

Preliminary Discussion of Potential Ballot Measures





Project Team



- Amy Hagin
- Jonathan Wilson
- Justyna Costa
- Leah Bloom
- Martin Ince
- Neil Chapman
- Nicole Antonopoulos
- Paul Summerfelt
- Rebecca Sayers
- Rick Tadder
- Robert Wallace
- Sarah Darr



Agenda



- Secondary Property Tax & Bond Capacity
- Bond History
- Affordable, Livable, Walkable, Healthy, Safe Community
 - Housing
 - Open Space
 - Parks & Recreation
 - Flagstaff Watershed Protection Project
 - Unfunded Pension Liability



Agenda



- Potential Ballot Measures List
- Partner Update
- Process
- Council Questions

Secondary Property Tax & Bond Capacity





General Obligation Bonds

- Cities are allowed to issue several types of debt
 - General Obligation Bonds, Revenue Bonds, Leases, Loans, ect
 - Per Charter, the City must receive Voter Approval for certain facilities (Article XVI: Amendment 2). Currently over \$2.4M
- Our focus will be about General Obligation Bonds (GO Bonds)
 - For the City to Issue GO Bonds, we must receive Voter Approval
 - The City may levy a secondary property tax for payment
 - Secondary property tax can only be used to pay back GO Bonds



General Obligation Bonds

- Legal Limits – Assessed Valuations (State Statute)
 - 20% Limitation: Water, sewer, artificial lighting, parks, open space, recreational facilities, public safety, law enforcement, fire and emergency services and street and transportation facilities
 - Bond capacity in this limitation = \$161M
 - 6% Limitation (i.e. Housing)
 - Everything else
 - Currently no issuance under this limitation
 - Bond capacity in this limitation = \$60M



General Obligation Bonds

- Current rate is 0.8366 per \$100 of Assessed Valuation
 - Current policy to remain at or below 0.8366 rate
 - This is based on promises made during past elections
 - The City is allowed to go above this rate for the purpose of paying debt
- Based on current projection of Assessed Valuations
 - Estimated capacity \$60M under current rate policy
 - Remaining capacity through FY 2041
 - Majority of existing debt paid off by FY 2022



General Obligation Bonds

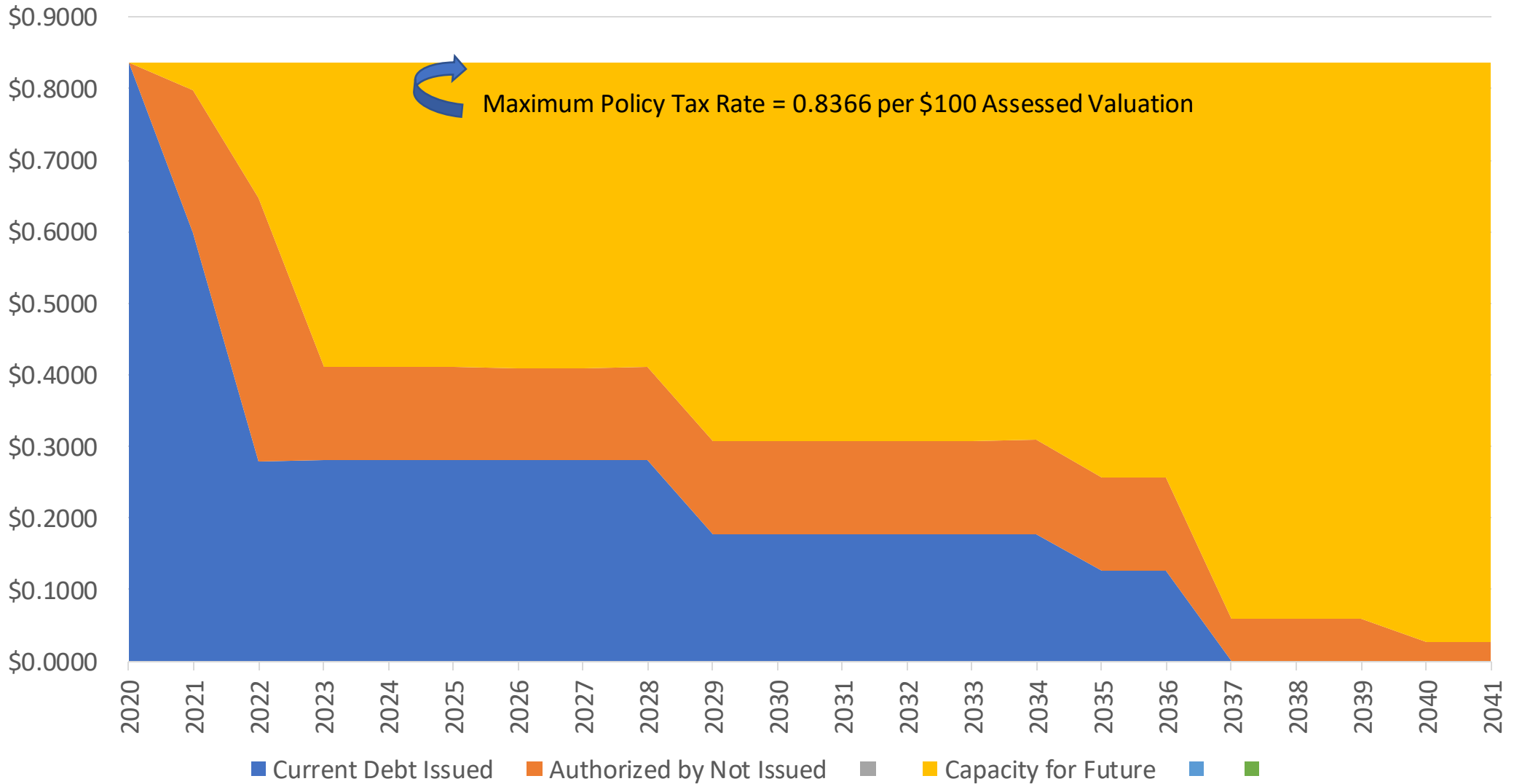
- For planning purposes:
 - 20-year debt issuance at 5% interest rate
 - \$10M, \$25M and \$60M in bonds
 - Average Class 3 Residential Assessed Value - approx. \$240,000
 - Total rate stays within current policy: 0.8366

Amount of Voter Authorization	Amount of Total Debt Paid	Average Tax Rate Required	Residential Annual Impact	20-Year Impact
\$ 10,000,000	\$ 15,934,493	0.0917	\$ 19	\$ 380
\$ 25,000,000	\$ 39,836,233	0.2293	\$ 46	\$ 920
\$ 60,000,000	\$ 95,606,960	0.5502	\$ 111	\$ 2,200



Secondary Property Tax Capacity

Secondary Property Tax Rate Capacity

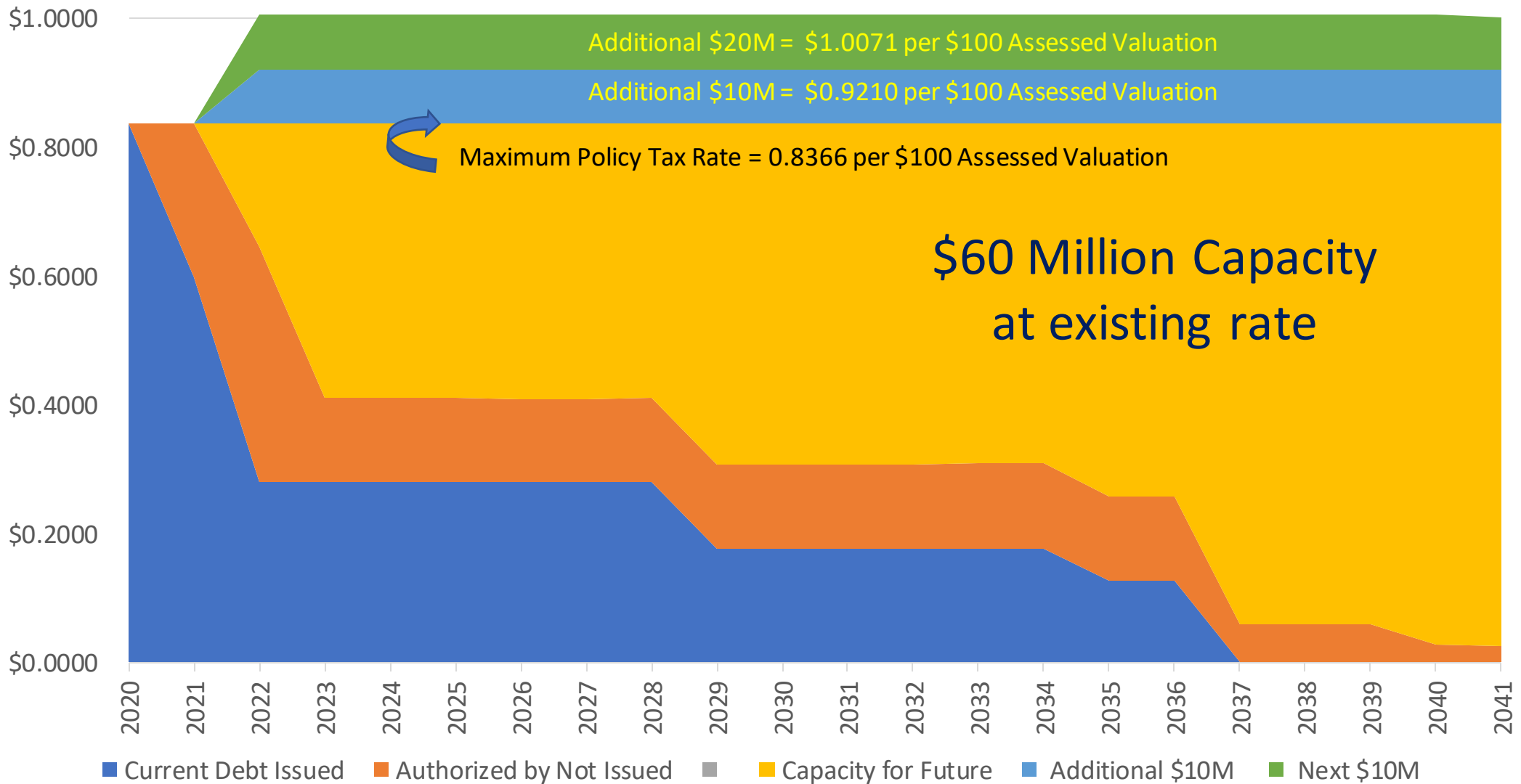




Debt Issued Above 0.8366 Rate



Secondary Property Tax Rate Capacity





Summary

- \$60 million debt capacity available in secondary property tax at current rate of 0.8366
- Each additional \$10 million = ~0.085 additional rate
- Money is available upon bond approval and issued as needed
- Only unissued GO debt is \$2.8 million of parks land
- Additional capacity added annually as debt paid off
- Questions

Bond History





General Obligation Bond History

ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/ FAIL
11/5/1996	Improving Various Parks and Recreation Services	\$8,200,000	PASS
5/18/2004	Fire Fighting Facilities and Acquisition of Emergency Response Vehicles and Equipment	\$16,800,000	PASS
5/18/2004	Neighborhood Open Space and FUTS Land Acquisition	\$7,600,000	PASS
5/18/2004	Regional Open Space – Observatory Mesa Land Acquisition	\$5,500,000	PASS
5/18/2004	McMillan Mesa Open Space Land Acquisition	\$10,100,000	FAIL
5/18/2004	Multi-Generational Recreation Center: Expansion or New Construction	\$6,100,000	PASS
5/18/2004	Municipal Swimming/Aquatic Center Construction	\$8,600,000	PASS
5/18/2004	Lake Mary Regional Park and Other Parks Land Acquisitions	\$2,800,000	PASS
5/18/2004	Continental Park Recreational Field Development	\$3,100,000	FAIL
5/18/2004	Snow Play Area Development	\$4,100,000	FAIL



General Obligation Bond History

ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/ FAIL
5/18/2004	Wastewater Improvements (*)	\$23,100,000	PASS
5/18/2004	Water Wells (*)	\$8,500,000	PASS
5/18/2004	Water Rights Acquisition/Water Development (*)	\$15,000,000	PASS
11/2/2010	Municipal Court House	\$23,000,000	FAIL
11/2/2010	Municipal Services Maintenance Canter	\$42,000,000	FAIL
11/2/2010	Public Safety/City Operations Communications Systems	\$4,720,000	PASS
11/2/2010	Street and Utilities Improvements	\$16,500,000	PASS
11/6/2012	Forest Health and Water Supply Protection Project	\$10,000,000	PASS
11/6/2012	Core Services Maintenance Facility	\$14,000,000	PASS
11/8/2016	Municipal Court House	\$12,000,000	PASS
11/6/2018	Housing Affordability	\$25,000,000	FAIL

(*) These items were approved as GO backed authorization; however the payment source was from water and wastewater rates.



Building Community Together



Envision Flagstaff ... As a Healthy, Affordable, Livable, and Walkable Community.

Limited resources often force community needs and values to compete against one another. However a healthy, affordable, livable, and walkable community is intrinsically linked.

How can we reframe the conversation so they do not have to be mutually exclusive?

What we do know is:

- Building community together is an incremental process
- There are no silver bullets

Housing Recommendations





Agenda



- Enter Text Here



Housing Recommendations



- Enter Text Here



Summary



- Enter Text Here
- Questions



Open Space Recommendations



Open Space Program and Open Space Commission Goals

Protecting and restoring Flagstaff's natural, cultural, and scenic resources to enhance recreational and educational opportunities for residents and visitors.

To create an integrated system of protected lands around Flagstaff that are connected by FUTS and various corridors, such as washes and hillsides



Important Terminology

- 1. Regional preserves:** Existing legally designated open space hubs that are essential to building an integrated system
- 2. Connectors:** link Open Space hubs, these can be FUTS, washes, hillsides, floodplains, neighborhoods, etc. Acquisition accelerates FUTS implementation.
- 3. Complimentary Open Space:** these parcels add to the user experience and provide additional value to the integrated system, e.g. buffers, viewshed, transit



How We Got Here . . .

- 1) Strategically assessed opportunities
- 2) Considered community needs and benefits

- Public health, tourism, transit options, traffic relief, GHG reductions, etc.

- 3) Incorporate existing plans:

- Open Space Strategic Plans (Program, Commission, LDOS)
- Climate Action and Adaptation Plan
- Regional Plan

- 4) Open space categories

- Regional preserves: 4 existing, 1 proposed
- Connectors
- Complimentary open space





Open Space Recommendations

1. Integrated Open Space System
2. Conserve and Protect City Owned Open Space
3. Observatory Mesa Trail System



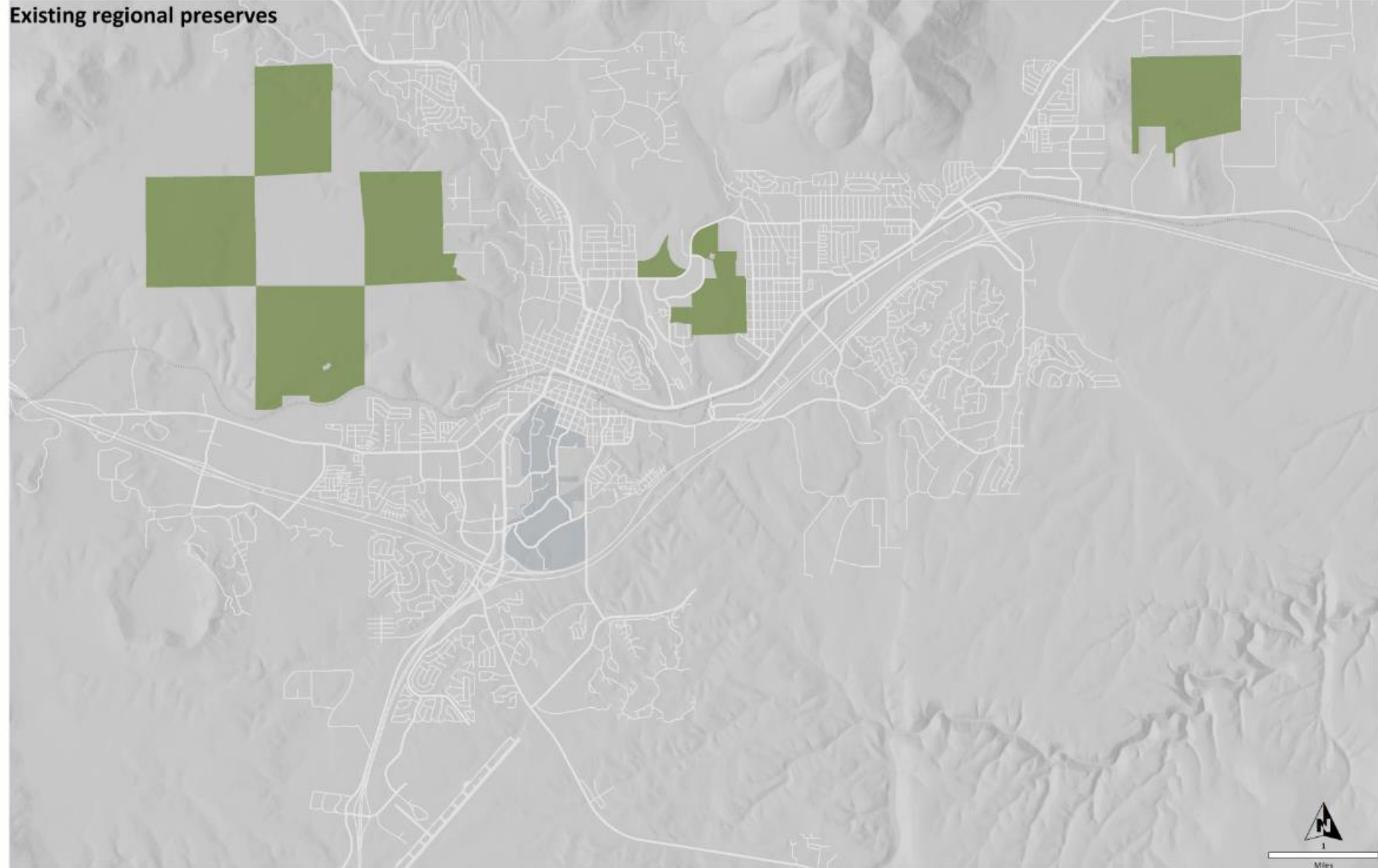


Integrated Open Space System

For Context Flagstaff's Existing Regional Preserves Include:

- Picture Canyon
- Observatory Mesa
- McMillan Mesa

Existing regional preserves

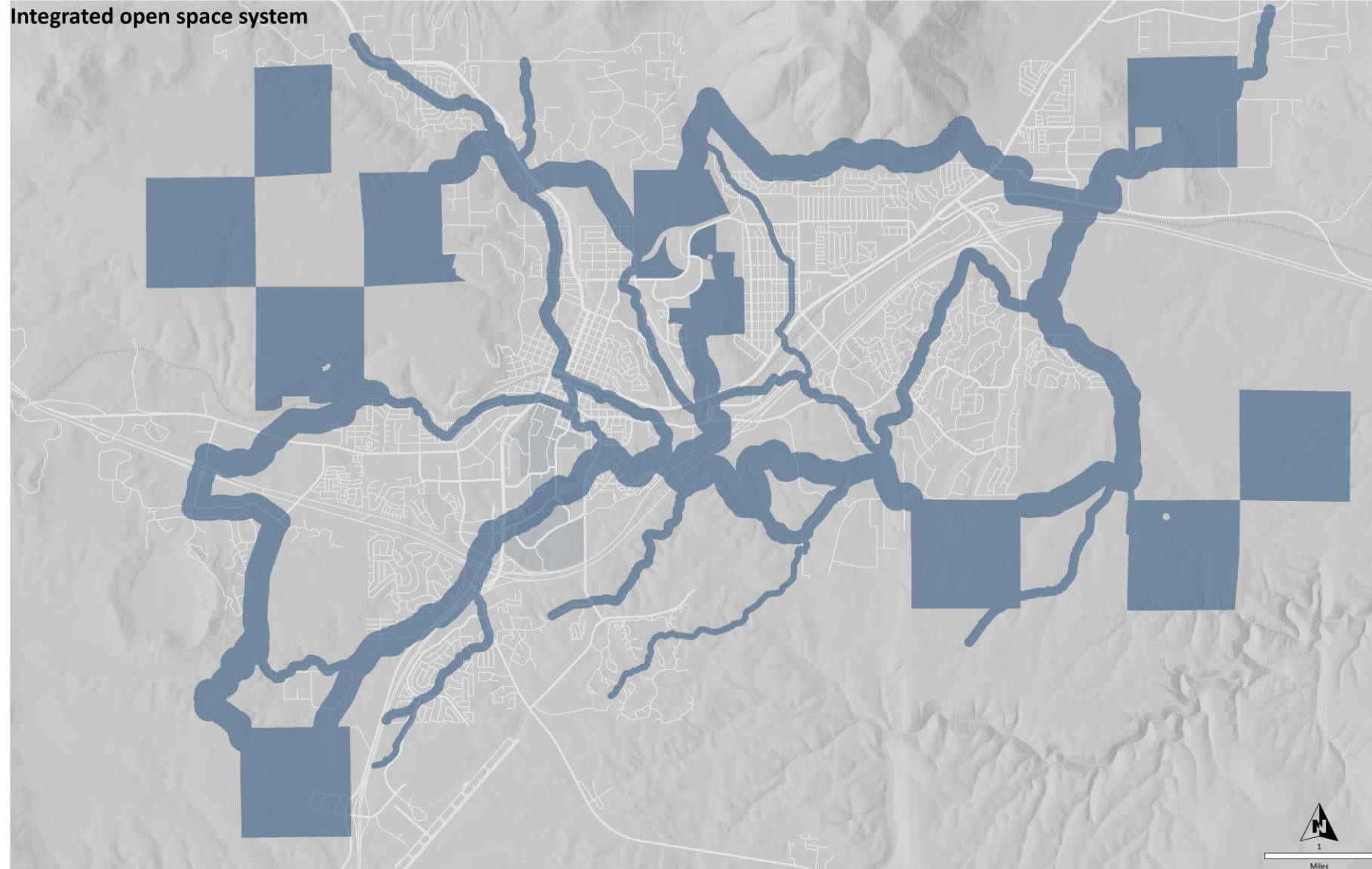




Integrated Open Space System

Long-term vision for an Integrated Open Space System:

- Regional Preserves
- Connectors
- Complimentary Open Space
- Equitable access
- Transportation options
- Traffic relief
- Human health



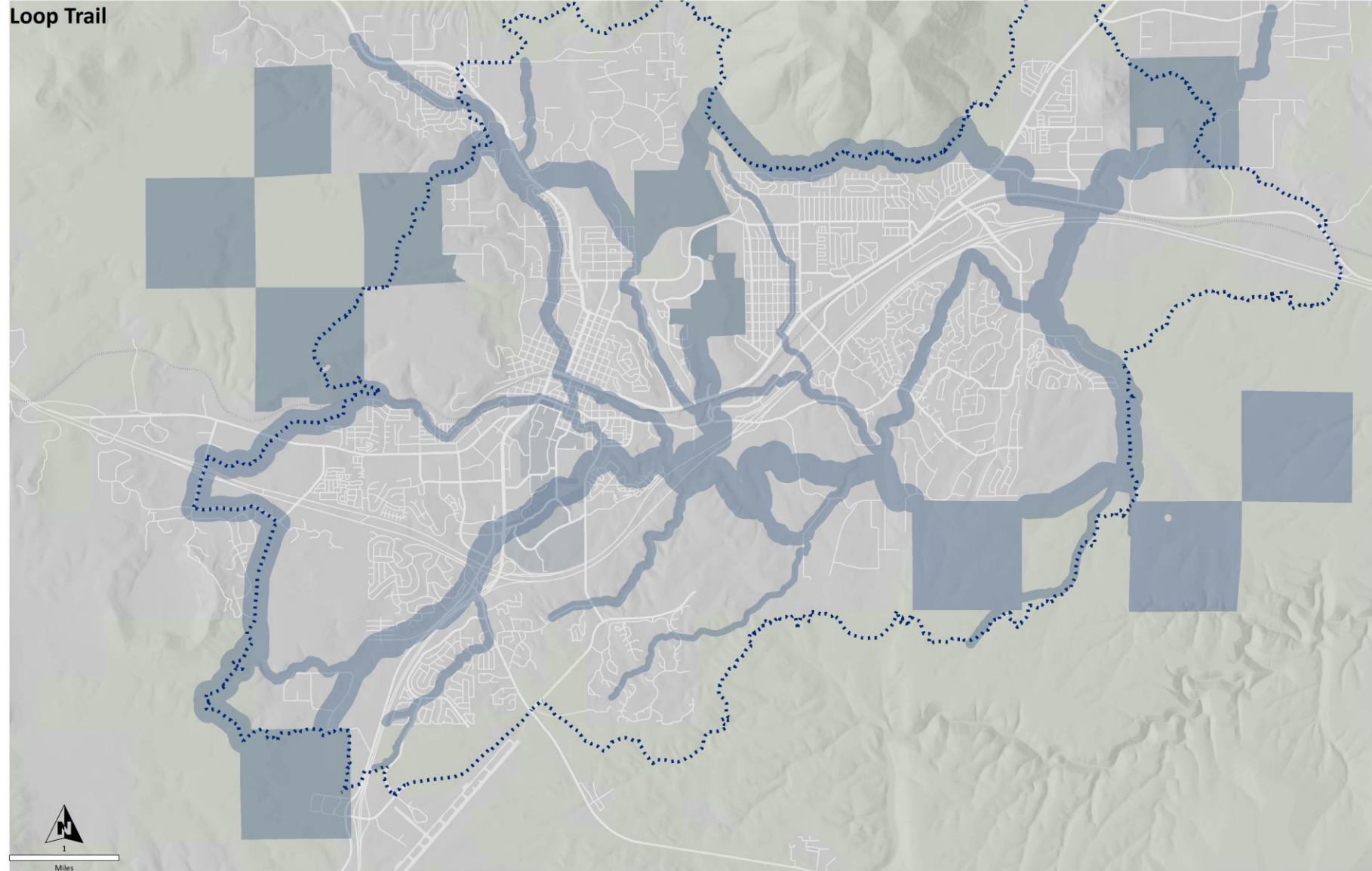


Integrated Open Space System



Integrating Open Space System with

- The Loop Trail
- FUTS



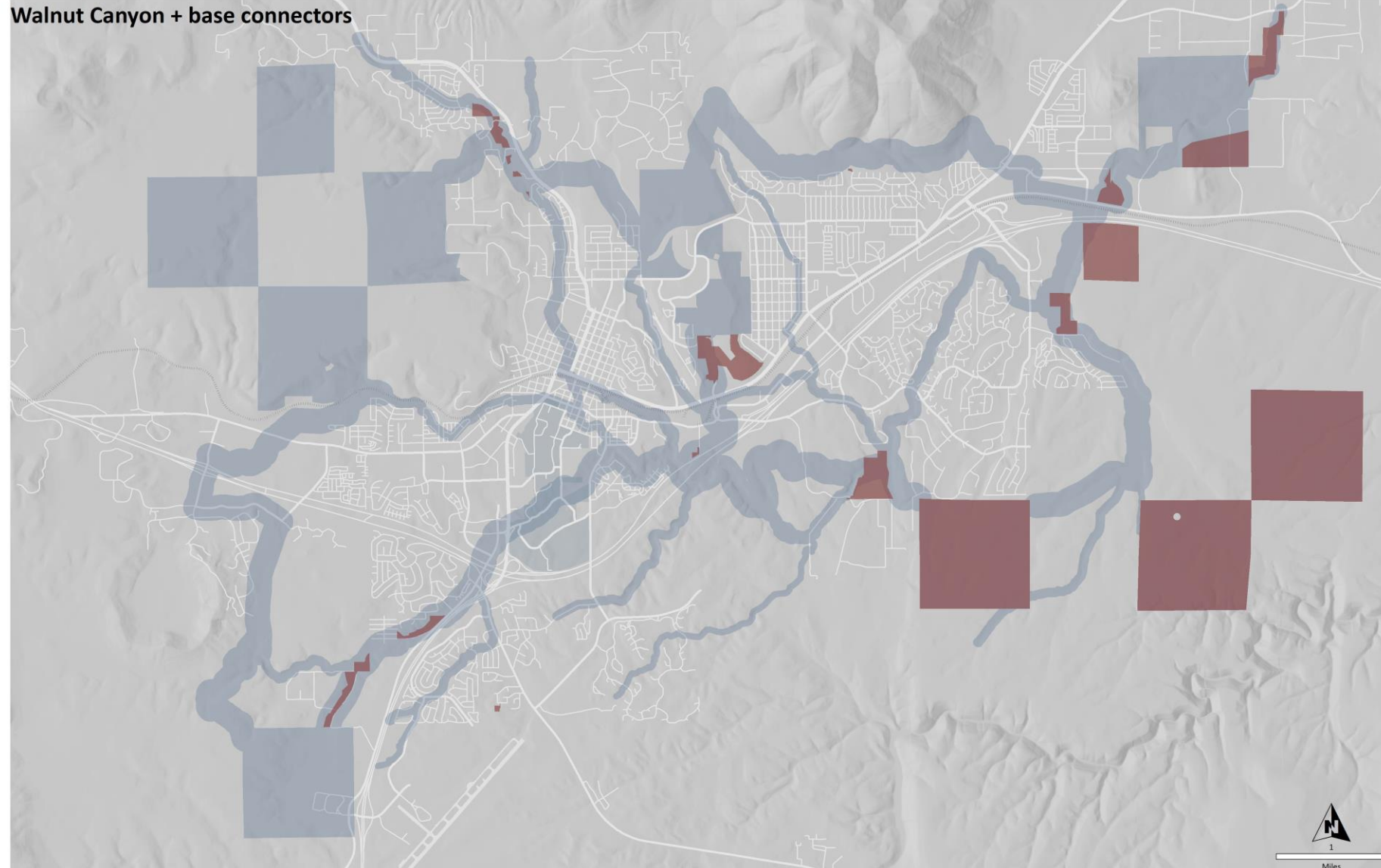


Integrated Open Space System- \$23.5M



Working Toward an Integrated System

- Secure open space in southeast quadrant of Flagstaff
 - One of these 3 parcels: \$8M
- Develop connectors
 - Base parcels: \$13.9M





2. Conserve and Protect- \$2M

Projects

Total of 48

Broken into three overarching categories

- Restoration: 20
- Preservation: 10
- Facility improvement: 18

Properties

1. Picture Canyon:

17 projects \$1,239,500

2. McMillan Mesa:

16 projects \$154,500

3. Observatory Mesa:

7 projects \$146,100

4. Schultz Creek:

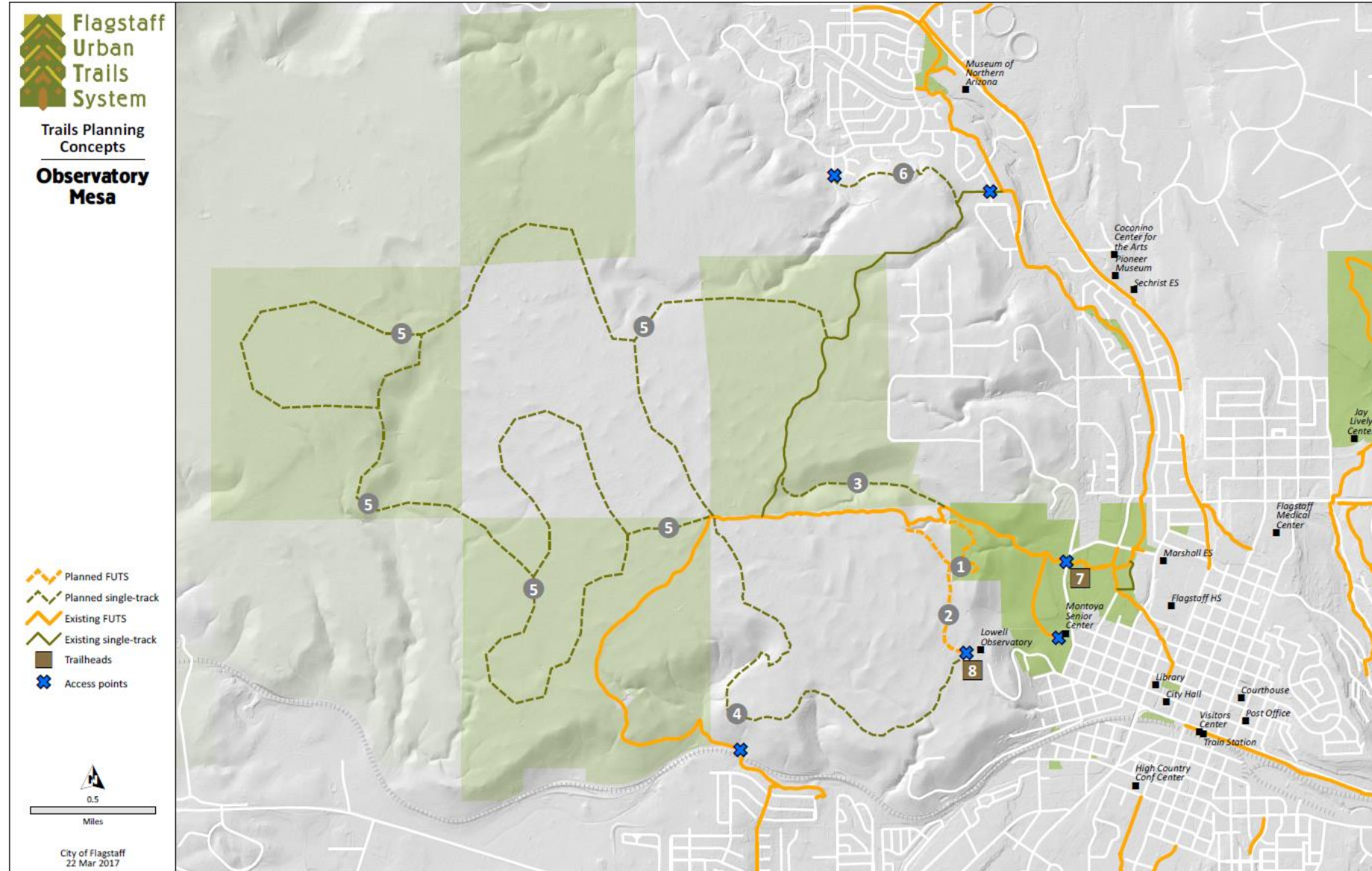
7 projects \$23,000



3. Observatory Mesa Trail- \$2.9M

Steps

- FTI/Public Comment
- NEPA analysis
- Cultural Survey
- Permitting
- Concept Design
- Public Comment
- Implementation
 - Access
 - Trails
 - Infrastructure
 - Restoration





Open Space- \$28.5 M



1. Integrated Open Space System - \$23.5 million
2. Conserve and Protect City Owned Open Space - \$ 2.0 million
3. Observatory Mesa Trail System - \$ 2.99 million

Total = \$28.5



Parks and Recreation Recommendations





Discussion



- Parks and Recreation Program Goals
- Important History, Facts, User Group Interaction
- How We Got Here...
- Recommendations

Parks and Recreation Program Goals

Enrich the lives of the community by providing exceptional opportunities for families and individuals of all abilities to participate in programs that are valuable to sustaining a healthy lifestyle. This should include facilities that are safe and aesthetically pleasing for the community.



Important History, Facts and User Groups

- 1. The history:** The last new developments were Foxglenn Park in 2004 and the Aquaplex in 2008. Flagstaff has grown 25% since 2010.
- 2. The facts:** Parks contribute to a community's health and wellness, economic vitality and quality of life.
- 3. Known gaps:** Through extensive communication with girls' softball, pickleball, tennis, soccer, flag football, rugby and ultimate frisbee, to name a few, we know there are large vacancies in the current system



How We Got Here . . .

- 1) Commission Strategic Planning
- 2) Consideration of known gaps and benefits:

- Frequent meetings and communication with girls' softball, pickleball, tennis, soccer, flag football, rugby, ultimate frisbee, etc. with the City Council, Commission and staff
- Health and wellness, tourism with tournaments, transit relief

- 3) Incorporating existing plans:

- Parks and Recreation Master Plan
- Climate Action and Adaptation Plan
- FUTS Master Plan
- Regional Plan





Parks and Recreation Recommendations



- Girls' softball complex - \$15.5 million
- Outdoor pickleball and tennis (racquet) complex - \$8.5 million
- Multi-purpose fields - \$4 million

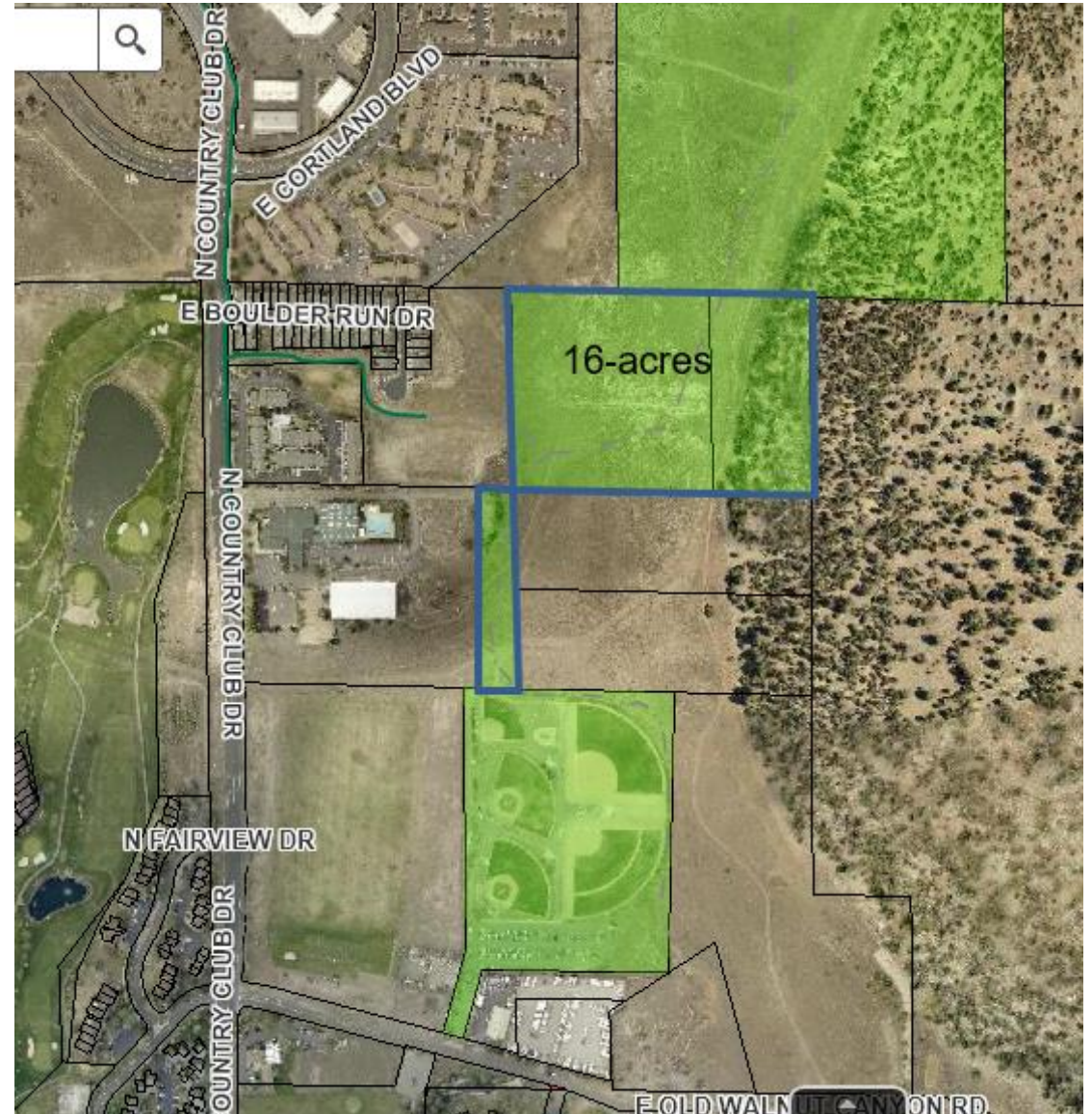




Girls' Softball Complex - \$15.5M



Girls' softball complex to accommodate entire league with multiple ballfields, walkways, and associated amenities within approximately 16 acres of City-owned land. Access from existing Continental Park.





Outdoor Racquet Complex - \$8.5M



An outdoor racquet complex consisting of both pickleball and tennis courts on City-owned land with room for expansion. Complex will include walkways, shade structures, restroom, parking lot, access from right-of-way and FUTS connection located at a new park north of the mall.



Multi-Purpose Fields - \$4 M

A multi-purpose field for user groups such as soccer, rugby, football, ultimate frisbee and other sports including walkways, FUTS realignment, and parking lot. Location on City-owned land within the existing Cheshire Park grounds





Where Do We Go From Here?

- Known Gaps and Needs of the Community
- Aggregate \$28 million
- Questions



Flagstaff Watershed Protection Project Recommendations





Agenda



- FWPP Phase III – Mormon Mountain (Lake Mary) Project
- Public Support
- Recommendation
- Summary
- Questions





Phase III – Mormon Mountain (Lake Mary)

- Protect green infrastructure components of Flagstaff's water supply by improving forest health
- Maintain Lake Mary water storage, treatment and transport investments
- Catastrophic wildfire impact would be a minimum of \$20 million
 - Dredge to maintain water storage capacity
 - Reconfigure treatment plant to account for changes to water quality
 - Drill 11 new wells



Public Support

City Surveys:

- 2001-13 (5 surveys)

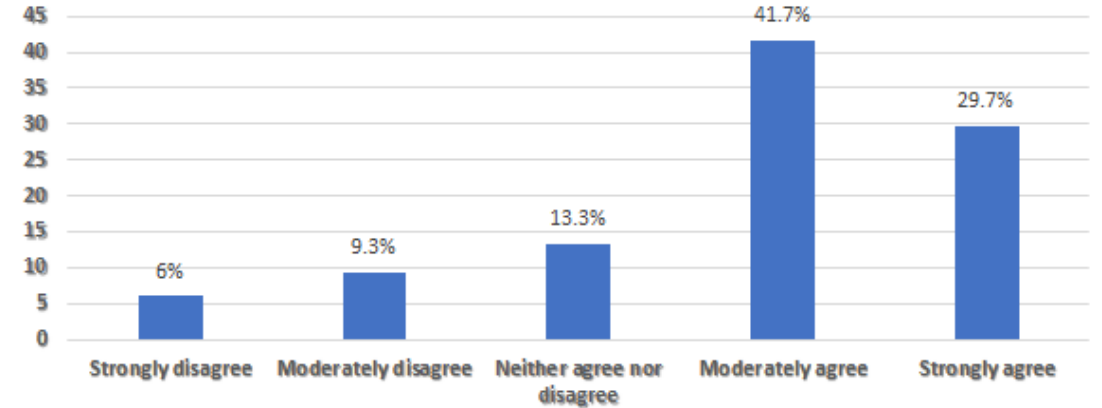
Willingness to Pay:

- 2012: NAU survey (\$4.50/month)
- 2019: TPL Focus Groups (\$50/year)

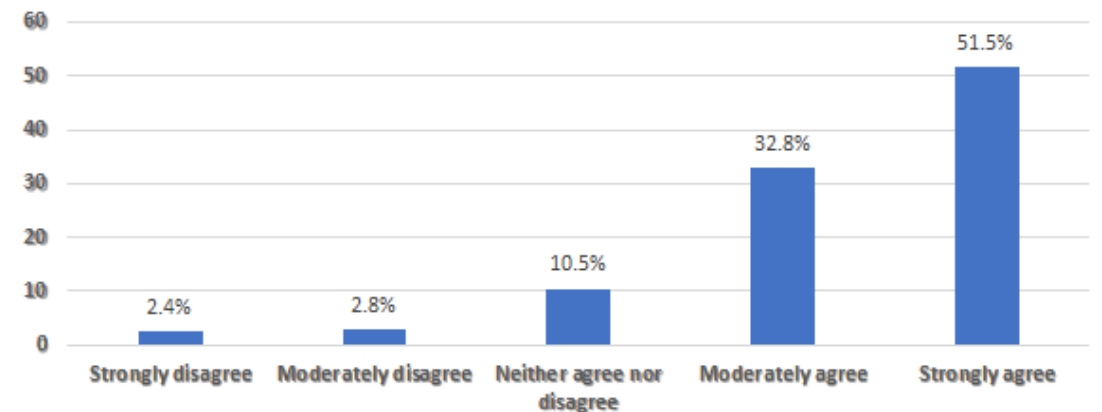
2020 NAU Survey:

- 98% expect a wildfire in city limits
- 53% expect home losses
- 85% expressed protection of forest health as Very Important

Forest management has decreased the likelihood of a wildfire impacting my home



Forest management should be a priority for Flagstaff officials





Recommendation

PROJECT = \$7M Need

- UPDATE - REPI grant opportunity
- FUNDING OPTIONS:
 - Bond Full amount (\$7M)
 - Bond Partial amount (\$4M?)
 - FWPP Leverage history – 1:1
 - Challenge partners to provide match
 - Other – Rates, Fees, Taxes



"No one else is coming to our rescue"
Flagstaff City Manager, 2012

"In Flagstaff, reality was more important than blame"
AZ Republic, Jan 2013



Summary



Secure Flagstaff's primary surface water source

- Invest to:
 - Protect Lake Mary water quality and storage capacity
 - Avoid need to develop new wells and/or re-engineer Lake Mary water treatment plant
- Significant public support for forest health and water infrastructure protection
- Questions



"Water remained difficult to treat for [15 years after](#) the 2002 Hayman fire in Colorado. "
The Conversation – Buried in Mud

Unfunded Pension Liability





Unfunded Pension Liability

- Pension Liability is funded at 37.4%
- Amounts and timing of contributions directly impacts funding status
- Unfunded liability will increase by 7.3% annually

Public Safety Pension

Unfunded Liability

- 2015 - \$82,281,627
- 2016 - \$92,273,619
- 2017 - \$101,896,300
- 2018 - \$107,720,174
- 2019 - \$111,827,764





Optional Recommendations

- Use General Obligation Bond to pay down unfunded liability
- \$20 million GO Bond impact to \$112,000,000 debt



Summary



- Contributing more dollars towards unfunded liability reduces the overall amount of debt
- Uses existing capacity within secondary property tax
- Increases capacity within general fund
- Questions



Potential Ballot Measures List

Potential Ballot Measure for Building Community Together	Estimated Recommendation Cost
Housing 1	
Housing 2	
Housing 3	
Housing 4	
Housing 5	
Housing 6	
Integrated Land Acquisition	
Conserve and Protect	
Observatory Mesa	
Girls' Softball Complex	\$ 15,500,000
Outdoor Racquet Complex	\$ 8,500,000
Multi-Purpose Fields	\$ 4,000,000
Phase III Mormon Mountain	\$ 4,000,000
Unfunded Pension Liability	\$ 20,000,000
Total	\$ 52,000,000

Partner Updates



Process





What comes next



- March/April - Contract for election consultant services
- April – June Preliminary Preparation for Public Outreach
- July 7 – Deadline for Council to Call the Election
- July – October Preparation of Final Public Outreach and Presentations to Public
- August Finalization of Publicity Pamphlet for Distribution
- November 3rd Election Day

Building Community Together



What recommendations will build community together?

- Housing 1
- Housing 2
- Housing 3
- Housing 4
- Housing 5
- Housing 6
- Integrated Land Acquisition
- Conserve and Protect
- Observatory Mesa
- Girls' Softball Complex
- Outdoor Racquet Complex
- Multi-Purpose Fields
- FWPP Phase III Mormon Mountain (Lake Mary)
- Unfunded Pension Liability



Council Questions



- Does City Council want to consider additional secondary property tax to build more capacity?