

CITY COUNCIL SPECIAL MEETING WITH STATE LEGISLATORS
WEDNESDAY, FEBRUARY 13, 2019
ARIZONA STATE CAPITOL
1700 WEST WASHINGTON
PHOENIX, ARIZONA
(MEETING AT FLAGSTAFF CITY HALL
211 WEST ASPEN AT 6:00 A.M.)

MINUTES

1. CALL TO ORDER

Councilmembers and staff met at 6:00 a.m. at Flagstaff City Hall and traveled to Phoenix at 8:30 a.m. Councilmembers and staff meet with the City's contracted State Lobbyist Richard Travis at the Arizona League of Cities and Towns building and then walked to the meeting location.

2. **Roll Call**

PRESENT:

MAYOR EVANS
COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

ABSENT:

VICE MAYOR SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY

Others present: City Manager Barbara Goodrich; City Attorney Sterling Solomon, Interim Assistant to the City Manager Cliff Bryson

3. **Traveling (6:00 a.m.) and Meeting (1st meeting at 9:00 a.m.) with Arizona State Legislators.**

9:00 a.m. Met with Representative I. Blanc representing District 26.

Representative Blanc stated she would attempt to present some amendments to Representative Kavanagh's Short-term rental bill (HB2672). Representative Blanc stated she is attempting to have her short-term rental bill heard in committee.

Mayor Evans discussed the impact short-term rentals were having not only in Northern Arizona, but statewide. She spoke about how the Greater Arizona Mayor's Association (GAMA) proposal differs from Representative Kavanagh's bill and that they are seeking an amendment to the bill.

Representative Blanc stated that it is a statewide issue and a large problem which needs to be addressed. Mayor Evans stated the City is not against short-term rentals, business, and individual rights, but is supportive of fair competition.

Mayor Evans talked about affordable housing and having a shortage of 6,000 affordable housing units in Flagstaff. Representative Blanc stated the affordable housing bill is a great idea, but it is more money out of the budget. She said an amendment needs to be added to eliminate the preemption in the rezoning issue for affordable housing.

9:30 a.m. Met with Representative M. Tsosie representing District 7.

Mayor Evans spoke about the short-term rental issue statewide and how 25% of houses in Flagstaff are second homes and 25% of houses in Flagstaff are AirBnB. Mayor Evans talked about the short-term rental resolution GAMA presented to Representative Blanc. Representative Tsosie stated he signed off on Representative Blanc's bill.

Mayor Evans talked about HB2365; the Affordable Housing Tax Credit bill, and how the bill would address affordable housing and the existing shortage. Mr. Travis explained the affordable housing tax credit provisions.

Councilmember Whelan spoke about the timeframes for tax credit reviewing and how those should be changed to encourage and increase affordable housing. Mayor Evans discussed the timeframes and deadlines that apply to affordable housing and tax credits.

Councilmember Odegaard discussed social services providers and the City's support for Senator Allen's social service provider funding bill SB1225. Mayor Evans stated the State needs to fully fund social service providers. Representative Tsosie said he would look into the social services and have a discussion with Senator Allen.

Representative Tsosie discussed his interest and involvement in the education system and its importance. Mr. Travis explained more details regarding Senator Allen's bill and Senator Brophy McGee's bill.

10:00 a.m. Met with Representative M.A. Teller representing District 7.

Representative Teller discussed the need for more funding for the aviation program and against the sweeps that have been taken with the program. He indicated that the funding is critical for airport development, improvement, and maintenance. The funding needs to be spread-out to the rural communities first to fund their airports. Representative Teller asked if the City could pass a resolution in support of the aviation funding.

Mayor Evans also discussed social service provider funding and road repairs for I-17.

10:30 a.m. Met with Representative L. Alston representing District 24.

Mayor Evans discussed the affordable housing and short-term rental issue statewide. Representative Alston said she is supportive of local control and cities making local decisions. Representative Alston stated that she is also supportive of stronger education and affordable housing.

Representative Alston stated that \$1 million should be funded for true emergencies with the Department of Housing for the State. She said she supports greater amounts of funding for the housing department.

Councilmember Salas discussed digital goods and the importance of revenue collection for the cities.

11:15 a.m. Met with Representative B. Thorpe representing District 6.

Representative Thorpe said he had a meeting with ADOT personnel to discuss I-17 and that there has been no push back with the Governor's budget so far as it relates funding for I-17. He said he spoke during the Transportation Committee meeting about the amount of delay and how much it

impacts businesses if a major incident occurs on I-17.

Representative Thorpe described the upcoming fiscal year as being unique and he estimates about \$1 billion in revenues. Councilmember Odegaard discussed the importance of HURF funds and eliminating the sweeps of those funds.

Mayor Evans spoke about Representative Thorpe's interest in dark skies and talked about working with ADOT on dark sky options. Representative Thorpe stated that he talked with the Director of the Naval Observatory and the problem with LED is multi-spectrum and Lowell is concerned with that different lighting in the area. Mayor Evans discussed the City funding a Dark Sky Specialist to help in lighting compliance throughout the City.

Representative Thorpe discussed justice reform and keeping people out of the correctional institutions. He currently has bill to increase the penalties against people that are neglectful and not responsible with wildfire safety which is he interested in having the Governor sign. Currently it is a misdemeanor and he would like the penalty to be a felony.

Representative Thorpe indicated that he has asked the Attorney General's Office to take action on the Environmental Protection Agency with regard to uranium mining and that there needs to be a relationship with the Native American Tribes on the issue. Mayor Evans discussed future energy sources and having a discussion on power plants and people in society coming together to assist in clean up.

12:00 p.m. Met with Senator R. Gray representing District 21.

Mayor Evans discussed the shortage of housing stock and the Airbnb issue in Flagstaff, Sedona, Page, and Winslow. Mayor Evans stated that there needs to be an increase in housing for the work force.

Mayor Evans discussed the challenging timeframes for submitting applications for the affordable housing tax credits.

Councilmember Odegaard discussed SB1460 and not supporting such a measure because it would negatively impact revenue funding and/or collection of such revenue.

Councilmember Odegaard expressed the City's support for SB1225 which supports the much need labor force funding for Northern Arizona social providers. Senator Gray also expressed his support for Senator Allen's bill (SB1225).

Mayor Evans discussed transportation and all roads leading to Flagstaff; the major issues that need to be addressed on I-17 and the need for funding for basic repairs and assistance. Councilmember Odegaard stated he attends the ADOT board meetings and stated Flagstaff is not considered rural which is challenging considering it is in the middle of a very rural county. Senator Gray agreed that transportation is a big issue that needs to be addressed.

12:30 p.m. Met with Representative Bolding representing District 27.

Mayor Evans discussed the issues of affordable housing and short-term rentals in Northern Arizona. Mayor Evans suggested City staff send the GAMA short-term rental resolution to Representative Bolding. Mayor Evans said Representative Blanc wants to place an amendment to Representative Kavanagh's bill to include the GAMA language. Councilmember Whelan added that investors are coming in and buying the properties for Airbnb businesses.

Mayor Evans and Councilmember Odegaard talked about HB2307 and making sure the Model City Tax Code is not eliminated.

Representative Bolding spokw about youth employment and the bill to address this issue.

Mayor Evans discussed the comprehensive impact study of the minimum wage that the City is looking to conduct and the tool kit to be developed to assist businesses.

1:00 p.m. Met with Senator Allen representing District 6.

Mayor Evans spoke about the affordable housing issues, tax credits for affordable housing, and short-term rentals. Senator Allen indicated that there needs to be a larger conversation regarding affordable housing, and she would like to have an affordable housing meeting conducted in Flagstaff with the Northern Arizona communities after the current session is complete. Mayor Evans noted that the City was supportive of the effort and offered to host the meeting in Flagstaff. Senator Allen would like community members and businesses to be involved in the meeting as well.

Councilmember Odegaard talked about the issues with the transportation infrastructure in Northern Arizona. Senator Allen expressed her support of transportation but does not know what to do about reform and fees for more money.

Councilmember Odegaard discussed digital goods and ensuring cities have proper revenue collections. Senator Allen agreed that there needs to be a more robust conversation regarding the topic.

1:30 p.m. Met with Representative Fernandez representing District 4.

The topics that were discussed included short-term rentals, housing stock, affordable housing tax credits, increases in the gas tax, and HURF funding.

3:00 p.m. Met with Senator Rios representing District 27.

Councilmember Odegaard discussed Wayfair and ensuring proper taxes are being collected so cities do not lose revenue.

Councilmember Salas discussed social service providers and the City's support for Senator Allen's SB1225 bill. Councilmember Sales stated the services need to be fully funded and need to be paid for. Senator Rios asked if the City has lost businesses to which Councilmember Salas responded yes.

Councilmember Odegaard discussed the gas tax and the possibility of doing small incremental steps towards increasing the tax.

Mayor Evans discussed affordable housing, the two tax credit bills, and having two application processes for better results.

Mayor Evans also spoke about the short-term rental issue, Representative Kavanagh's bill, and the proposed amendments that are coming forward.

4. ADJOURNMENT

The Flagstaff City Council Special Meeting with State Legislators of February 13, 2019, adjourned at 4:00 p.m.

MAYOR

ATTEST:

CITY CLERK