESTERLY ALONG SAID SOUTH BOUNDARY, BEING A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 9,798.23 FEET, CHORD BEARING AND LENGTH OF NORTH 72° 53' 07" WEST ~ 1,014.17 FEET AND CENTRAL ANGLE OF 5° 55' 59", AN ARC DISTANCE OF 1,014.63 FEET TO A POINT OF NONTANGENT COMPOUND CURVATURE;

THENCE NORTHWESTERLY ALONG SAID SOUTH BOUNDARY, BEING A NONTANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 11,103.47 FEET, CHORD BEARING AND LENGTH OF NORTH 69° 54' 18" WEST ~ 280.62 FEET AND CENTRAL ANGLE OF 1° 26' 53", AN ARC DISTANCE OF 280.63 FEET TO A POINT OF TANGENCY;

THENCE ALONG SAID SOUTH BOUNDARY OF THE "PRESIDIO WEST TRACT", NORTH 69° 10' 52" WEST, A DISTANCE OF 293.87 FEET TO THE SOUTHWEST CORNER OF SAID "PRESIDIO WEST TRACT";

THENCE ALONG THE WEST BOUNDARY OF SAID "PRESIDIO WEST TRACT", NORTH 00° 7' 17" EAST, A DISTANCE OF 1,132.68 FEET;

THENCE ALONG SAID WEST BOUNDARY OF THE "PRESIDIO WEST TRACT", NORTH 01° 00' 29" WEST, A DISTANCE OF 707.93 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "LS 14184" (SET);

THENCE DEPARTING SAID WEST BOUNDARY OF THE "PRESIDIO WEST TRACT", SOUTH 72° 48' 09" EAST, A DISTANCE OF 631.50 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "LS 14184" (SET);

THENCE NORTH 18° 08' 11" EAST, A DISTANCE OF 594.01 FEET TO A 1/2" REBAR WITH PLASTIC CAP STAMPED "LS 14184" SET ON THE NORTH BOUNDARY OF THE "PRESIDIO WEST TRACT";

THENCE ALONG SAID NORTH BOUNDARY OF THE "PRESIDIO WEST TRACT", SOUTH 72° 48' 09" EAST, A DISTANCE OF 565.49 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, HELIUM OR OTHER SUBSTANCES OF A GASEOUS NATURE, COAL, METALS, MINERALS, FOSSILS, FERTILIZER OF EVERY NAME AND DESCRIPTION, AND EXCEPT ALL MATERIALS WHICH MAY BE ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIAL AS RESERVED IN ARIZONA REVISED STATUTES.

Exhibit B

Unofficial Copy

PROPERTY BOUNDARY DESCRIPTION

A portion of that parcel of land described in Instrument No. 3700862, Records of Coconino County, Arizona (RCC), herein after referred to as Parcel A, situated in the west half of Section 19, Township 21 North, Range 7 East, and the east half of Section 24, Township 21 North, Range 6 East, Gila and Salt River Meridian, Coconino County, Arizona, described as follows:

COMMENCING for reference at a found United States Department of Agriculture brass cap at the quarter common to said sections;

Thence South $00^{\circ}19'17''$ West, 662.98 feet along the line common to said sections to a found 1" iron pipe on the existing corporate boundary of the City of Flagstaff, Arizona, and the POINT OF BEGINNING;

Thence South $00^{\circ}18'19''$ West, 663.18 feet along said common section line and said corporate boundary to a found 1" iron pipe;

Thence South $00^{\circ}12'37''$ West, 264.56 feet along said common section line and said corporate boundary to a found 1/2" rebar with cap marked "RLS 18215 at a point of non-tangency on the southerly line of said Parcel A and the northerly line of U.S. Interstate Highway 40 at a point of non-tangency through which a radial line bears South $15^{\circ}10'12''$ West;

Thence northwesterly, 842.38 feet along said southerly and northerly lines along the arc of a 9,798.23 foot radius curve, concave to the northeast, having a central angle of $04^{\circ}55'33''$ to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" at a point of compound curvature through which the back radial bearing bears South $20^{\circ}05'45''$ West and the forward radial bearing bears South $19^{\circ}23'57''$ West;

Thence northwesterly, 280.77 feet along said southerly and northerly lines along the arc of a 11,103.47 foot radius curve, concave to the northeast, having a central angle of $01^{\circ}26'56''$ to a found brass cap marked "AZ HWY DEPT 1966 ELEV 7076.133";

Thence North $69^{\circ}11'00''$ West, 293.93 feet along said southerly and northerly lines to a found cap marked "LS 21061 at the southwest corner of said Parcel A and southeast corner of an Arizona Public Service Company parcel;

Thence North $00^{\circ}08'31''$ East, 351.95 feet along the east line of said Arizona Public Service Company parcel and the west line of said Parcel A to a found 5/8" rebar at the northeast corner of said Arizona Public Service Company parcel and the southeast corner of that parcel described in Instrument No. 3423804, RCC;

Thence North $00^{\circ}08'31''$ East, 676.53 feet along the east line of said parcel described in Instrument No. 3423804 and the west line of said parcel A to a found 2" aluminum cap

marked "NES LS 14671" at the northeast corner of said parcel described in Instrument No. 3423804 and the southeast corner of Lot 11, Flagstaff Ranch Business Park Unit Two, Instrument No. 3457467, RCC;

Thence North $00^{\circ}01'00''$ East, 103.98 feet along the east line of said Lot 11 and said west line of Parcel A to a found 1-1/2" aluminum cap marked ARENCO PE 971 LS 4321;

Thence North $00^{\circ}51'16''$ West, 132.89 feet along said east and west lines to a found 2" aluminum cap marked "NES LS 14671 at the northeast corner of said Lot 11 and the southeast corner of Lot 10 of said Flagstaff Ranch Business Park

Thence North $01^{\circ}03'29''$ West, 237.96 feet along the east line of said Lot 10 and said west line of parcel A to a found 1/2" rebar and cap marked "RLS 18215" at the northeast corner of said Lot 10 and the southeast corner of that parcel described in Instrument No. 3445762, RCC;

Thence North $00^{\circ}59'31''$ West, 278.78 feet along the east line of said parcel and the west line of said Parcel A to a found cap marked "RLS 25083 at the northeast corner of said parcel described in Instrument No. 3445762 and the southeast corner of that parcel described in Instrument No. 3075167, RCC;

Thence North $01^{\circ}00'03''$ West, 58.30 feet along the east line of said parcel described in Instrument No. 3075167, RCC to a found 1/2" rebar with cap marked "LS 16630 RLS 18215" at a corner of said Parcel A and the southwest corner of that parcel described in Instrument No. 3485184, RCC;

Thence South $72^{\circ}48'08''$ East, 631.20 feet along the southerly line of said parcel and the northerly line of said Parcel A to a found 1/2" rebar with cap marked "LS 16630 RLS 18215" at a corner of said Parcel A and the southeast corner of that parcel described in Instrument No. 3485184, RCC;

Thence North $18^{\circ}08'54''$ East, 593.97 feet along the east line of said parcel and the west line of said Parcel A to a found 2" aluminum cap marked "NES LS 14671 on the southerly line of U.S. Highway 66;

Thence South $72^{\circ}48'03''$ East, 565.62 feet along said southerly line and the northerly line of said Parcel A to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" on the line common to said Sections 19 and 24, from which said quarter corner common to both Sections bears South $01^{\circ}53'27''$ East, 916.78 feet;

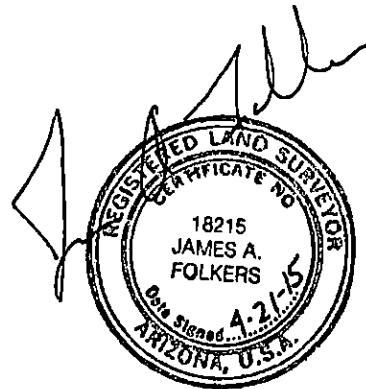
Thence South $72^{\circ}43'58''$ East, 1,353.69 feet along said southerly line and the northerly line of said Parcel A to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" on said existing corporate boundary of the City of Flagstaff, Arizona, and the northeast corner of said Parcel A;

Thence South 00°25'10" East, 1,172.77 feet along said existing corporate boundary of the City of Flagstaff, Arizona;

Thence South 89°47'20" West, 1,274.74 feet along said existing corporate boundary of the City of Flagstaff, Arizona to the POINT OF BEGINNING.

CONTAINING 4,667,956 square feet (107.16 acres), more or less, as shown on the Exhibit A drawing which is attached hereto and made a part hereof.

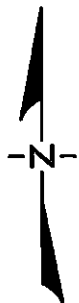
Prepared by:
James A. Folkers, RLS
Woodson Engineering & Surveying, Inc.
124 N. Elden Street
Flagstaff, Arizona 86001
Project No. 114050



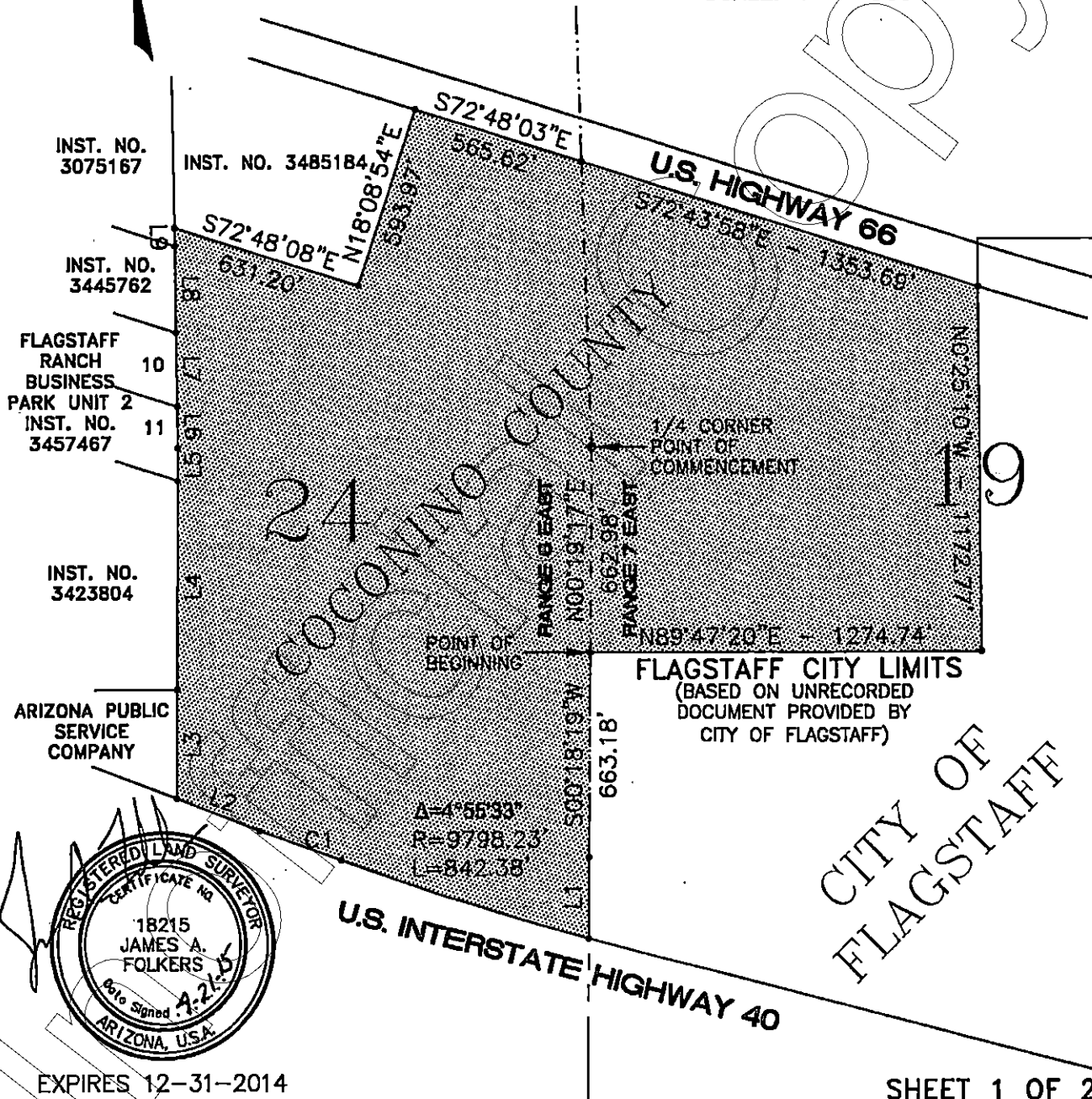
EXPIRES 12-31-2017

EXHIBIT "A"

PORTIONS OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 6 EAST,
AND SECTION 19. TOWNSHIP 21 NORTH, RANGE 7 EAST,
GILA AND SALT RIVER MERIDIAN,
CITY OF FLAGSTAFF & COCONINO COUNTY, ARIZONA,
CONTAINING 4,667,956 FT. (±107.16 ACRES)



SCALE: 1" = 500'

INST. NO.
3075167

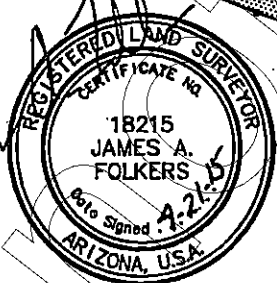
INST. NO. 3485184

INST. NO.
3445762

FLAGSTAFF
RANCH
BUSINESS
PARK UNIT 2
INST. NO.
3457467

INST. NO.
3423804

ARIZONA PUBLIC
SERVICE
COMPANY



EXPIRES 12-31-2014

SHEET 1 OF 2

DRAWN BY: JAF
DATE: 4-2015
FN: ANNEX EX
PROJECT NO.: 114050

WOODSON
ENGINEERING AND SURVEYING, INC.
124 N. ELDEN ST.
FLAGSTAFF, AZ 86001
PHONE: (928) 774-4636 FAX: (928) 774-4646

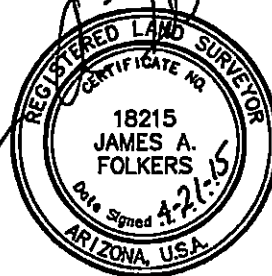
PROPOSED ANNEXATION

FOR LOCATION PURPOSES ONLY

EXHIBIT "A"

LINE TABLE		
LINE NO.	BEARING	LENGTH
L1	S00° 12' 37"W	264.56'
L2	N69° 11' 00"W	293.93'
L3	N00° 08' 31"E	351.95'
L4	N00° 08' 31"E	676.53'
L5	N00° 08' 31"E	103.98'
L6	N00° 51' 16"W	132.89'
L7	N01° 03' 29"W	237.96'
L8	N00° 59' 31"W	278.78'
L9	N01° 00' 03"W	58.30'

CURVE TABLE			
CURVE NO.	DELTA	RADIUS	LENGTH
C1	01°26'56"	11,103.47'	280.77'



EXPIRES 12-31-2014

SHEET 2 OF 2

DRAWN BY: JAF	WOODSON	PROPOSED ANNEXATION
DATE: 4-2015	ENGINEERING AND SURVEYING, INC.	
FN: ANNEX EX	124 N. ELDEN ST.	
PROJECT NO.: 114050	FLAGSTAFF, AZ 86001	
	PHONE: (928) 774-4636 FAX: (928) 774-4646	

FOR LOCATION PURPOSES ONLY

Exhibit C

Unofficial Copy



TIMBER SKY
Concept Zoning Plan

August 12, 2016

Case #PZ-15-00115

V
VINTAGE
PARTNERS

Administrative Data	
APPLICANT: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com	PROJECT: 1200 East 12th Avenue 1200 East 12th Avenue Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com
DESIGNER: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com	ENGINEER: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com
CONTRACTOR: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com	PERMITTING: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com

Property Data	
PROPERTY: 1200 East 12th Avenue Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com	OWNER: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com
DEVELOPER: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com	ARCHITECT: VINTAGE SKY LLC 2140 East 12th Avenue Suite 111 Aurora, CO 80011 Phone: 303.733.8336 Email: info@vintagesky.com

Site Data Chart

Parcel	Area	Volume	Height	Area	Volume	Height	Area	Volume	Height
1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
7	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
8	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Zoning District Site Data

Parcel	Area	Volume	Height	Area	Volume	Height	Area	Volume	Height
1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
3	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
4	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
6	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
7	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
8	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
9	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Residential Zones Allowed Uses

Zone	Use	Allowed	Notes
Single-Family Residential	Single-Family Detached	Yes	
Single-Family Residential	Single-Family Attached	Yes	
Single-Family Residential	Single-Family Detached	Yes	
Single-Family Residential	Single-Family Attached	Yes	
Single-Family Residential	Single-Family Detached	Yes	
Single-Family Residential	Single-Family Attached	Yes	
Single-Family Residential	Single-Family Detached	Yes	
Single-Family Residential	Single-Family Attached	Yes	
Single-Family Residential	Single-Family Detached	Yes	
Single-Family Residential	Single-Family Attached	Yes	

Public Open Space Allowed Uses

Zone	Use	Allowed	Notes
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	
Public Open Space	Public Open Space	Yes	

Conceptual Open Space and Civic Space

Zone	Use	Allowed	Notes
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	
Conceptual Open Space	Conceptual Open Space	Yes	

Conceptual Civic Space Allocations

Zone	Use	Allowed	Notes
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	
Conceptual Civic Space	Conceptual Civic Space	Yes	

Required Open Space

Zone	Use	Allowed	Notes
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	
Required Open Space	Required Open Space	Yes	

Required Civic Space

Zone	Use	Allowed	Notes
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	
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Required Civic Space	Required Civic Space	Yes	
Required Civic Space	Required Civic Space	Yes	



TIMBER SKY

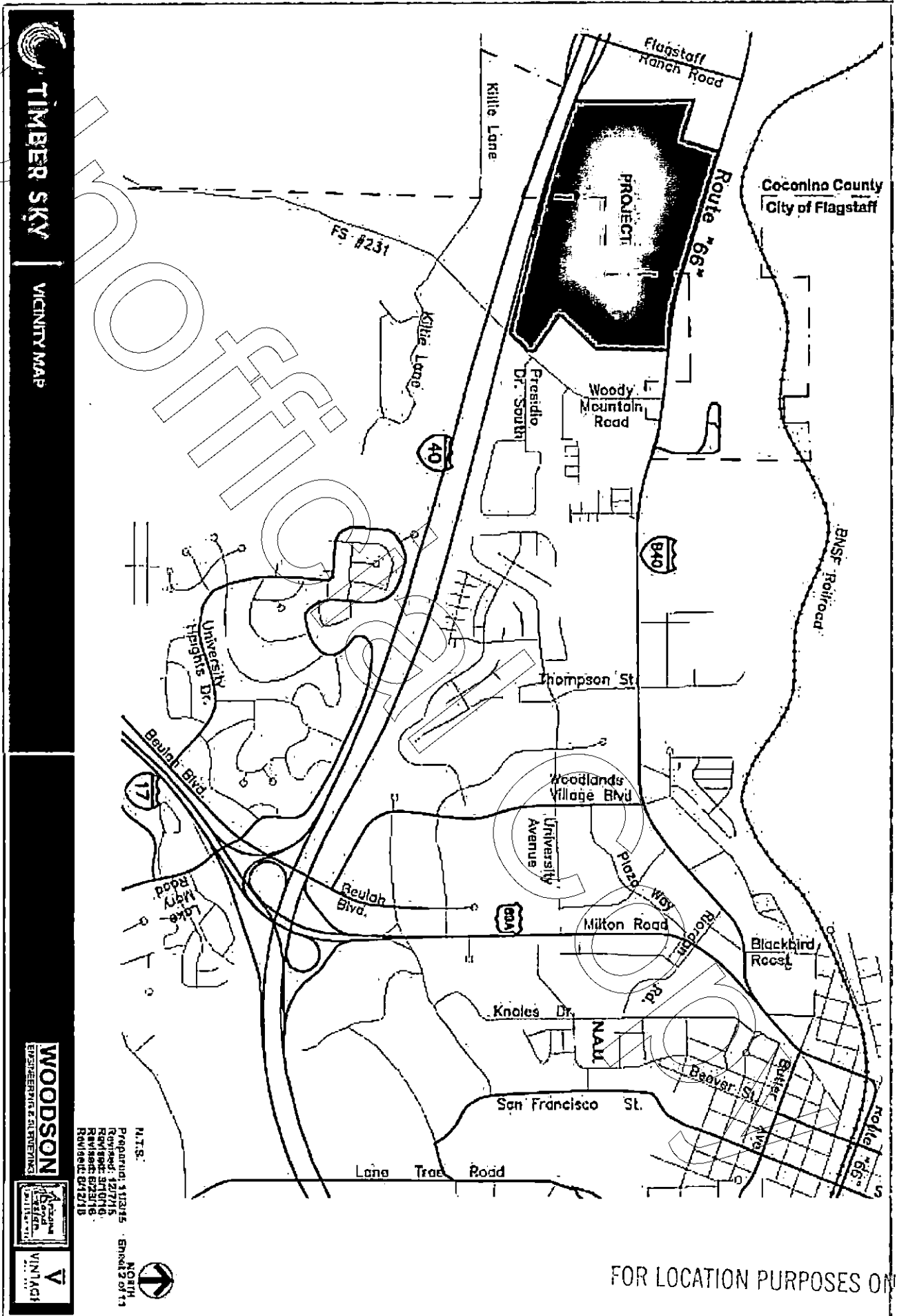
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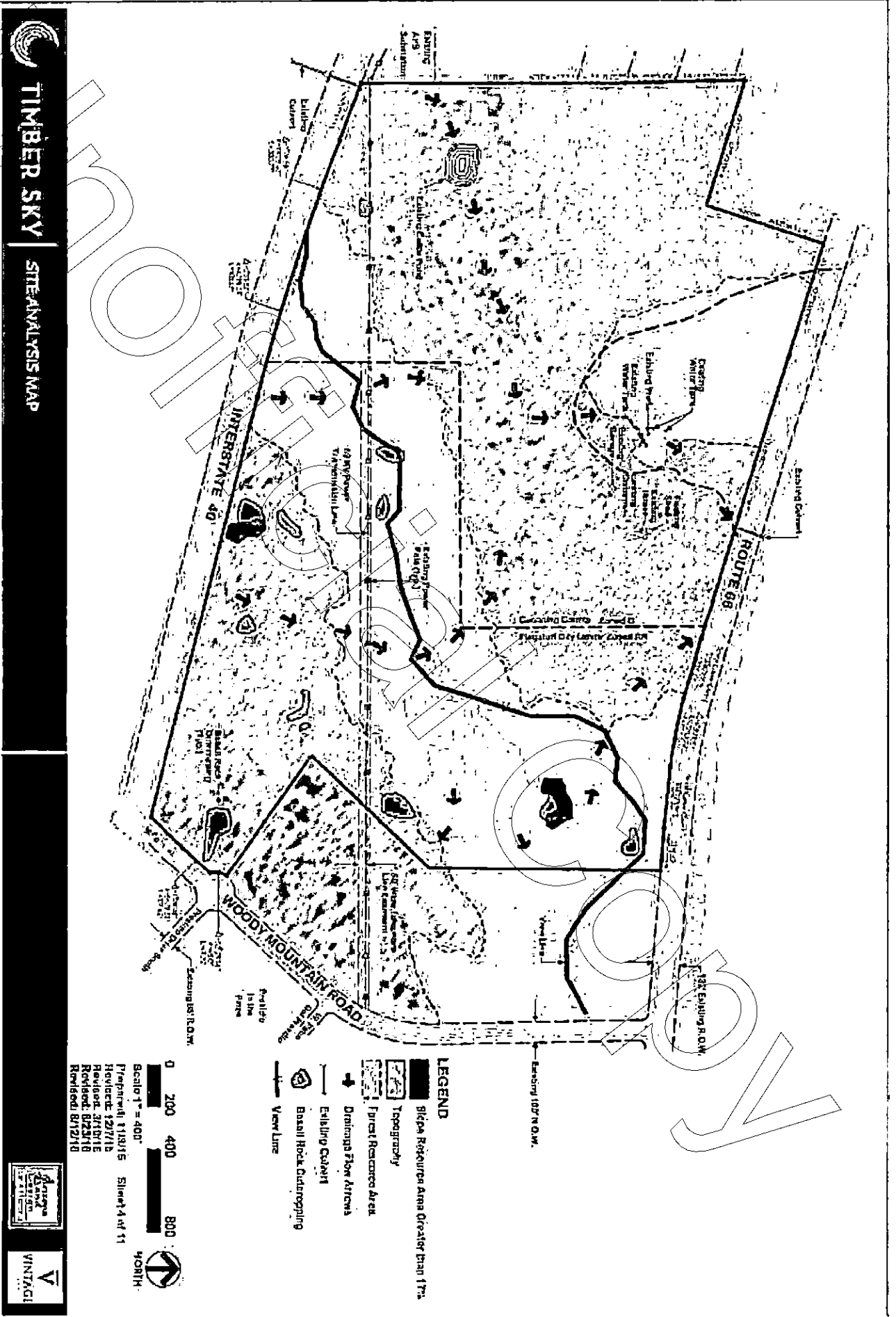


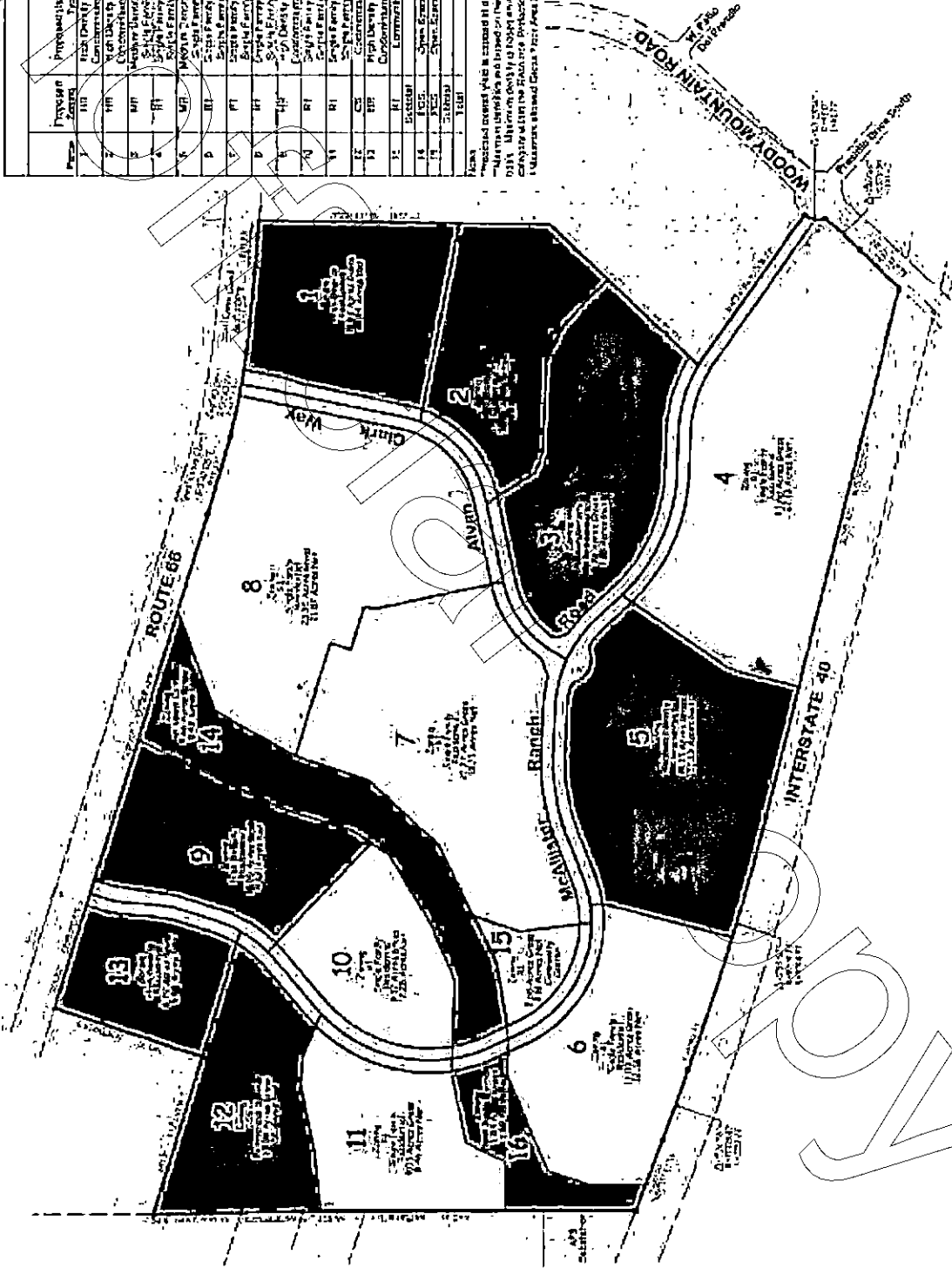
VINTAG

Prepared: 11/20/15
 Revised: 12/21/15
 Revised: 01/01/16
 Revised: 02/23/16
 Revised: 03/23/16

Sheet 1 of 11







Site Data Chart									
Process	Process Category	Proprietor/Responsible Party	Q191 (Actual)	Q192 (Actual)	Q193 (Actual)	Q194 (Actual)	Q195 (Actual)	Q196 (Actual)	Q197 (Actual)
1	HR	192 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
2	HR	193 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
3	HR	194 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
4	HR	195 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
5	HR	196 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
6	HR	197 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
7	HR	198 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
8	HR	199 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
9	HR	200 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
10	HR	201 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
11	HR	202 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
12	HR	203 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
13	HR	204 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
14	HR	205 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
15	HR	206 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
16	HR	207 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
17	HR	208 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
18	HR	209 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
19	HR	210 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
20	HR	211 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
21	HR	212 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
22	HR	213 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
23	HR	214 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
24	HR	215 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
25	HR	216 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
26	HR	217 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
27	HR	218 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
28	HR	219 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
29	HR	220 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
30	HR	221 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
31	HR	222 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
32	HR	223 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
33	HR	224 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
34	HR	225 (Actual) Responder	1112	1112	1112	1112	1112	1112	1112
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There is a lot of talk about the "new" or "old" economy. The new economy is the one that is growing and the old economy is the one that is shrinking. The new economy is the one that is growing and the old economy is the one that is shrinking.

LEGEND













- ☐ High Density Residential (HR)
☐ Medium Density Residential (MR)
☐ Single Family Residential (RS)
☐ Commercial Service (CS)
☐ Public Open Space (POS)
☐ Collector Roadway




Scale 1" = 400'
Prepared: 11/3/15
Revised: 12/7/15
Revised: 3/10/16
Revised: 02/23/18
Revised: 8/12/18

[illegible]

jjj
NORRIS DESIGN
Arlington
Land
Design
1111 17th Street
N
VINTAGE
... ..

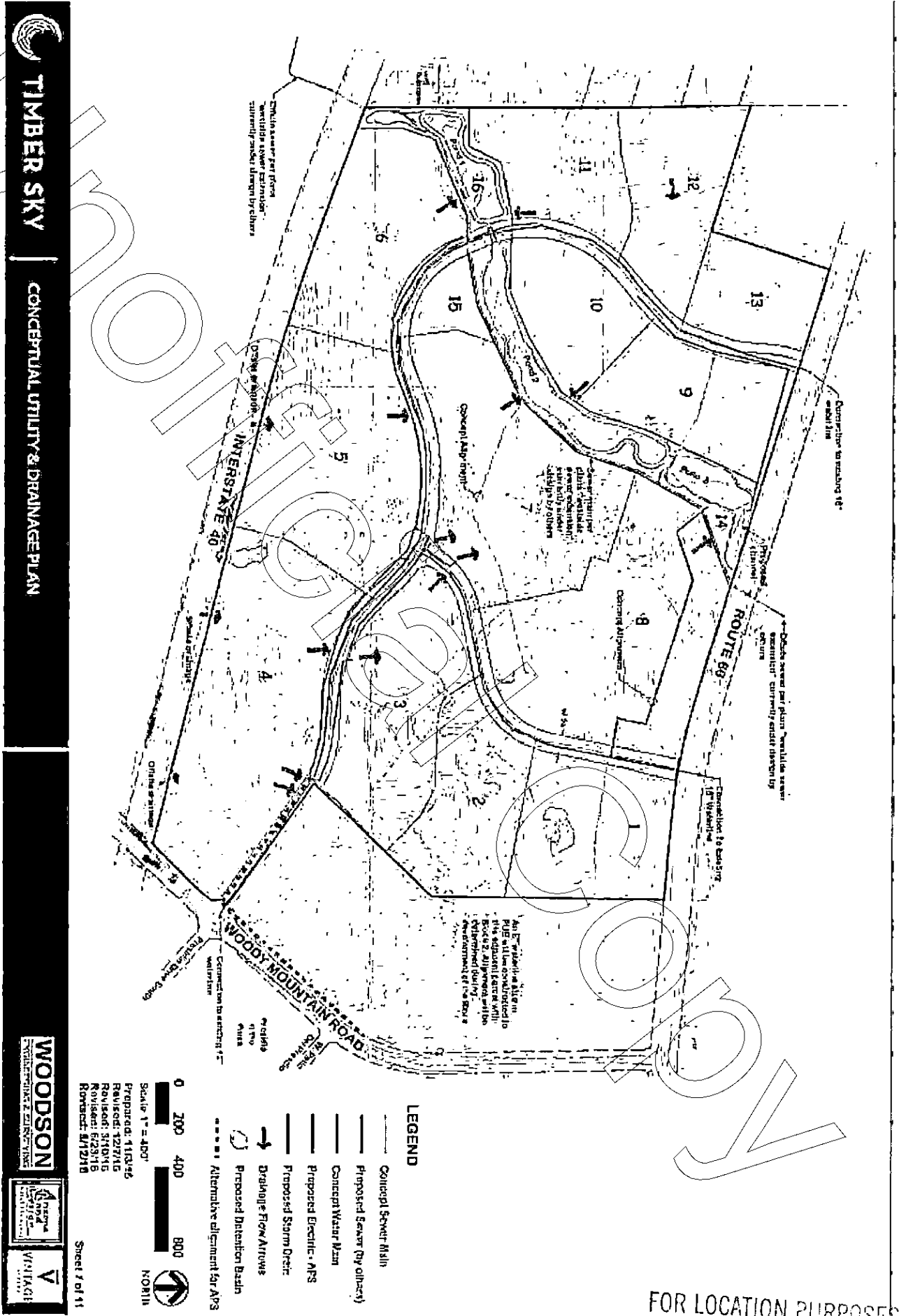
	Entry, Mortarpenetration, See Entrypenetration
	People Armaments, See Entrypenetration
	Local Open Square
	General Open Space
	2' Detached Concrete Walk
	3' Detached Concrete Walk
	Internal Radiation Connection
	FLTS Logo Trail - Unpaired (on Transmission)
	Unpaired FLTS trail - (Power on)
	FLTS Trail By Others
	Infrared Walkdown and Prediction Connection
	Possible Radiation Connection

Internal connectivity will be addressed at time
of subfloor drilling or See Plan 3, specifically
Internal walkdown and prediction connectivity
Illustration of plan is conceptual only

7	200	NO	CON		NORTH
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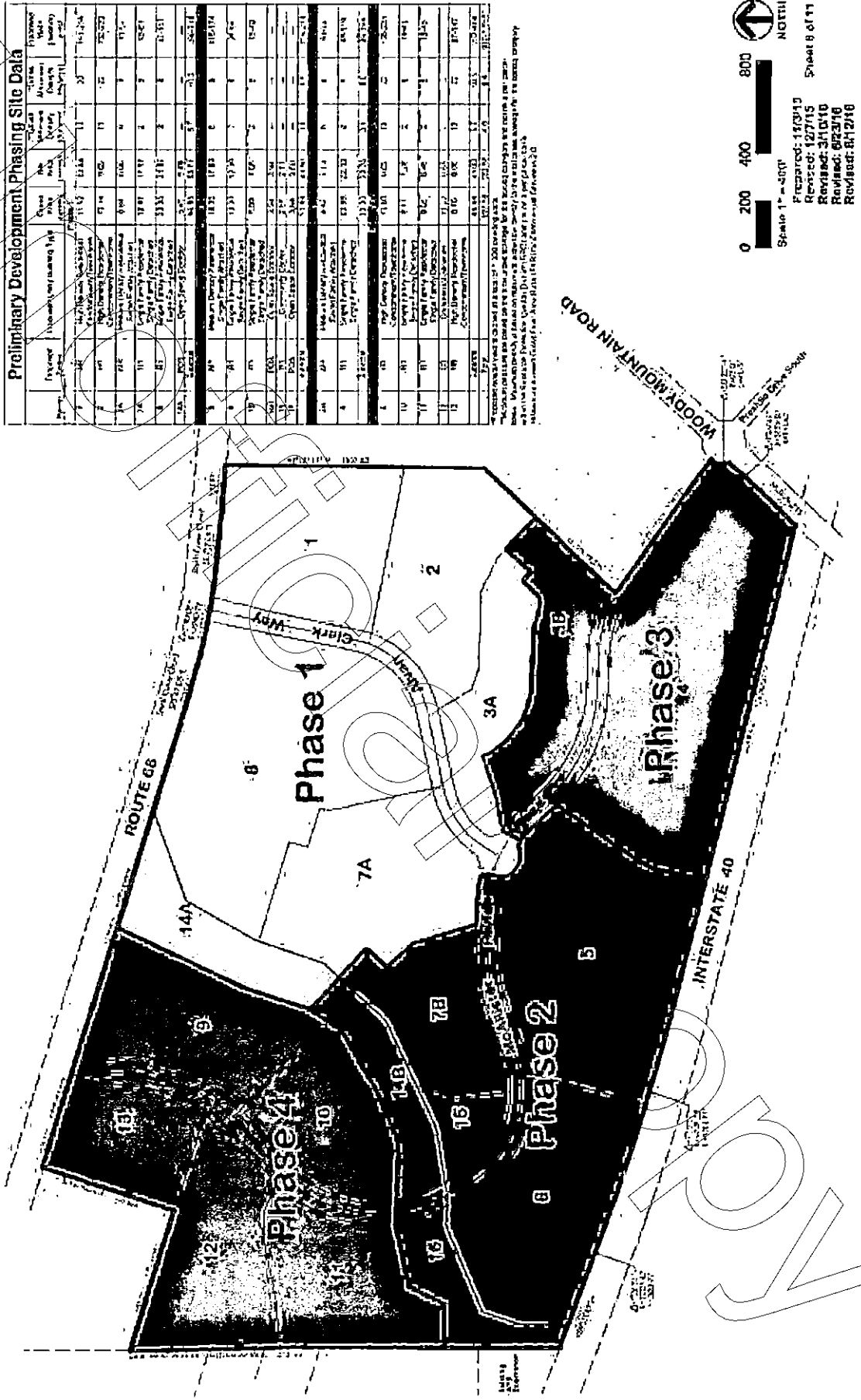
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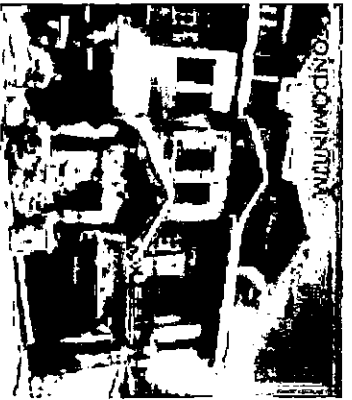
URGENT 11/15/85



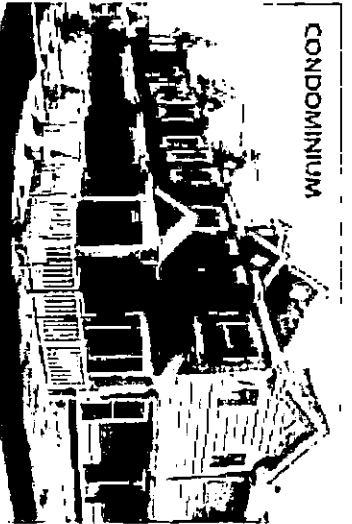
FOR LOCATION PURPOSES ONLY

FOR LOCATION PURPOSES ONLY

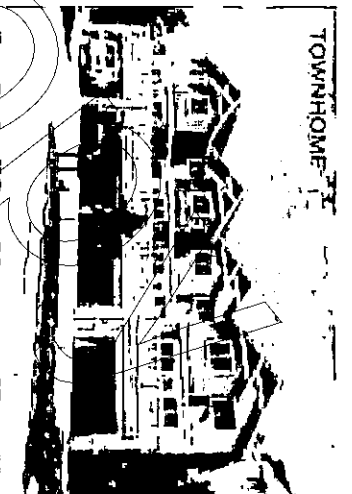




CONDOMINIUM



TOWNHOME



TOWNHOME

HIGH DENSITY RESIDENTIAL

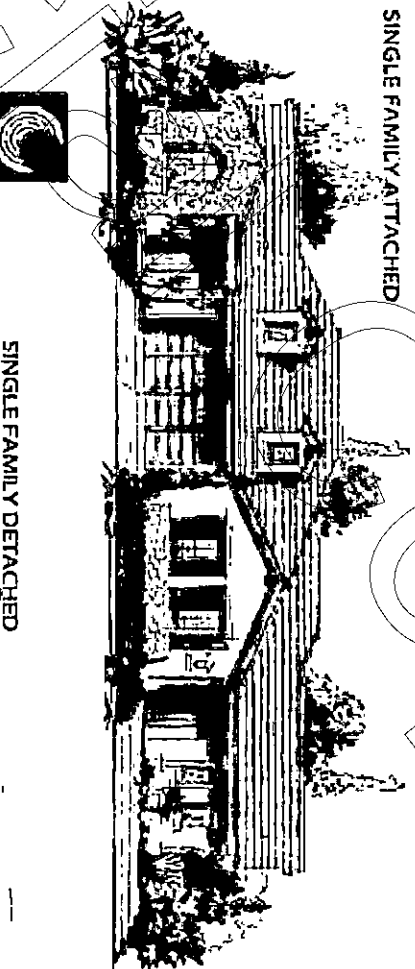
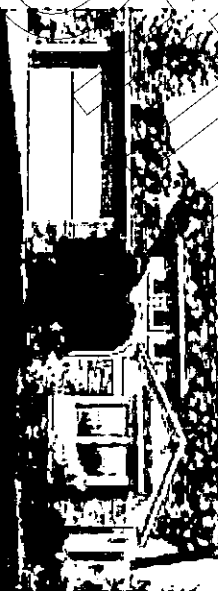


MEDIUM DENSITY RESIDENTIAL

SINGLE FAMILY DETACHED



SINGLE FAMILY DETACHED



SINGLE FAMILY ATTACHED



SINGLE FAMILY DETACHED



Prepared: 12/7/15
Revised: 3/7/16
Revised: 8/23/16
Revised: 8/12/16

Sheet 8 of 11

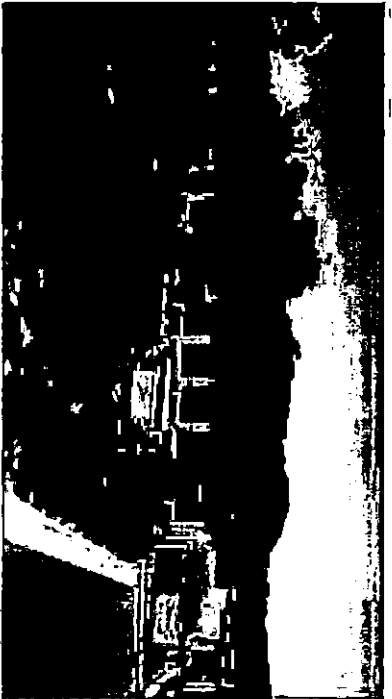
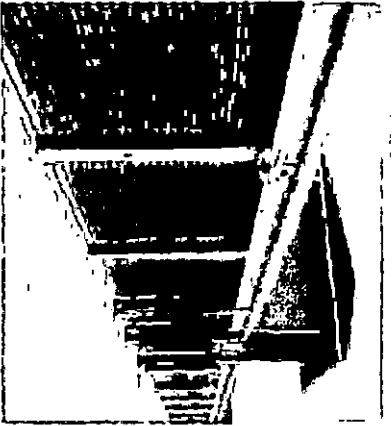


TIMBER SKY

CONCEPTUAL RESIDENTIAL ILLUSTRATIONS



VINYLAC



Prepared: 12/7/15
Reviewed: 3/10/16
Revised: 02/23/16
Revised: 01/27/10

Sheet 10 of 11



TIMBER SKY

CONCEPTUAL COMMERCIAL SERVICES ILLUSTRATIONS



VINTAGIO



**Timber Sky
Parcel 10
Zoning R1
Single
Family Residential**

**Timber Sky
Parcel 9
Zoning: High
Density Residential**

Site Data:	Commercial Services
Proposed Zoning	(CS)
Site Area	+/- 10 Acres
Floor Area Ratio	
Allowed Per Zoning	2.0
Gross Floor Area of Buildings	
Allowed Per Zoning	+/- 874,200 S.F.
Floor Area Ratio	
Illustrated on	
Conceptual Site Plan	+/- 190,362 S.F.
Gross Floor Area	
Illustrated on	
Conceptual Site Plan	+/- 0.43

Scale 1" = 100'
Prepared: 12/27/15
Revised: 3/10/16
Revised: 6/23/16
Revised: 8/12/16

NORTH
Sheet 11 of 11



TIMBER SKY

CONCEPTUAL PARCEL 1/2 COMMERCIAL SERVICES SITE PLAN

A
 411051

Exhibit D

Unofficial Copy

ORDINANCE NO. 2016-39

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 197.58 ACRES OF REAL PROPERTY GENERALLY LOCATED AT 3425 WEST ROUTE 66 ON PARCEL NUMBERS 112-01-020 AND 112-02-021 FROM THE RURAL RESIDENTIAL (RR) ZONE TO THE SINGLE-FAMILY RESIDENTIAL (R1) ZONE FOR 100.48 ACRES, THE MEDIUM DENSITY RESIDENTIAL (MR) ZONE FOR 34.6 ACRES, THE HIGH DENSITY RESIDENTIAL (HR) ZONE FOR 38.97 ACRES, THE COMMERCIAL SERVICES (CS) ZONE FOR 10.02 ACRES AND THE PUBLIC OPEN SPACE (POS) ZONE FOR 13.51 ACRES AND APPLYING THE RESOURCE PROTECTION OVERLAY (RPO) ZONE TO 107.73 ACRES (APN 112-01-021) WITH CONDITIONS; PROVIDING FOR SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, VP 66 & Woody Mountain, LLC (the "Applicant") applied for a Zoning Map Amendment to rezone approximately 197.58 acres of land generally located at 3425 West Route 66, Coconino County, Arizona, a legal description of which is provided in Exhibit "A" attached hereto ("the Property"), in order to construct a 1300 residential dwelling unit development known as Timber Sky, including a mix of housing types with supporting commercial services and open space areas; and

WHEREAS, approximately 107.73 acres of the Property (APN 112-01-021) is located within Coconino County, Arizona and Applicant has petitioned to have the parcel annexed by the City through Annexation Ordinance No. 2016-38, which is being considered by the City Council concurrently with this Ordinance; and

WHEREAS, if Council adopts Annexation Ordinance 2016-38, the entirety of the Property will be zoned Rural Residential (RR); and

WHEREAS, the Applicant proposes to develop the Property pursuant to the terms and conditions of this Ordinance and a Development Agreement between Applicant and the City ("Agreement"), which will be presented to the City Council through a proposed resolution at the second reading of this Ordinance; and

WHEREAS, in furtherance of the Applicant's development plans, the Applicant has applied to the City of Flagstaff to amend the zoning of the Property from the Rural Residential (RR) zone to the Single-family Residential (R1) Zone for 100.48 acres, the Medium Density (MR) Zone for 34.6 acres, the High Density Residential (HR) Zone for 38.97 acres, the Commercial Services (CS) Zone for 10.02 acres and Public Open Space (POS) Zone for 13.51 acres and apply the Resource Protection Overlay (RPO) zone to 107.73 acres (APN 112-01-021); and

WHEREAS, the Applicant conducted neighborhood meetings on December 8, 2015 and January 11, 2016, to discuss the proposed Zoning Map Amendment with the surrounding community, as required by Section 10-20.50.040 of the Flagstaff Zoning Code; and

WHEREAS, the Planning and Zoning Commission has formally considered the present Zoning Map Amendment application following proper notice and public hearings on September 28, 2016

ORDINANCE NO. 2016-39**PAGE 2**

and October 12, 2016, and has recommended approval of the requested zoning application, subject to the Applicant's compliance with certain conditions set forth below; and

WHEREAS, the Council finds that the Applicant has complied with all application requirements set forth in Chapter 10-20 of the Flagstaff Zoning Code; and

WHEREAS, staff have recommended approval of the Zoning Map Amendment application, subject to the conditions proposed by the Planning and Zoning Commission, as augmented by staff, as set forth below, and the Council has considered each of the conditions and has found each condition to be appropriate for the Property and necessary for the proposed development; and

WHEREAS, the Council has read and considered the staff reports prepared by the Planning Division and all attachments to those reports, the Applicant's application, the narrative provided by the Applicant, and all statements made by the Applicant during the presentation to Council, and the Council finds that the proposed Zoning Map Amendment, subject to the conditions set forth below, meets the findings required by Section 10-20.50.040(F)(1)(a) of the Flagstaff Zoning Code.

ENACTMENTS:

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

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. The amendment requested in the application is consistent with and conforms to the goals of the General Plan.

SECTION 3. The amendment requested in the application will not be detrimental to the public interest, health, safety, convenience or welfare of the City and will add to the public good as described in the General Plan.

SECTION 4. The affected site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle access and public services and utilities to ensure that the amendment requested in the application will not endanger, jeopardize or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

SECTION 5. The Zoning Map designation for the Property is hereby amended from the Rural Residential (RR) zone to the Single-family Residential (R1) Zone for 100.48 acres, the Medium Density (MR) Zone for 34.6 acres, the High Density Residential (HR) Zone for 38.97 acres, the Commercial Services (CS) Zone for 10.02 acres and Public Open Space (POS) Zone for 13.51, as depicted in Exhibit "B", and applying the Resource Protection Overlay (RPO) zone to 107.73 acres (APN 112-01-021) through the approval of the application and all other documents attached to the staff summary submitted in support of this ordinance.

SECTION 6. The City is specifically relying on all assertions made by the Applicant, or the applicant's representatives, whether authorized or not, made at the public hearing on the zone

ORDINANCE NO. 2016-39**PAGE 3**

change application unless the assertions were withdrawn on the record. Those assertions are hereby incorporated into this ordinance.

SECTION 7. That the Zoning Map Amendment be conditioned on compliance with that Agreement between the City of Flagstaff and the Applicant, approved by the City Council in Resolution No. 2016-35 on November 15, 2016.

SECTION 8. That the Zoning Map Amendment be further conditioned upon the Applicant's satisfaction of the following conditions proposed by the Planning and Zoning Commission, as augmented by staff:

CONDITIONS:

1. The subject property must be developed in accordance with the concept zoning plan and narrative dated August 12, 2016 for "Timber Sky" as presented with this rezoning request. The development of Timber Sky shall not exceed 1,300 dwelling units and shall have no less than 910 dwelling units within the residential zones. Allowed uses are limited to those included in the above referenced concept zoning plan.
2. If any use(s) within the concept zoning plan are proposed but were not modeled in the approved Traffic Impact Study or Water and Sewer Impact Analysis, a revised impact analysis must be prepared, approved and mitigated.
3. All other requirements of the Zoning Code and other City codes, ordinances and regulations, are met by the proposed development.
4. Applicant must install at their expense, with no financial obligation to the County, a left turn lane on Route 66 at Flagstaff Ranch Road in the County right-of-way in accordance with the recommendations of the approved Traffic Impact Analysis. Improvements must be designed to ADOT standards and installed prior to the issuance of the first building permit in Phase 1.
5. The public utility easement for the portion of the Westside Sewer Line Extension (Route 66 to I-40) across the subject property shall be provided as a dedication on the final plat for Phase 1.
6. Internal connections between Blocks must be provided to the greatest extent feasible with special attention to connections from each block to the designated open space/civic space areas as well as adjacent activity centers.
7. Each phase of the Timber Sky development must meet all requirements independently.
8. Applicant must grant permanent public pedestrian easements on all trails within the development of Timber Sky. Such easements must be shown on final plats.
9. A new Drainage Impact Analysis must be submitted and approved for the eastern side of the property if all drainage flows cannot be directed towards the westerly drainage corridor.
10. All terms, conditions, and restrictions detailed within the "Timber Sky Annexation and Development Agreement" must be fully satisfied.

ORDINANCE NO. 2016-39

PAGE 4

11. If the applicant fails to obtain final plat approval for Phase 1 of Timber Sky, or obtain an extension of zoning within five (5) years of the effective date of the rezoning ordinance, the City Council may take action to revert the zoning back to the former classification of RR, Rural Residential District, per Section 10-20.50.060 of the *Zoning Code*.

SECTION 9. That City staff is hereby authorized to take such other and further measures and actions as are necessary and appropriate to carry out the terms, provisions and intents of this Ordinance.

SECTION 10. If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein by reference is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

SECTION 11. This ordinance shall become effective thirty (30) days following the effective date of Ordinance No. 2016-38.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 15th day of November, 2016.


MAYOR

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

Exhibit "A"

Legal Description of Property

Unofficial Copy

PROPERTY BOUNDARY DESCRIPTION

A portion of that parcel of land described in Instrument No. 3700862, Records of Coconino County, Arizona (RCC), herein after referred to as Parcel A, situated in the west half of Section 19, Township 21 North, Range 7 East, and the east half of Section 24, Township 21 North, Range 6 East, Gila and Salt River Meridian, Coconino County, Arizona, described as follows:

COMMENCING for reference at a found United States Department of Agriculture brass cap at the quarter common to said sections;

Thence South $00^{\circ}19'17''$ West, 662.98 feet along the line common to said sections to a found 1" iron pipe on the existing corporate boundary of the City of Flagstaff, Arizona, and the POINT OF BEGINNING;

Thence South $00^{\circ}18'19''$ West, 663.18 feet along said common section line and said corporate boundary to a found 1" iron pipe;

Thence South $00^{\circ}12'37''$ West, 264.56 feet along said common section line and said corporate boundary to a found 1/2" rebar with cap marked "RLS 18215 at a point of non-tangency on the southerly line of said Parcel A and the northerly line of U.S. Interstate Highway 40 at a point of non-tangency through which a radial line bears South $15^{\circ}10'12''$ West;

Thence northwesterly, 842.38 feet along said southerly and northerly lines along the arc of a 9,798.23 foot radius curve, concave to the northeast, having a central angle of $04^{\circ}55'33''$ to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" at a point of compound curvature through which the back radial bearing bears South $20^{\circ}05'45''$ West and the forward radial bearing bears South $19^{\circ}23'57''$ West;

Thence northwesterly, 280.77 feet along said southerly and northerly lines along the arc of a 11,103.47 foot radius curve, concave to the northeast, having a central angle of $01^{\circ}26'56''$ to a found brass cap marked "AZ HWY DEPT 1966 ELEV 7076.133";

Thence North $69^{\circ}11'00''$ West, 293.93 feet along said southerly and northerly lines to a found cap marked "LS 21061 at the southwest corner of said Parcel A and southeast corner of an Arizona Public Service Company parcel;

Thence North $00^{\circ}08'31''$ East, 351.95 feet along the east line of said Arizona Public Service Company parcel and the west line of said Parcel A to a found 5/8" rebar at the northeast corner of said Arizona Public Service Company parcel and the southeast corner of that parcel described in Instrument No. 3423804, RCC;

Thence North $00^{\circ}08'31''$ East, 676.53 feet along the east line of said parcel described in Instrument No. 3423804 and the west line of said parcel A to a found 2" aluminum cap

marked "NES LS 14671" at the northeast corner of said parcel described in Instrument No. 3423804 and the southeast corner of Lot 11, Flagstaff Ranch Business Park Unit Two, Instrument No. 3457467, RCC;

Thence North 00°01'00" East, 103.98 feet along the east line of said Lot 11 and said west line of Parcel A to a found 1-1/2" aluminum cap marked ARENCO PE 971 LS 4321;

Thence North 00°51'16" West, 132.89 feet along said east and west lines to a found 2" aluminum cap marked "NES LS 14671 at the northeast corner of said Lot 11 and the southeast corner of Lot 10 of said Flagstaff Ranch Business Park

Thence North 01°03'29" West, 237.96 feet along the east line of said Lot 10 and said west line of parcel A to a found 1/2" rebar and cap marked "RLS 18215" at the northeast corner of said Lot 10 and the southeast corner of that parcel described in Instrument No. 3445762, RCC;

Thence North 00°59'31" West, 278.78 feet along the east line of said parcel and the west line of said Parcel A to a found cap marked "RLS 25083 at the northeast corner of said parcel described in Instrument No. 3445762 and the southeast corner of that parcel described in Instrument No. 3075167, RCC;

Thence North 01°00'03" West, 58.30 feet along the east line of said parcel described in Instrument No. 3075167, RCC to a found 1/2" rebar with cap marked "LS 16630 RLS 18215" at a corner of said Parcel A and the southwest corner of that parcel described in Instrument No. 3485184, RCC;

Thence South 72°48'08" East, 631.20 feet along the southerly line of said parcel and the northerly line of said Parcel A to a found 1/2" rebar with cap marked "LS 16630 RLS 18215" at a corner of said Parcel A and the southeast corner of that parcel described in Instrument No. 3485184, RCC;

Thence North 18°08'54" East, 593.97 feet along the east line of said parcel and the west line of said Parcel A to a found 2" aluminum cap marked "NES LS 14671 on the southerly line of U.S. Highway 66;

Thence South 72°48'03" East, 565.62 feet along said southerly line and the northerly line of said Parcel A to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" on the line common to said Sections 19 and 24, from which said quarter corner common to both Sections bears South 01°53'27" East, 916.78 feet;

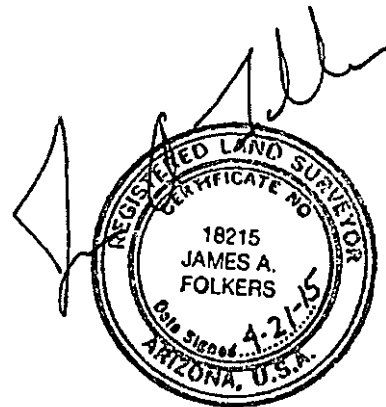
Thence South 72°43'58" East, 1,353.69 feet along said southerly line and the northerly line of said Parcel A to a found 1-1/2" aluminum cap marked "ARENCO PE 971 LS 4321" on said existing corporate boundary of the City of Flagstaff, Arizona, and the northeast corner of said Parcel A;

Thence South 00°25'10" East, 1,172.77 feet along said existing corporate boundary of the City of Flagstaff, Arizona;

Thence South 89°47'20" West, 1,274.74 feet along said existing corporate boundary of the City of Flagstaff, Arizona to the POINT OF BEGINNING.

CONTAINING 4,667,956 square feet (107.16 acres), more or less, as shown on the Exhibit A drawing which is attached hereto and made a part hereof.

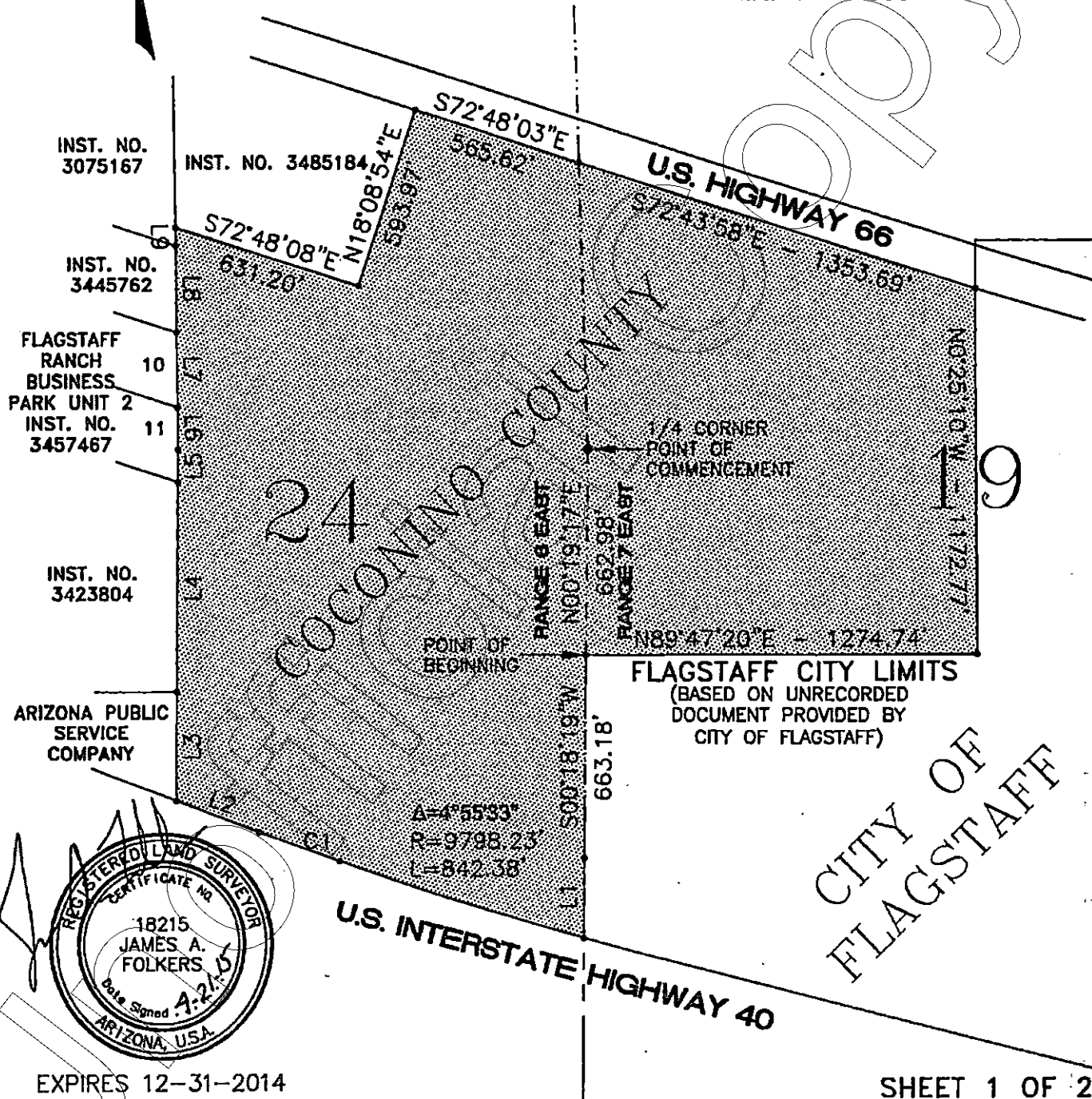
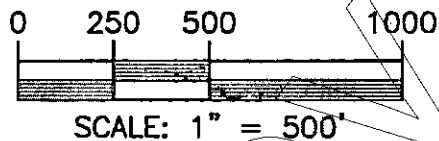
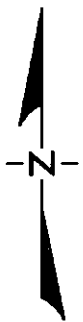
Prepared by:
James A. Folkers, RLS
Woodson Engineering & Surveying, Inc.
124 N. Elden Street
Flagstaff, Arizona 86001
Project No. 114050



EXPIRES 12-31-2017

EXHIBIT "A"

PORTIONS OF SECTION 24, TOWNSHIP 21 NORTH, RANGE 6 EAST,
AND SECTION 19. TOWNSHIP 21 NORTH, RANGE 7 EAST,
GILA AND SALT RIVER MERIDIAN,
CITY OF FLAGSTAFF & COCONINO COUNTY, ARIZONA,
CONTAINING 4,667,956 FT. (± 107.16 ACRES)



CITY OF
FLAGSTAFF

SHEET 1 OF 2

DRAWN BY: JAF

DATE: 4-2015

FN: ANNEX EX

PROJECT NO.: 114050

WOODSON**ENGINEERING AND SURVEYING, INC.**

124 N. ELDEN ST.

FLAGSTAFF, AZ 86001

PHONE: (928) 774-4636 FAX: (928) 774-4646

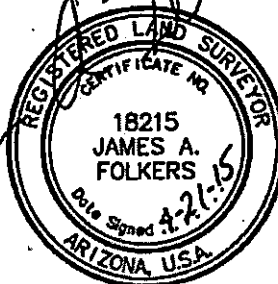
PROPOSED ANNEXATION

FOR LOCATION PURPOSES ONLY

EXHIBIT "A"

LINE TABLE		
LINE NO.	BEARING	LENGTH
L1	S00° 12' 37"W	264.56'
L2	N69° 11' 00"W	293.93'
L3	N00° 08' 31"E	351.95'
L4	N00° 08' 31"E	676.53'
L5	N00° 08' 31"E	103.98'
L6	N00° 51' 16"W	132.89'
L7	N01° 03' 29"W	237.96'
L8	N00° 59' 31"W	278.78'
L9	N01° 00' 03"W	58.30'

CURVE TABLE			
CURVE NO.	DELTA	RADIUS	LENGTH
C1	01°26'56"	11,103.47'	280.77'



EXPIRES 12-31-2014

SHEET 2 OF 2

DRAWN BY: JAF
 DATE: 4-2015
 FN: ANNEX EX
 PROJECT NO.: 114050

WOODSON
ENGINEERING AND SURVEYING, INC.
 124 N. ELDEN ST.
 FLAGSTAFF, AZ 86001
 PHONE: (928) 774-4636 FAX: (928) 774-4646

PROPOSED ANNEXATION

Exhibit E

Unofficial Copy

Division 10-50.70: Outdoor Lighting Standards

Sections:

10-50.70.010	Purpose
10-50.70.020	Conformance with Applicable Codes
10-50.70.030	Applicability
10-50.70.040	Establishment of Lighting Zones
10-50.70.050	General Requirements – All Lighting Zones
10-50.70.060	Special Uses
10-50.70.070	Prohibited Outdoor Lighting
10-50.70.080	Exceptions
10-50.70.090	Nonconforming Outdoor Lighting
10-50.70.100	Violations and Enforcement

10-50.70.010 Purpose

- A. The City was recognized as the world's first International Dark Sky City on October 24, 2001 for its pioneering work in the development and implementation of lighting codes that balance the need to preserve Flagstaff's dark sky resource with the need for safe lighting practices. The purpose of this Division is to help assure that dark skies remain a resource to be enjoyed by the Flagstaff community and its visitors, and to provide safe and efficient outdoor lighting regulations that protect Flagstaff's dark skies from careless and wasteful lighting practices. Dark starry nights, like natural landscapes, forests, clean water, wildlife, and clear unpolluted air, are valued in many ways by the residents of this community, and they provide the natural resource upon which our world-renowned astronomical industry depends.
- B. The use of outdoor lighting is often necessary for adequate nighttime safety and utility, but common lighting practices can also interfere with other legitimate public concerns. Principle among these concerns is:
 1. The degradation of the nighttime visual environment by production of unsightly and dangerous glare;
 2. Lighting practices that produce excessive glare and brightness that interferes with the health and safety of Flagstaff's citizens and visitors;
 3. Unnecessary waste of energy and resources in the production of too much light or wasted light;
 4. Interference in the use or enjoyment of property that is not intended to be illuminated at night by light trespass, and the loss of the scenic view of the night sky due to increased urban sky-glow; and

5. The impact of inappropriately designed outdoor lighting that disrupts nocturnal animal behavior, particularly migrating birds and other species.
- C. The concerns of safety, utility, dark sky protection and aesthetic appearance need not compete. Good modern lighting practices can provide adequate light for safety and utility without excessive glare or light pollution. Careful attention to when, where, and how much night-time lighting is needed results in better lighting practices, darker skies and reduced energy use and costs.
- D. It is therefore the intent of this Division to encourage lighting practices and systems which will:
 1. Minimize light pollution, glare, and light trespass;
 2. Conserve energy and resources while maintaining night time safety, utility, security, and productivity; and
 3. Curtail the degradation of the night time visual environment.
- E. It is recognized that since topographic and atmospheric conditions surrounding the City are uniquely suited for astronomical observation and since observatories have been established in the City's vicinity, the City promotes the reduction of light pollution which interferes with the successful operation of these observatories.
- F. The sensitivity of different areas to the different obtrusive impacts of outdoor lighting use depends on many factors, including the dominant use of the area (e.g. residential, industrial or commercial). Further, the effect of outdoor lighting on light pollution to the observatories is strongly dependent on the distance of those lights from the observatories. Therefore, three Lighting Zones are established, with varying standards designed to address the principal issues associated with the different areas.

10-50.70.020 Conformance with Applicable Codes

All outdoor lighting fixtures shall be installed in conformance with the provisions of this Division and the applicable Building Codes currently in effect in the City under appropriate permit and inspection.

10-50.70.030 Applicability

A. Existing Buildings and Uses

Any new outdoor lighting installed on a building or parcel shall meet the requirements of this Division with regard to shielding and lamp type. The total outdoor light output after the new outdoor lights are installed shall not

exceed that legally nonconforming or pre-approved on the site before the modification, or as permitted by this Division, whichever is larger.

B. New Uses, Buildings, and Major Additions or Modifications

1. The requirements of this Division apply to any and all new and major additions to land uses, developments, buildings, or structures.
2. If a major addition occurs on a property, the entire property shall comply with the requirements of this Code. For purposes of this section, the following are considered to be major additions:
 - a. Additions of 25 percent or more in terms of additional dwelling units, gross floor area, seating capacity, or parking spaces, either with a single addition or with cumulative additions subsequent to the effective date of this provision; or
 - b. Single or cumulative modification or replacement of outdoor legally installed lighting fixtures constituting 25 percent or more of the lumens that would be permitted under this Division for the property, no matter the actual amount of lighting already on a non-conforming site, constitutes a major addition for purposes of this Section.

C. Minor Additions or Modifications

Additions or modifications of less than 25 percent in terms of additional dwelling units, gross floor area, seating capacity, or parking spaces to existing uses shall require the submission of a complete inventory and site plan detailing all existing and any proposed new or modified outdoor lighting. Any new or modified outdoor lighting on the site shall meet the requirements of this Division with regard to shielding and lamp type; the total amount of lighting after the modifications are complete shall not exceed that on the site before the modification, or that permitted by this Division, whichever is larger.

D. Change of Use

1. Except as provided in Section 10-20.60.080 (Nonconforming Outdoor Lighting), whenever the use of any existing building, structure or premises is intensified through the incorporation of additional dwelling units, gross floor area, seating capacity, or other units of measurement which create a need for an increase in the total number of parking spaces of 25 percent or more either with a single change or cumulative changes subsequent to the effective date of this Zoning Code, then all outdoor lighting shall be reviewed and brought into compliance with the requirements of this Division before the use is resumed to the maximum extent feasible as determined by the Director.
2. For changes of use or intensity which require an increase in parking of less than 25 percent cumulative, the applicant shall only have to meet the requirements of this Division for any new outdoor lighting provided.

E. Public Rights-of-Way Exempt

The provisions of this Division shall not apply to streetlights installed in public rights-of-way.

F. In accordance with A.R.S. § 49-1101, all outdoor light fixtures on property or buildings that are owned and operated by the City of Flagstaff shall be fully shielded.

(Section 10-50.70.030 amended by Ord. 2016-07, adopted Feb. 16, 2016)

10-50.70.040 Establishment of Lighting Zones**A. Establishment of Lighting Zones**

Three Lighting Zones are established, with varying development standards specific to their location within the City. Lighting Zones are shown in Section 10-90.40.020 (Lighting Zone Map).

B. Lighting Zone Boundaries

The boundaries of the Lighting Zones are illustrated in Section 10-90.40.020 (Lighting Zone Map).

C. Split Parcels

A parcel located in more than one of the described zones shall be considered to be only in the more restrictive Lighting Zone.

10-50.70.050 General Requirements – All Lighting Zones**A. Preferred Source – Low-Pressure Sodium (LPS) lamps and Narrow-Spectrum Amber LEDs**

Due to their high energy efficiency, long life, and spectral characteristics, Low-Pressure Sodium (LPS) lamps are the preferred illumination source throughout the City. Their use is encouraged, when not required, for outdoor illumination whenever their use would not be detrimental to the use of the property. In all applications where LPS lighting is required or preferred, an acceptable alternative is Narrow-Spectrum Amber LEDs.

B. Lighting Classes

1. Class 1 Lighting is lighting used for applications where color rendition is required to preserve the effectiveness of an activity. Recognized Class 1 Lighting applications include only the following. Application of Class 1 Lighting standards for uses not included in this list requires a finding by the Director of the essential nature of color rendition to preserve the effectiveness of the activity.

- a. Outdoor sales areas, including service station canopies;

- b. Primary customer building entry/exit areas (does not include service or emergency entry/exits);
 - c. Outdoor seating areas at restaurants;
 - d. Outdoor assembly or repair areas where assembly or repair work occurs at night on a regularly scheduled basis;
 - e. Outdoor recreational field/track/arena areas; and
 - f. External and internal lighting for signs.
2. Class 2 Lighting is lighting used for applications where general illumination for safety or security is the primary concern.
- a. Examples of Class 2 Lighting applications include the following:
 - (1) Pedestrian walkways, driveways, and roadways;
 - (2) Parking lots;
 - (3) Equipment yards; and
 - (4) Outdoor security.
 - b. Low-Pressure Sodium (LPS) lamps or Narrow-Spectrum Amber LEDs are required in all Class 2 Lighting applications, except that up to 10 percent of all Class 2 lighting may be non-LPS lighting as noted in Table A (Maximum Total Outdoor Light Output Standards).
3. Class 3 Lighting is outdoor lighting used for decorative purposes.
- a. Examples of Class 3 Lighting applications include the following:
 - (1) Architectural illumination;
 - (2) Flag and monument lighting; and
 - (3) Landscape lighting and the illumination of trees, shrubs, or other vegetation.
 - b. Class 3 lighting Fixtures shall be included in the total lumen calculations for the site. If decorative lighting is applied to the exterior wall of a building using LED lights or similar technologies that allow for the color of the light to change, only one color change every two minutes is permitted.
4. The use of solar powered light systems as a light source in all Lighting Classes is appropriate.

C. Total Outdoor Light Output

1. Total Outdoor Light Output, excluding streetlights and pedestrian lighting used to illuminate public rights-of-way and any interior lighting shall not exceed the following limits averaged over the entire development (values listed are total initial lamp lumens per acre and per residence).

Table 10-50.70.050.A: Maximum Total Outdoor Light Output Standards			
Land Use	Zone 1	Zone 2	Zone 3
Commercial, Industrial, and Multi-family Residential (lumens per net acre)			
Total (Fully Shielded and Partially Shielded)	25,000	50,000	100,000
Partially Shielded only	0	5,500	5,500
Non-LPS and non-narrow spectrum amber LED	2,500	5,000	10,000
Single-family Residential (lumens per parcel inclusive of accessory structures)			
Total (Fully Shielded and Partially Shielded)	10,000	10,000	10,000
Partially Shielded only	0	4,000	4,000

2. For determining compliance with this Section, light emitted from outdoor lighting is to be included in the Total Outdoor Light Output as follows (see Figure A):
 - a. Light fixtures installed as described below shall be included in the Total Outdoor Light Output by adding 100 percent of the initial lumen outputs of the lamps used:
 - (1) All unshielded or partially shielded fixtures, regardless of location;
 - (2) Light fixtures installed on poles (such as parking lot light fixtures);
 - (3) Light fixtures installed on the side of buildings or other structures but not located as described in paragraphs b. or c. below; and
 - (4) Light fixtures installed within open parking garages, or under canopies, building overhangs, or roof eaves that are not fully shielded or are fully shielded but not located as described in paragraphs b. or c. below.
 - b. Fully shielded light fixtures installed as described below shall be included in the Total Outdoor Light Output by adding only 25 percent of the initial lumen outputs of the lamps used:

- (1) Fully shielded light fixtures located within open parking garages, or located under canopies, building overhangs, or roof eaves, where all parts of the light fixture are located at least five feet but less than 10 feet from the nearest outdoor opening, canopy, or overhang edge.
- c. Fully shielded light fixtures installed as described below shall be included in the Total Outdoor Light Output by adding only 10 percent of the initial lumen outputs of the lamps used:
- (1) Fully shielded light fixtures located within open parking garages, or located under canopies, building overhangs, or roof eaves, where all parts of the light fixture are located 10 feet or more from the nearest outdoor opening, canopy, or overhang edge.

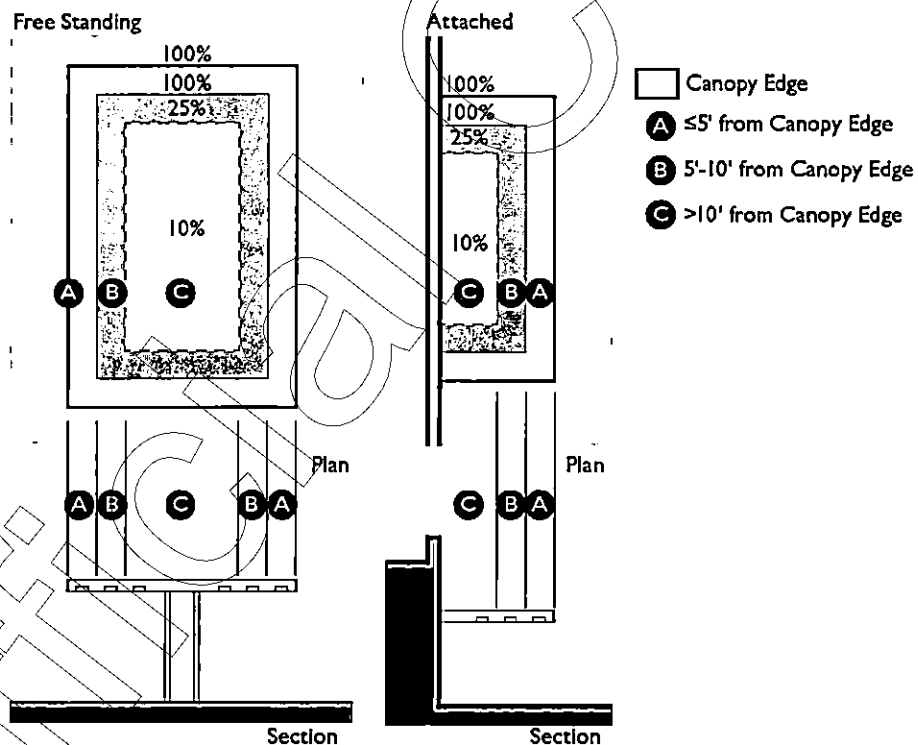


Figure A. Elevation and section views of a freestanding and attached canopy or overhang, showing fixture location and initial lamp output percentage counted toward total outdoor light output

D. Lamp Source and Shielding:

The standards provided in Table B (Lamp Type and Shielding Standards) shall apply:

Table 10-50.70.050.B: Lamp Type and Shielding Standards

Lamp Type and Lighting Class	Zone 1	Zone 2	Zone 3
Non-Residential² Outdoor Lighting			
Class 1 Lighting (Color Rendition):			
All lamp types and outputs	FS	FS	FS
Class 2 Lighting (General Illumination):			
All lamp types and outputs	FS	FS	FS
Class 3 Lighting (Decorative):			
All lamp types 2,500 lumens ¹ or above per Fixture	X	X	FS
All lamp types below 2,500 lumens ¹ per Fixture	FS	A ³	A ³
Residential² Outdoor Lighting			
Class 1-3 Lighting			
Lighting (Color Rendition):			
All lamp types 1,000 lumens ¹ or above per Fixture	FS	FS	FS
All lamp types below 1,000 lumens ¹ per Fixture	FS	A ³	A ³

Key:

FS = Allowed; Only Fully Shield Fixtures permitted

A = Allowed; Fully Shielded Fixtures preferred, and Partially Shielded Fixtures permitted subject to the amounts listed in Table A (Maximum Total Outdoor Light Output Standards).

X = Prohibited

End Notes

¹Examples of lamp types of 2,500 and 1,000 lumens and below for commercial and residential applications respectively are provided in Table C (Lamp Type and Wattage with Outputs below 2,500 and 1,000 lumens). The acceptability of a particular lamp is decided by lumen output, not wattage. The values listed are approximate, and the manufacturer's specifications for a particular lamp must be checked.

²For purposes of this subsection, residential refers to property developed primarily for residential purposes, including single-family residences, manufactured homes, duplexes, and triplexes as well as multi-family (i.e. apartment, condominium, townhome) uses. Non-residential uses include all other uses.

³For purposes of determining total light output from a light fixture, lighting assemblies which include multiple unshielded or partially shielded fixtures or lamps on a single pole shall be considered as a single fixture (see Figure B). Partially shielded lighting is limited to the amounts listed in Table A (Maximum Total Outdoor Light Output Standards).

**Table 10-50.70.050.C: Lamp Type and Wattage
with outputs below 2,500 and 1,000 lumens**

Lamp Type	2500 lm (Commercial and Industrial)	1000 lm (Residential)
Standard incandescent and less	100 watt	60 watt
Tungsten-halogen (quartz) and less	100 watt	60 watt
Fluorescent and less	25 watt	15 watt
Compact Fluorescent and less	26 watt	13 watt
No available data for High-Pressure Sodium or Metal Halide lamps		

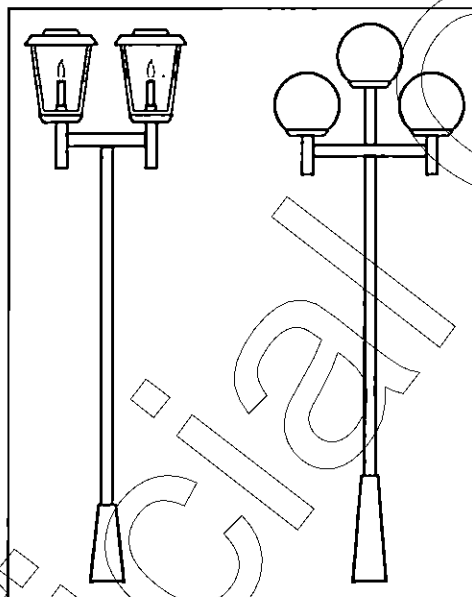


Figure B. Light Fixture with Multiple Unshielded Fixtures or Lamps

E. Effective Shielding

All light fixtures that are required to be fully shielded shall be installed in such a manner that the shielding satisfies the definition of a fully shielded fixture.

F. Light Trespass Standard

1. All light fixtures, including security lighting, shall be located, aimed and shielded so that the direct illumination from the fixture shall be confined to the property boundaries of the source.
2. Any privately or publicly owned outdoor light fixture with a lamp of initial output over 10,000 lumens located within 50 feet of any residential (including multi-family residential) property or public right-of-way shall utilize an internal or external shield, with the light fixture and shield

oriented to minimize light trespass over the adjacent property or right-of-way line. If an external shield is used, its surface must be painted black to minimize reflections (Figure C).

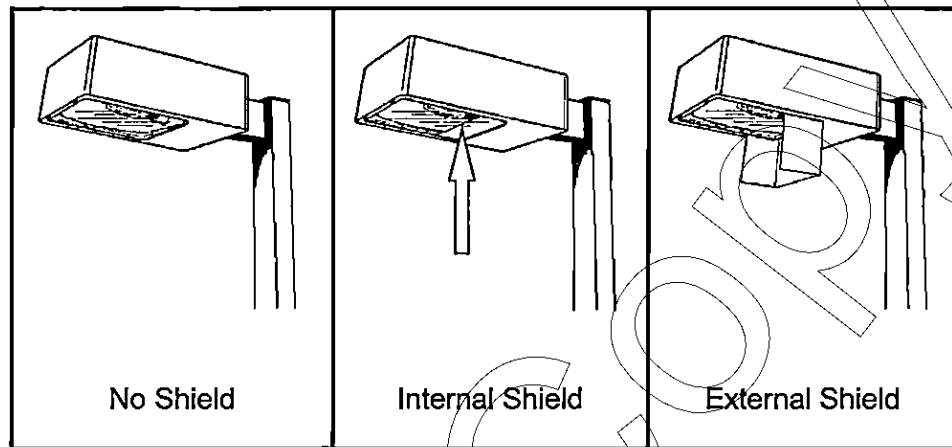


Figure C. Shielding Configurations

G. Motion Sensing Light Fixtures

Motion sensing light fixtures shall be fully shielded.

H. Time Limits for Outdoor Lighting

All outdoor Class 1 and Class 3 lighting, and outdoor Class 2 lighting located more than 50 feet from any building or outdoor product display or storage area shall be turned off at the times listed in Table D (Time Limits for Outdoor Lighting), or no later than 30 minutes after the business closes, whichever is later, and remain off for the remainder of the night or until the business reopens. Decorative holiday lights are exempt in accordance with Section 10-50.70.080.D, and outdoor recreation facilities are exempt in accordance with Section 10-50.70.060. B.

Table 10-50.70.050.D: Time Limits for Outdoor Lighting

	Zone 1	Zone 2	Zone 3
Time limit when outdoor lights must be turned off	9:00 p.m.	11:00 p.m.	11:00 p.m.

I. Sign Illumination

Standards for external and internal sign illumination are provided in Division 10-50.100 (Sign Standards). Lighting used for the external illumination of signs is included toward the Total Outdoor Light Output standards of Subsection C.

J. Neon Building Lighting

Neon building lighting is included in the Total Outdoor Light Output calculations for the site. Lumens for neon lighting are calculated on a per foot basis, rather than per "fixture." Unshielded neon lighting is not permitted.

K. Multi-class Lighting

Multi-class lighting must either conform to the lamp-type and shielding requirements of the strictest included class as shown in Table A (Maximum Total Outdoor Light Output Standards) and Table B (Lamp Type and Shielding Standards), or conform to the time limitations of the least restrictive included class as shown in Table D (Time Limits for Outdoor Lighting).

L. Internally Illuminated Architectural Elements

Any architectural element including walls or portions of buildings that are internally illuminated and that is not a sign or fenestration (windows or doors) shall have 100 percent of the initial lamp output of all lamps used to provide such illumination counted toward partially lighting for the purposes of calculating Total Outdoor Light Output for the site and is subject to the standards of Subsection C.

M. Architectural/Landscape Lighting

Architectural lighting used to illuminate the wall of a building or landscape lighting used to illuminate trees or other landscape elements is permitted subject to the following:

1. Architectural and landscape lighting that is directed downward onto a wall, tree or other landscape feature shall be included in the Total Outdoor Light Output Standards provided in Table A (Maximum Total Outdoor Light Output Standards), based on whether a fully shielded or partially shielded light fixture is used; and
2. Architectural and landscape lighting that is directed upward onto a wall, tree or other landscape feature is not permitted.

N. Emergency Lighting

Emergency lighting that is only turned on in the event of a power failure or when an alarm is activated is permitted in all lighting zones and is excluded from the total lumen calculations for the site.

O. Use of Mercury Vapor Light Fixtures

1. No new mercury vapor outdoor light fixtures shall be installed after the effective date of this Zoning Code. No replacement equipment other than bulbs for mercury vapor lighting fixtures shall be sold in the State after January 1, 1991 and the use of mercury vapor light fixtures is prohibited after January 1, 2011.
2. The provisions of this section shall not apply to outdoor light systems erected prior to 1950.

(Section 10-50.70.050 amended by Ord. 2016-07, adopted Feb. 16, 2016)

10-50.70.060 Special Uses**A. Service Station Canopy Lighting****1. Lighting Class**

Lighting for service station canopies shall be considered Class 1 Lighting.

2. Shielding

All light fixtures mounted on or recessed into the lower surface of service station canopies shall be fully shielded and utilize flat lenses. Such shielding must be provided by the fixture itself; shielding by surrounding structures such as canopy edges is not permitted.

3. Total Under-Canopy Output

The total light output used under service station canopies, defined as the sum of all under-canopy initial lamp outputs in lumens, shall not exceed 40 lumens per square foot of canopy in Lighting Zone 2 and 3, and shall not exceed 20 lumens per square foot in Lighting Zone 1 (note: these values are not foot-candle illuminances).

4. All lighting mounted under the canopy, including but not limited to light fixtures mounted on or recessed into the lower surface of the canopy and any lighting within signage (but not including any lamps mounted within the pumps and used to illuminate information indicating the total cost of such items as fuel pumped and price per gallon), shall be included in the Total Outdoor Light Output for the site and is subject to the standards of Section 10-50.70.050.C.**B. Outdoor Recreation Facilities****1. Lighting Class**

Lighting for field/track/arena areas only shall be considered Class 1.

2. Lumen Cap Exemption

- a. In Lighting Zone 1, lighting for field/track/arena areas is subject to the lumens per acre limit set in Section 10-50.70.050.C;
- b. In Lighting Zones 2 and 3, lighting for field/track/arena areas is not subject to the lumens per acre limit set in Section 10-50.70.050.C; and,
- c. Illumination levels for the field/track/arena shall be designed to be no higher than recommended for Class IV play, as defined by the Illuminating Engineering Society of North America publication IESNA RP-06-01.

3. Shielding

Fixtures used for field/track/arena areas shall be fully shielded.

4. Time Limits

No illuminated sports facility shall be illuminated after the time limits listed in Table 10-50.70.050.D (Time Limits for Outdoor Lighting), except to conclude a scheduled recreational or sporting event in progress prior to the time limitation.

5. Certification

Lighting systems for outdoor recreational facilities shall be designed and certified by an engineer registered in Arizona as conforming to all applicable restrictions of this Code before construction commences. Further, after installation is complete, the system shall be again certified by a registered engineer to verify that the installation is consistent with the certified design.

C. Street Lighting

1. Standards for street lighting installed on public rights-of-way are found in the City Engineering Standards, Title 12 (Street Lighting).
2. Street lighting installed on private rights-of-way shall be included within the Total Outdoor Light Output for the development.

D. Parking Garages**1. Lighting Class**

Lighting installed for general illumination of parking areas within parking garages, where the parking areas are open to the outside, shall be considered Class 2.

2. Inclusion Toward Total Outdoor Light Output

The lumen output of light fixtures mounted 15 feet or more from the nearest opening to the outdoors and within open parking garages shall not be included toward the Total Outdoor Light Output standards in Section 10-50.70.050.C. All light fixtures mounted less than 15 feet from the nearest opening to the outdoors shall comply with the total outdoor light output standards established in Section 10-50.70.050.C.

3. Shielding

All light fixtures used on or within open parking garages, including those mounted to the ceilings over the parking decks, shall be fully shielded.

E. Outdoor Display Lots**1. Lighting Class**

Outdoor lighting for outdoor display lots shall be considered Class 1 lighting, and shall conform to applicable lumens per net acre limits applied to the entire parcel.

2. Lighting Time Limitations

Outdoor display lot lighting shall conform to the hours of operation as

established under Class 1 Lighting Standards. Any lighting on after the time limitations shall be considered Class 2 lighting and shall conform to all restrictions of this Division applicable to this class.

3. Shielding

All light fixtures used in outdoor display lots shall be fully shielded and be aimed so that the direct illumination shall be confined to the property boundaries of the source.

F. Temporary Lighting

Temporary lighting which does not conform to the provisions of this Division may be approved by the Director subject to the approval of an Outdoor Lighting Permit in accordance with the provisions of Section 10-20.40.100 (Outdoor Lighting Permits). Temporary lighting is intended for uses which by their nature are of limited duration, including for example, holiday decorations, civic events or construction projects.

(Section 10-50.70.060 amended by Ord. 2016-07, adopted Feb. 16, 2016)

10-50.70.070 Prohibited Outdoor Lighting

The following types of outdoor lighting are prohibited:

- A. Outdoor floodlighting by flood light projection above the horizontal plane.
- B. Search lights, flood lights, laser source lights, or any similar high intensity light, except in emergencies by police, fire, or medical personnel or at their direction; or for meteorological data gathering purposes.
- C. Any lighting device located on the exterior of a building or on the inside of a window which is visible beyond the boundaries of the lot or parcel with intermittent fading, flashing, blinking, rotating or strobe light illumination.

10-50.70.080 Exceptions

A. Airport Lighting

Required navigational lighting systems at airports for the safe and efficient movement of aircraft during flight, take off, landing and taxiing is exempt from the provisions of this Division. Lighting used for illumination of aircraft loading, unloading, and servicing areas is exempt from the lumens per acre limits provided in Section 10-50.70.050.C, although it must conform to all other requirements of this Division. All other outdoor lighting at airport facilities shall comply with the provisions of this Division.

B. Infrared Security Lighting

Lights emitting infrared radiation used for remote security surveillance systems is permitted in all zones with the following restrictions:

1. Fixed lights must be fully shielded; and
2. Movable lights, such as spot lights attached to infrared sensitive cameras, must be mounted such that the lights cannot be directed higher than 20 degrees below the horizontal, measured from the center of the light beam.

C. Emergency Lighting by Emergency Services

Searchlights, floodlights, laser source lights, strobe or flashing lights, or any similar high intensity lights are permitted when used in emergencies by police, fire, medical, or utility personnel or at their direction.

D. Holiday Decorations

In all lighting zones low voltage holiday decorations may be unshielded and remain on all night from November 15 to January 15.

E. Solar-powered Lighting

Solar-powered lights of 5 watts or less per fixture used in residential landscaping applications and to illuminate walkways are exempt from applicable lamp type and shielding standards and are excluded from the total lumen calculations for the site.

F. Construction and Renovation of Municipal Facilities

All outdoor lighting used for construction or major renovation of municipal buildings, structures and facilities is exempt from the provisions of this Division.

10-50.70.090 Nonconforming Outdoor Lighting

Section 10-20.60.080 (Nonconforming Outdoor Lighting) provides the standards and regulations for nonconforming outdoor lighting.

10-50.70.100 Violations and Enforcement

- A. It shall be unlawful to install or operate an outdoor light fixture in violation of this Division. Any person violating any provisions of this Division shall be guilty of a misdemeanor. Each and every day during which the illegal erection, maintenance, and use continues shall be considered a separate offense.
- B. The requirements of this Division shall be enforced in compliance with the enforcement provisions of Division 10-20.110 (Enforcement).

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Exhibit F

Unofficial Copy



TIMBER SKY

LIGHTING MITIGATION STANDARDS

- 1) The purpose of these standards is to establish a set of mitigation strategies to be incorporated into the Codes, Covenants & Restrictions (CC&Rs) for the Timber Sky Development with significant thresholds required to revise these standards. The Intent of these standards is that all private development within the project will not only meet the City of Flagstaff lighting code but will exceed them. The Pre-Annexation Development Agreement between the developers of Timber Sky and the City of Flagstaff will include these mitigation strategies as requirements of the CC&Rs. For the term of the Development Agreement, the Timber Sky developers will not initiate any lighting-related amendment without the inclusion of the U.S. Naval Observatory Flagstaff Station in the discussion. In connection with the project platting, the CC&Rs will be recorded against the property to pick up any gap between the application of the Development Agreement and the CC&Rs, and the CC&Rs will have special amendment criteria limiting the future homeowners' association's ability to process amendments related to these standards such that amendments to the lighting mitigation standards will require approval by the City of Flagstaff City Council.
- 2) Section 1—50.70.030 E. Public Rights-of-Way Exempt, of the City of Flagstaff Outdoor Lighting Standards contained in Division 10-50.70 of the City code states *"The provisions of this Division shall not apply to streetlights installed in public rights-of-way."* The developers of Timber Sky, the City of Flagstaff (City) and the U.S Naval Observatory Flagstaff Station (NOFS) all agree that measures to limit and or reduce the light output of the streetlights and pedestrian lighting used to illuminate public rights-of-way in Zone 1 including those within the Timber Sky development beyond the City's current standards is not the responsibility of the Timber Sky Development nor should revising these standards be a condition of zoning approval. The developers of Timber Sky commit to work hand in hand with the City and NOFS to develop revised standards for lighting of the streetlights and pedestrian lighting used to illuminate public rights-of-way going forward, and will incorporate the revised standards into the design of said lighting at the City's request.
- 3) Lighting for each single family home developed within the R1, MR and HR zoning categories will be limited to a total of 1350 externally installed lumens, whether attached to the dwelling structure or installed elsewhere on the lot. This limit can be exceeded with the use of motion sensors on fixtures such that the non-motion sensor light fixtures do not exceed the 1350 lumens limit. These additional limits should no way be interpreted to allow the current limits set forth in the City of Flagstaff lighting code be exceeded for multi-family residential development in the HR category.



TIMBER SKY

- 4) Exterior Lighting on single family and multi-family residential structures will be fully shielded fixtures to be installed under canopies or overhangs a minimum of five (5) feet from the nearest edge not attached to the structure. In situations where an overhang is not feasible or practical, a fully shielded fixture with motion sensor will be utilized.
- 5) All common area property owned or managed by the master homeowner's association, or one of the sub-associations within a residential block, will be limited to security lighting and lighted entry monuments. For purpose of applying the City of Flagstaff lighting code, lighted entry monuments will be considered Class 1 Lighting, and security lighting will be considered Class 2 Lighting. Care must be given to minimize lumens and to direct light downward or be completely shielded for these applications.
- 6) With the exception of lighting for single family residential, and lighting for multi-family residential that meets Section 4; all outdoor lighting will use "low-pressure sodium (LPS), narrow-spectrum amber LED, PC ("phosphor-converted") amber LED, or amber compact fluorescent or equivalent. An exception to this requirement will be for lighted entry monuments or other Class 1 lighting applications where color rendition is required.
- 7) Care should be given to selecting building colors and materials where external lighting will be installed to minimize reflectivity. Wall surfaces located below and within ten (10) feet laterally of any external light fixture will have a "light reflectance value" (LRV) of 15 or less.
- 8) For commercial development within Block 12, Table 10-50.70.050.D of the City's lighting code requires outdoor lighting in Zone 1 to be turned off at 9:00 pm or no later than 30 minutes after the business closes, whichever is later. For any lighting fixtures exempted from this requirement in the lighting code, motion sensors will be utilized after 9:00 pm.

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

DEV-2016-188-AG1-AM1

**FIRST AMENDMENT
To The
TIMBER SKY ANNEXATION AND DEVELOPMENT AGREEMENT**

The following First Amendment to the Timber Sky Annexation and Development Agreement (this "Amendment") is made this 18 day of September, 2017 and is incorporated into and made a part of that certain Timber Sky Annexation and Development Agreement dated November 15, 2016, and recorded in the Coconino County Records as Document No. 3772624 (the "Development Agreement"). Capitalized terms not defined herein shall have the meaning assigned to them in the Development Agreement. This Amendment is made pursuant to Section 15.4, of the Development Agreement, which permits the City and the Owner to amend the Development Agreement. Accordingly, this Amendment is made by the City of Flagstaff ("City") and VP 66 & Woody Mountain, L.L.C., an Arizona limited liability company ("Owner").

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Amendments. The parties amend the Development Agreement as follows:

A. Section 7.3, Infrastructure Assurance, is revised to revise 7.3.6 to add a third party trust as an Acceptable Assurance:

7.3.6 Such other assurance mechanism as may be approved by the City in the exercise of its sole and absolute discretion including third party trust agreements.

B. Section 8.5.1, Increased Sewer Capacity, and its subsections are deleted in their entirety and replaced with the following to address the revisions requested by the City related to the new Off-Site Sewer Improvements:

8.5.1 Increased Sewer Capacity. The Parties agree that pursuant to the WSIA, the Project will create the need for Off-site Sewer Improvements specifically identified in the WSIA. Owner acknowledges that the modifications identified in the WSIA to the

existing sewer collection system are required as part of this project as the existing downstream sewer collector system is not adequate for the proposed development. The City has also requested that Owner construct off-site sewer improvements beyond those provided for in the WSIA, and Owner has agreed to construct the oversized improvements subject to the conditions of this Agreement and as detailed in Sections 8.5.1.1 and 8.5.1.2 below (collectively, the "Off-Site Sewer Improvements"). Except as provided in Section 8.5.1.1, the Off-Site Sewer Improvements must be completed and accepted by the City prior to the issuance of the first building permit for Phase I. However, plans for the design of the Offsite-Sewer Improvements may be completed after the recordation of the Phase 1 final block plat and the Phase 1 final subdivision plats for Blocks 3A, 7A and 8.

8.5.1.1 Westside Sewer Interceptor. The installation of sewer line connecting manholes 2A-422 and 2A-360 with a combination of an 18", 21" and 24" diameter pipe will be completed by Owner pursuant to this Agreement (the "Westside Sewer Interceptor"). The Westside Sewer Interceptor includes the addition of a 24" line in the Clay Avenue Wash (the "Clay Avenue Wash Extension"). The Westside Sewer Interceptor, inclusive of the Clay Avenue Wash Extension, is a planned City project and as a result, the City agrees to reimburse the Owner for the cost of the construction of this sewer improvement pursuant to Section 8.5.3 below.

The City has commenced designing and engineering the Westside Sewer Interceptor, inclusive of the sewer line, manholes and any other incidental utility improvements necessary for construction, and agrees to provide plans (the "Plans") to Owner by September 30, 2017 ("Westside Sewer Interceptor Plan Deadline"). To the extent that the Plans require the acquisition of additional right-of-way or easements by the City to facilitate construction, the City agrees that any additional rights must be acquired by March 1, 2018 for the Owner to complete the construction of the Westside Sewer Interceptor (the "Easement Deadline"). The parties agree that any necessary easements to complete the Plans are not the responsibility of the Owner as provided for under Section 7.4 of the Agreement. The City further agrees that any final plat for Phase I may be recorded in advance of the Deadlines, and confirms that no assurances under Section 7.3 of this Agreement are required for the Westside Sewer Interceptor. Until the Westside Sewer Interceptor is completed, the City agrees that there is capacity in the current system for 125 single family dwelling units or an equivalent number of condominium/townhome units (the "Initial Units") to be developed within the Property and consequently, the City will issue such permits on the Property in advance of the completion of the Westside Sewer Interceptor for the Initial Units. Owner agrees to complete the Westside Sewer Interceptor within one year from the date of permit issuance for the improvement project, provided that the Easement Deadline has been met.

In the event that the plans are not provided to Owner by the Sewer Plan Deadline, or the Easement Deadline has not been met by the City, the City agrees that Owner may continue Phase I construction and obtain an additional 25 single-family or equivalent number of condominium or townhome unit building permits beyond the Initial Units for every 30 days after September 30, 2017 until the Plans are available or for every 30 days after the Easement Deadline until the necessary easements, if any, are obtained. By way of example, if the Plans are available to Owner on October 15th, 2017, then only the Initial Units may be permitted. However, if the Sewer Plans are not available until November 15, 2017, Owner may be issued permits for the Initial Units, plus an additional 25 equivalent units. In no event will Owner be entitled to obtain permits for 50 units beyond the Initial Units if the City determines that there is no available capacity.

8.5.1.2 Core Facilities Sewer. The installation of approximately 5,170 feet of sewer line to connect MH 2A-472 at the existing Adirondack Avenue 18" sewer interceptor line for this drainage basin through manhole #18, which is approximately 300 feet north of W Route 66 (the "Core Facilities Sewer"). Infrastructure improvements will include the sewer line, manholes and any other incidental utility improvements necessary for construction. The City was scheduled to construct this sewer extension in fiscal year 2017. Should the Owner construct the sewer line in advance of the City, the City agrees to reimburse the Owner the cost of the Improvements unless the City's Core Facilities project is terminated, in which case, the Owner will only receive upsizing contributions for the difference between an 8" and 18" sewer line.

C. A new Section 8.5.3 is added as follows to provide for reimbursement to the Owner for the Westside Sewer Interceptor:

8.5.3 Reimbursement to Owner. It is estimated that the total cost of the Westside Sewer Interceptor will be \$1,650,000.00 (the "Sewer Cost"). The City agrees to reimburse the Owner for all costs associated with the construction of the Westside Sewer Interceptor, including permit fees and reasonable project management expenses to be approved by the City. Based on the City's current Utilities 5-Year Plan, it is anticipated that payments for reimbursement will be made in accordance with the following schedule:

- 1) Three hundred thousand and 00/100 dollars (\$300,000.00) to be paid within 30 days of the completion of the Clay Avenue Wash Extension;
- 2) Five hundred thousand and 00/100 dollars (\$500,000.00) to be paid by August 31, 2018; and

- 3) The remaining Sewer Cost balance to be paid by August 31, 2020 or sooner if the funds are accelerated in the City's budget. If the remaining Sewer Cost balance is not paid by August 31, 2020, interest on the remaining balance will accrue at an annual rate of eight percent (8%).

D. Section 10, Road Improvement Requirements, is hereby amended to add Section 10.1.3 to clarify timing of plan approvals for certain Roadway Improvements.

10.1.3 Plan Approval Timing. Improvement plans for Phase I Onsite Roadway Improvements within the City's jurisdiction must be approved by the City before the recordation of any final plat for Phase I. For On-site Roadway Improvements and Off-site Roadway Improvements not within the City's jurisdictions, plans must be substantially complete before plat recordation.


2. Effect of Amendment. In all other respects, the Development Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Development Agreement shall remain in full force and effect.

3. Conflict of Interest. This Amendment and the Development Agreement may be cancelled by the City pursuant to A.R.S. § 38-511.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the day and year first above written.

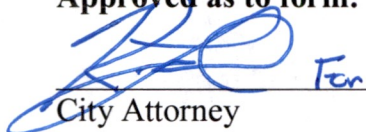
**City of Flagstaff, a municipal
corporation "City"**


Coral Evans, Mayor

Attest:


City Clerk

Approved as to form:


City Attorney

**VP 66 & Woody Mountain,
L.L.C.,
an Arizona limited liability
company
"Owner"**

By: 

Name: Mark Orfanedes Jr

Its: Authorized Agent

STATE OF ARIZONA)
COUNTY OF COCONINO)

ACKNOWLEDGMENT

On this 18th day of September, 2017, before me, a Notary Public, personally appeared Coral Evans, Mayor of the City of Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.



Jason Cook

Notary Public

My Commission Expires: 8/8/2018

STATE OF ARIZONA)
COUNTY OF Maricopa)

ACKNOWLEDGMENT

On this 7th day of August, 2017, before me, a Notary Public, personally appeared MARIE E. O'BRIEN, IV., known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same on behalf of VP LLC + MOUNTAIN MOUNTAIN, LLC, its OWNER, for the purposes therein contained.



Cara Cook

Notary Public

My Commission Expires: April 24, 2020

When recorded, mail to:

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

**SECOND AMENDMENT
To The
TIMBER SKY ANNEXATION AND DEVELOPMENT AGREEMENT**

The following Second Amendment to the Timber Sky Annexation and Development Agreement (this “Amendment”) is made this _____ day of _____, 2018 and is incorporated into and made a part of that certain Timber Sky Annexation and Development Agreement dated November 15, 2016, and recorded in the Coconino County Records as Document No. 3772624 (the “Original Agreement”), and the First Amendment to the Timber Sky Annexation and Development Agreement dated September 18, 2017, and recorded in the Coconino County Records as Document No. 3796196 (the “First Amendment”) (the Original Agreement and the First Amendment, collectively, the “Development Agreement”). Capitalized terms not defined herein shall have the meaning assigned to them in the Development Agreement. This Amendment is made pursuant to Section 15.4, of the Development Agreement, which permits the City and the Owner to amend the Development Agreement. Accordingly, this Amendment is made by the City of Flagstaff (“City”) and VP 66 & Woody Mountain, L.L.C., an Arizona limited liability company (“Owner”).

WHEREAS, the Development Agreement provides that Owner will deliver 100 AMI-accessible units as part of the Project;

WHEREAS, after the Original Agreement was executed, the City’s engineering fees, which are codified in City Code, Section 3-10-001-0002 (“Engineering Fees”), were amended by Ordinance 2017-16, effective August 1, 2017 (“2017 Engineering Fees”), attached hereto as Exhibit 1 and incorporated herein by reference;

WHEREAS, prior to the adoption of the 2017 Fees, the Engineering Fees were charged pursuant to the schedule in Ordinance 2013-17 (“2013 Engineering Fees”), attached hereto as Exhibit 2 and incorporated herein by reference;

WHEREAS, the 2017 Engineering Fees will result in additional, unexpected costs to Owner;

WHEREAS, the parties desire to amend the Development Agreement to apply the 2013 Engineering Fee schedule to the Project for phases that include AMI-accessible units.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Amendments. The Development Agreement is amended as follows:

- A. **Section 5.2, Workforce Housing, is amended to delete the last sentence of the first paragraph and replace it with the following:**

Further, if “permanently affordable” AMI-accessible units remain unsold or unoccupied after an extended period of time due to market, financing or other external conditions, the Affordability Plan may be amended to adjust the AMI for qualified buyers to 125% of the AMI affordability level.

- B. **Section 13, City Services, is deleted in its entirety and replaced with the following Section 13, City Services and User Fees, and Section 13.1, Alternate Payment Schedule for Engineering Fees, City Code Section 3-10-001-0002:**

13. City Services and User Fees. The City has annexed the Property and included the Property in the City’s municipal service area and, upon completion of the construction and installation of the necessary Infrastructure Improvements by Owner as provided in or as required by this Agreement and the Rules, the City shall provide to the Property such utility and other services in a manner that is similar to that by which the City provides such utilities and services generally to the residents of similarly situated property in the City, including sewer, water, garbage, fire and police. Except as otherwise provided in this Agreement, the City agrees to assess and collect user fees or rates for each municipal utility service provided by the City consistent with the fees or rates established by the City and applied for other similarly-situated property and projects (residential property and projects greater than five acres) in areas of the City receiving similar municipal services. Failure by the Owner to promptly pay any amount owed will constitute a breach of this Agreement and the City may collect such amounts owing by utilizing the remedies set forth this Agreement, and further may withhold the issuance of building permits for improvements on the Property until such amount is paid.

13.1 Alternate Schedule for Engineering Fees. The City agrees that the 2013 Engineering Fees apply for the term of the Agreement as an incentive for the provision of the 100 AMI-accessible units described in Section 5.2. The maximum incentive permitted under this Agreement is one million six hundred thousand dollars (\$1,600,000.00). In the event that the difference between the 2013 Engineering Fees and current Engineering Fees (i.e., engineering fees in place at time building permit applications are submitted) reaches one million six hundred thousand dollars (\$1,600,000.00), Owner will receive no further reduction in fees and current Engineering Fees will be applied to the development going forward. Additionally, if at the time of the first final plat approval within Phase 4, 75% of the AMI-accessible units have not been sold to a qualified purchaser and transferred to the community land trust program administered by the City, no plat for any block within

Phase 4 shall be recorded until payment has been made to the City in the amount of \$16,000 per remaining AMI-accessible unit. By way of example, if only 68 of the 100 AMI-accessible units have been sold at the time of the first plat within Phase 4, \$512,000.00 is due to the City prior to recordation of that plat. This amount is a penalty and will not be credited to Owner at a future date, even if all 100 AMI-accessible units are delivered prior to project completion. Payment of this penalty does not modify Owner's obligation to develop and sell all 100 AMI-accessible units.

2. Effect of Amendment. In all other respects, the Development Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Development Agreement and First Amendment shall remain in full force and effect.

3. Conflict of Interest. This Amendment and the Development Agreement may be cancelled by the City pursuant to A.R.S. § 38-511.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the day and year first above written.

**City of Flagstaff, a municipal
corporation “City”**

Coral Evans, Mayor

Attest:

City Clerk

Approved as to form:

City Attorney

**VP 66 & Woody Mountain, L.L.C.,
an Arizona limited liability company
“Owner”**

By: _____

Name: _____

Its: Manager

STATE OF ARIZONA)
COUNTY OF COCONINO)

ACKNOWLEDGMENT

On this _____ day of _____, 20____, before me, a Notary Public, personally appeared Coral Evans, Mayor of the City of Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.

Notary Public
My Commission Expires: _____

STATE OF ARIZONA)
COUNTY OF _____)

ACKNOWLEDGMENT

On this _____ day of _____, 20____, before me, a Notary Public, personally appeared _____, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same on behalf of _____, its _____, for the purposes therein contained.

Notary Public
My Commission Expires: _____

When recorded, mail to:

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

**THIRD AMENDMENT
To The
TIMBER SKY ANNEXATION AND DEVELOPMENT AGREEMENT**

The following Third Amendment to the Timber Sky Annexation and Development Agreement (this "Amendment") is made this 18 day of September, 2018 and is incorporated into and made a part of that certain Timber Sky Annexation and Development Agreement dated November 15, 2016, and recorded in the Coconino County Records as Document No. 3772624, and any amendments thereto, (the "Development Agreement"). Capitalized terms not defined herein shall have the meaning assigned to them in the Development Agreement. This Amendment is made pursuant to Section 15.4, of the Development Agreement, which permits the City and the Owner to amend the Development Agreement. Accordingly, this Amendment is made by the City of Flagstaff ("City") and VP 66 & Woody Mountain, L.L.C., an Arizona limited liability company ("Owner").

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

A. Amendments. The parties amend the Development Agreement as follows:

A. Section 8.5.1.1, Westside Sewer Interceptor, is deleted in its entirety and replaced with the following:

8.5.1.1 Westside Sewer Interceptor. The installation of sewer line connecting manholes 2A-422 and 2A-360 with a combination of an 18", 21" and 24" diameter pipe (the "Westside Sewer Interceptor") will be divided into two phases. Phase I consists of a 24" line in the Clay Avenue Wash as set forth in the plans titled "West Side Sewer Interceptor, Phase I – Clay Avenue Wash, COF Project No. WW3320" ("Clay Avenue Wash Extension" or "Phase I"). Phase II includes a combination of 18", 21", and 24" lines along Thompson and Kaibab as set forth in the plans titled "West Side Sewer

Interceptor, Phase II – Thompson-Kaibab, COF Project No. WW3220” (“Thompson-Kaibab Portion” or “Phase II”).

The City Plans to complete Phase I of the Westside Sewer Interceptor on or before November 30, 2018.

Owner agrees to publicly procure and construct Phase II of the Westside Sewer Interceptor and the City agrees to reimburse Owner for the Cost of Construction for Phase II pursuant to Section 8.5.3 below. The City agrees that Owner may proceed with the construction of Phase II concurrently with, or in advance of, the City’s construction of Phase I. However, should Owner not begin construction on Phase II prior to October 1, 2019, the City reserves the right to notify Owner that City will take over construction of Phase II and Owner will not be reimbursed. Owner agrees to complete Phase II of the Westside Sewer Interceptor within one year from the date of permit issuance for the improvement.

The City agrees that no assurances under Section 7.3 of this Agreement are required for the Westside Sewer Interceptor. Until Phase II of the Westside Sewer Interceptor is completed, the City agrees that there is capacity in the current system for 125 single family dwelling units or an equivalent number of condominium/townhome units (the “Initial Units”) to be developed within the Property and consequently, the City will issue such permits on the Property in advance of the completion of Phase II of the Westside Sewer Interceptor for the Initial Units. No permits for any additional units will be issued until Phase II of the Westside Sewer Interceptor is complete.

B. Section 8.5.3 Reimbursement to Owner, and its subsections are deleted in their entirety and replaced with the following:

8.5.3 Reimbursement to Owner. It is estimated that the total cost of the Phase II Westside Sewer Interceptor will be one million four hundred thousand dollars (\$1,400,000.00) (the “Phase II Sewer Cost”). The City agrees to reimburse the Owner for all costs associated with the construction of Phase II of the Westside Sewer Interceptor, including permit fees and reasonable project management expenses to be approved by the City. Based on the City’s current Utilities 5-Year Plan, and in the event that Owner completes Phase II prior to May 30, 2020, it is anticipated that payments for reimbursement will be made in accordance with the following schedule:

- 1) Twenty-four thousand six hundred and 00/100 dollars (\$24,600.00) to be paid within 30 days of Owner’s completion of Phase II; and
- 2) The remaining balance for Phase II to be paid by August 31, 2020 or sooner if funds are accelerated in the City’s budget and Phase II construction is


complete. If the remaining Phase II Sewer Cost balance is not paid by August 31, 2020, interest on the remaining balance will accrue at an annual rate of eight percent (8%). The balance must be paid no later than August 31, 2021.

C. Effect of Amendment. In all other respects, the Development Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Development Agreement shall remain in full force and effect.

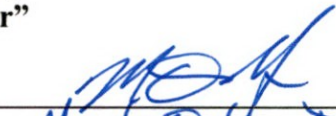
D. Conflict of Interest. This Amendment and the Development Agreement may be cancelled by the City pursuant to A.R.S. § 38-511.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the day and year first above written.

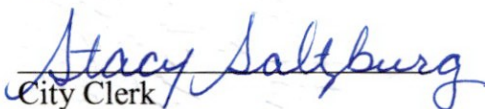
**City of Flagstaff, a municipal
corporation "City"**


Coral Evans, Mayor


**VP 66 & Woody Mountain,
L.L.C.,
an Arizona limited liability
company
"Owner"**

By: 
Name: Mark Ertman Jr.
Its: Manager

Attest:


City Clerk

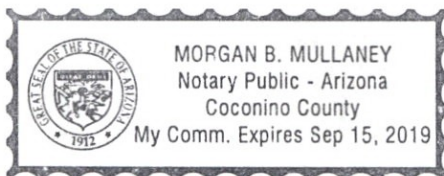
Approved as to form:


City Attorney

STATE OF ARIZONA)
COUNTY OF COCONINO)

ACKNOWLEDGMENT

On this 18TH day of SEPTEMBER, 2018, before me, a Notary Public, personally appeared Coral Evans, Mayor of the City of Flagstaff, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the same on behalf of the City of Flagstaff, for the purposes therein contained.



M B Mullaney
Notary Public
My Commission Expires: 09.15.2019

STATE OF ARIZONA)
COUNTY OF Maricopa)

ACKNOWLEDGMENT

On this 6 day of September, 2018, before me, a Notary Public, personally appeared Mark Kortman JR, known to be or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he/she executed the same on behalf of V P 66 & Woody Mountain LLC, its Manager, for the purposes therein contained.



Lesa A Blunt
Notary Public
My Commission Expires: November 12, 2021