

MINUTES

1. Call to Order

Mayor Evans called the Work Session of the Flagstaff City Council held January 29, 2019, to order at 6:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Pledge of Allegiance and Mission Statement

The Council and audience recited the pledge of allegiance and Councilmember Whelan read the Mission Statement of the City of Flagstaff.

MISSION STATEMENT

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

3. **ROLL CALL**

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

PRESENT:

ABSENT:

MAYOR EVANS
VICE MAYOR SHIMONI
COUNCILMEMBER ASLAN
COUNCILMEMBER MCCARTHY
COUNCILMEMBER ODEGAARD
COUNCILMEMBER SALAS
COUNCILMEMBER WHELAN

Others present: City Manager Barbara Goodrich; City Attorney Sterling Solomon

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.

Deborah Harris addressed Council offering thanks for the Black History Month Proclamation. She invited Council to an upcoming event at the Murdoch Center on February 2, 2019 at 2:00 p.m.

5. Review of Draft Agenda for the February 5, 2019 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.

Councilmember Whelan requested the removal of her F.A.I.R. item 16A. At this point, Mayor Evans declared a conflict of interest and left the dais. Mr. Solomon explained that the Rules of Procedure allow for the removal of a F.A.I.R. item at this stage so long as there was no objection from Council to remove it.

Council was supportive of removing the item from the February 5, 2019 agenda.

At this time, Mayor Evans returned to the dais.

Councilmember Whelan asked for a definition of "income qualified" as part of item 14A. She indicated that an email or memo would be sufficient.

6. Black History Month Proclamation

Councilmember Odegaard read and presented the Black History Month Proclamation to Shannon Anderson on behalf of the Commission of Diversity Awareness.

7. Council Listening Tour - Healthcare Sector

Business Retention and Expansion Manager John Saltonstall introduced Fadi Sidani, Director of Marketing and Business Development at Rehabilitation Hospital of Northern Arizona, Gerald Hodges, Executive Director of Welbrook Transitional Rehabilitation, and Flo Spyrow, President and CEO of Northern Arizona Healthcare.

Mr. Sidani provided a PowerPoint presentation that covered the following:

REHABILITATION HOSPITAL OF NORTHERN ARIZONA

CONSTRUCTION SITE PHOTO
ARTIST RENDERING OF FACILITY
GRAND OPENING
UNIQUE FEATURES OF OUR BUILDING
PATIENT SPIDER GRAPH – STROKE
BUSINESS CHALLENGES
SUCCESES
WE ARE PASSIONATE PATIENT CAREGIVERS

Mr. Hodges then provided a PowerPoint presentation that covered the following:

WELBROOK TRANSITIONAL REHABILITATION
COMPREHENSIVE MEDICAL CARE PROGRAM
BEAUTIFUL SURROUNDINGS
INTENTION IS TO GET PEOPLE HOME
PROVIDE EFFECTIVE ARRAY OF SERVICES

Councilmember Whelan asked Mr. Hodges about the specific recruitment challenges they are facing. Mr. Hodges stated that the biggest challenge is finding and attracting registered nurses. They have been successful in attracting physical, occupational, and speech therapists.

Ms. Spyrow provided a PowerPoint presentation that covered the following:

NORTHERN ARIZONA HEALTHCARE YOUR HEALTHCARE PROVIDER
NAH ENTITIES
FMC SPECIALTY PROVIDERS
NAH SYSTEM
SERVICE REGIONS
NAH NEW ERA STRATEGIC PLAN
CHALLENGES
SUCCESS
MISSION VISION AND VALUES

Councilmember Whelan thanked each business for coming and presenting to Council about their work and vision for Flagstaff.

Vice Mayor Shimoni thanked the presenters for the hard work that they and their organizations do in the community. He asked about the types of outreach to the public about the costs of healthcare services to improve understanding. Mr. Sidani offered that they invite patients to call or come in to discuss their coverage and what their estimates may be for services that they are looking for. The one on one analysis is helpful. They are looking into other ways to access healthcare such as social media, tele-health, and other technologies that young people may be more comfortable with.

Ms. Spyrow stated that Flagstaff Medical Center is looking at making tools assessible online to help patients estimate the costs of their services.

Mayor Evans offered her appreciation for the presentations and for the work and services each of the agencies provide to the community.

Councilmember Odegaard stated that there will be an onsite tour of all three facilities on the morning of Thursday, January 31, 2019.

8. LAUNCH Flagstaff Presentation

LAUNCH Flagstaff Partnership Director Paul Kulpinski introduced Steve Peru, Rene RedDay, and Dr. Robert Kelty who together provided a PowerPoint presentation that covered the following:

EXPANDING HIGH QUALITY PRESCHOOL IN FLAGSTAFF
WE BELIEVE THAT...
CRADLE THROUGH CAREER CONTINUUM
HIGH QUALITY PRESCHOOL PROGRAMS CAN:
OPPORTUNITY AND ACCESS GAP
THE ACHIEVEMENT GAP STARTS AT BIRTH
LETTER FLUENCY
PRESCHOOL ATTENDANCE
3RD GRADE READING LEVELS
FINDING COMMON STRATEGIES
ENROLLMENT IN EARLY CHILDHOOD PROGRAMMING
WE RECOMMEND THAT THE FLAGSTAFF COMMUNITY...
4-YEAR OLD CHILDREN BETWEEN 100-200% FPL
POTENTIAL PARTNERS
FAMILY ENGAGEMENT AND SUPPORT
TEMPE PRE
POTENTIAL RETURN TO FLAGSTAFF
STEPS TO SUCCESS
DISCUSSION

Councilmember Whelan asked Mr. Kulpinski to address the statement that is often received that education is not a city's business. Mr. Kulpinski stated that Kindergarten through grade twelve is funded by the state and then post-secondary education is funded both at the state and federal levels. The challenge is that there is not a coordinated infrastructure and gaps are forming. By bringing community partners together, solutions can begin to develop to address the gaps, it is more than just an educational problem.

Vice Mayor Shimoni stated that the mission of the City is to protect and enhance the quality of life for all and he sees this as a way to carry that mission forward. He asked if there are new school facilities for the program. Mr. Kulpinski explained that there is a relationship with existing schools and classrooms. There are a lot of different standards involved and some remodel of existing classrooms and facilities may be needed to bring them up to the proper standard for the pre-K environment.

Vice Mayor Shimoni also asked about any information about projections for need. Mr. Kulpinski stated that they are working to quantify what the need might be but they will not really know until program is open. What is known is that when a parent of a preschooler has the ability to have their child in all-day pre-school they have the ability to work and that is a great economic factor.

Councilmember McCarthy asked who would be administrating the program. Mr. Kulpinski offered that there are a variety of ways that it could be done. In Tempe, the city administers the program. It would begin with conversations with the city, county, and all other community partners; there are some models in Arizona that could be looked at for different types of configurations.

Councilmember McCarthy asked how the costs would be shared across the partners. Mr. Kulpinski stated that Tempe covered the base cost of the program and then leveraged those funds through partnerships with philanthropic agencies. They felt that without their level of input the community buy in may be difficult. It first comes down to making this a priority for Flagstaff and then fleshing out the details.

Councilmember Whelan offered that the City of Mesa uses CDBG funds to run their program. Another way of looking at it would be that it is an investment in workforce so economic development could share in it as well. Flagstaff is losing Head Start classrooms because of the increasing minimum wage and this type of program will help bridge that gap.

Mayor Evans stated that she would like to continue the conversations in the future and understand the other partners so there can be discussions about budget and contributions. The program would fit under the Council's economic development and social justice goals. She suggested that they invite the City of Tempe to come and speak with the Council about their program and how they implemented it.

Councilmember Aslan stated that it is an exciting prospect. He indicated that he would like to hear more about what the plan is going forward and how they will be measuring success. Mr. Kulpinski stated that there are some specific tools to measure student performance and in addition to looking at existing measurements there are also assessments and measurements that teachers are working with students on to get an impact on educational success.

Councilmember Odegaard thanked Mr. Peru for the recent tour of the Pre-K facility at Killip School. He stated that the City of Flagstaff does provide funding to the education system currently; there is a service partner contract with FACTS, the Coconino Coalition of Children and Youth, as well as Flagstaff Unified School District. He looks forward to future discussions on the topic.

Councilmember Salas offered that coming from a developing country she is a firm believer in cradle to career programs. She would like to see all families have the opportunity to send their children to pre-school. She is supportive of continuing the conversation in the future.

9. State of Arizona Legislative Trip and State Legislative Priorities.

Interim Assistant to the City Manager Cliff Bryson introduced the City's State Lobbyist Richard Travis.

Ms. Goodrich stated that staff consolidated the Council priorities into seven legislative priorities with informational points added to each. A draft was provided to the Council for their review.

Mayor Evans asked that the Council review the list and provide a priority ranking to the City Manager.

A break was held from 7:44 p.m. through 7:49 p.m.

The following people addressed Council with regards to the State legislative priorities:

- Joe Shannon
- Sarana Riggs
- Joe Galli

The following comments were received:

- Advocate for stronger water quality and monitoring standards for uranium mining and opposing the transport of uranium.
- Include air quality in the resource protection section.
- Advocate for stricter regulations and guidelines on preventing nuclear contamination.
- Consider lobbying for increased social service funding.
- Advocate in support of HB2523 that allows any Arizona business to hire a full time student age 22 or younger, working 20 hours or less, at the federal minimum wage or higher.

Water Services Director Brad Hill stated that there may be some water related issues at the State legislature that are not part of the priorities just discussed. The City is a member of a number of state water advocacy groups that may want to bring legislation forward that is not directly part of the Council's priorities. If and when those items come forward he will bring them to Council for consideration to add to the current lobbying efforts if necessary.

10. Discussion of amendment to the Pine Canyon (formally known as Fairway Peaks) Development Agreement.

Planning Development Manager Alexandra Pucciarelli provided a PowerPoint presentation that covered the following:

AMENDMENT TO PINE CANYON
VICINITY MAP
BACKGROUND
2000 CONCEPT PLAN
2000 CONCEPT ELEVATION
2018 CONCEPT PLAN
D.A. INCONSISTENCIES

Mayor Evans asked the definition of condominium. Ms. Pucciarelli stated that it is defined air space that is owned; most people are familiar with a condo that is similar to

an apartment that you own.

Councilmember McCarthy asked what the maximum building height is under the current zoning. Ms. Pucciarelli stated that generally the maximum height is 60 feet, which architecturally relates to five stories.

Mayor Evans asked if the Development Agreement supersedes the ordinance or City Code. Mr. Solomon stated that the Development Agreement is essentially an ordinance that contains information that would require the Council to remain consistent with what is in it.

Mayor Evans asked the importance of Section 7 of the Development Agreement. Ms. Pucciarelli offered that because it says that the developer shall develop in a particular way and it does not reference condominiums. It only lends to what was perceived or proposed at the time, there is no binding specifics.

Ms. Pucciarelli concluded the presentation.

CONDOMINIUMS VS. APARTMENTS

The following individuals addressed Council with regards to the Pine Canyon Development Agreement amendment:

- William Frey
- Dr. Justin Dallacqua
- Bob Burch
- Mary Norton
- Xiao Me
- Mark Aspey

The following comments were received:

- It sounds like the developers found a loophole in the Development Agreement; the Council needs to fight for the existing environment and keep the buildings below 60 feet.
- Parking will be a huge issue and traffic has not been addressed.
- The safety of the children living in the neighborhood will be compromised.
- This development is not compatible with the families and professionals who live in Pinnacle Pines.
- The project should be blocked entirely.
- The developer is trying to pound a square peg in a round hole; this is not multi-family housing it is student housing.
- Before the project moves forward the Council needs to reevaluate the zoning.
- The original intent in the Development Agreement was for condominiums; student housing is not what the City agreed to in this agreement.
- There is no walkability, connectivity, or activity centers and these 702 students will need a car to get around.
- There will not be enough parking and that burden will end up in the surrounding neighborhood.
- A traffic study should be completed before anything is decided.
- The most responsible thing for the Council to do is to deny the amendment.

- This development will have a significant impact to Pinnacle Pines.
- The City should not review an amendment to the Development Agreement without knowing what the development looks like.

Written comment cards in opposition to the amendment of the Pine Canyon Development Agreement were submitted by the following:

- Sheryl and Ken Dawson
- Leslie Weigt
- Robert Weigt
- Christine Banker
- Michael Banker
- Se Yu
- Bill Sandercock
- Irma Sandercock
- Dr. Patricia Jones Cowan
- Tom Florman

Councilmember Salas asked when a site plan would be seen by the Council.

Ms. Pucciarelli stated that the process is to first submit a concept plan application. The developer has done that it has been reviewed by staff and conditionally approved. The next step is for the developer to submit a site plan application. They have up to a year to submit.

Vice Mayor Shimoni stated that he has concerns about the project. He would like to do some negotiation and find a compromise that works for everyone. He requested information about projects that do not do a one to one on their rooms. He suggested possibly partnering with NAIPTA to provide bus passes to residents and he indicated that he would like to see affordable and attainable multi-family housing addressed with the project.

Mayor Evans stated that if there will be discussion about opening the Development Agreement for review, she would like to see the inclusion of workforce housing. She would also like to understand how they address dark skies and resource protection. She would like the community to weigh in on possible points that the neighborhood thinks could be negotiated and what those would look like.

Councilmember Odegaard stated that student housing does not meet the intent of the Development Agreement. The intent was condominiums and with condos come ownership not rentals.

Councilmember McCarthy stated that he would like to see staff try to negotiate with the developer to address some of the concerns. He indicated that he is supportive of flexibility in building height.

Councilmember Salas stated that she would like to hear more about the concerns about environmental impacts, traffic, parking, public safety, and solid waste. She ultimately would like to see common ground that both the developer and private community can live with.

Moved by Councilmember Charlie Odegaard, **seconded by** Councilmember Regina Salas to continue the meeting in accordance with the Council Rules of Procedure.

Vote: 6 - 1

NAY: Councilmember Jim McCarthy

11. Community Development Block Grant (CDBG) introduction & Council's CDBG priority setting for the next two years.

Housing and Grants Project Manager Leah Bloom provided a PowerPoint presentation that covered the following:

2019 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROCESS
WHY ARE WE HERE TONIGHT?
CDBG OVERVIEW
WHAT IS COMMUNITY DEVELOPMENT BLOCK GRANT?
WHY DOES THE CITY OF FLAGSTAFF RECEIVE CDBG MONEY?
WHAT HAS CHANGED IN RECENT YEARS?
ALLOCATION OVER THE YEARS
HOW DOES THE CITY ACCESS THE FUNDS?
5 YEAR CONSOLIDATED PLAN GOALS
HOW CAN THE CITY SPEND THE MONEY?
PRIMARY AND NATIONAL OBJECTIVE
BENEFITING LOW TO MODERATE INCOME PERSONS
LIMITED CLIENTELE
HOUSING ACTIVITY
AREA BENEFIT
JOB CREATION/RETENTION ACTIVITIES
HUD ANNUAL FUNDING CAPS
CITY CONTRACT REQUIREMENTS
PUBLIC SERVICE – 15% CAP
CRITERIA FOR USE OF CDBG FUNDS
HOW ARE FUNDS DISTRIBUTED?
PROPOSAL PROCESS
REQUESTED DIRECTION – CDBG PRIORITIES

Vice Mayor Shimoni stated that he would like to understand where the biggest impact has been. He would like to see homelessness as the number one priority with housing assistance as number two.

Ms. Bloom stated that the priorities have generally stayed the same over the past few years; the prioritization for CDBG funding comes from the consolidated plan to make sure goals are achieved and are meeting the needs of the community. There have been some smaller projects that have made huge impacts in the community as well as larger ones. Last year \$200,000 was allocated toward the expansion of the homeless shelter.

Councilmember Whelan stated that she would like to see if CDBG funding could be used for LAUNCH and education programming.

Councilmember McCarthy stated that he would like for the support of the homeless shelter to stay on the list.

Councilmember Aslan indicated that it is important that the priorities are looked at through the lens of the Climate Action and Adaptation Plan. Looking for areas to encourage green practices in housing construction, reducing utility and maintenance costs, and using those funds to help reduce those front-end costs. He also expressed a desire to keep homelessness as a high priority.

Ms. Bloom offered that the owner-occupied rehabilitation program is in line with energy conservation and the program is highly successful. Now is the time to add additional goals if that is the Council's desire. She added that the three existing goals have been highly successful in the past which is why they have been consistent over the last four to five years.

Mayor Evans stated that she is happy with the existing goals and would like to add the education component.

Councilmember Salas suggested adding education, workforce development, and early childhood development to the list of goals.

Council agreed to keep the existing priorities and add workforce development, education, and early childhood development.

12. Public Participation

None

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

Councilmember Whelan stated that she and Ms. Goodrich attended the 14th annual Trends Day. The event reported that 87% of job loss is due to growth inefficiency and technology; investment in education and training will be paramount. The importance of place was another focus of the conference; planning for how the city should look as it grows is important.

Councilmember Whelan requested a F.A.I.R. item to discuss forming a committee of two Councilmembers and staff to look at the I-40 corridor lands and Red Gap Ranch for economic development opportunities and give direction for economic development and land use.

Councilmember McCarthy stated that he met with the FMPO to discuss their current work program.

Councilmember Aslan stated that he attended the Coconino Plateau Water Advisory Committee meeting. He indicated that it was a great meeting with a presenter from Prescott who is interested in turning the Verde River into a recreation area.

Councilmember Odegaard stated that he is looking forward to the business listening tour scheduled on Thursday, January 31, 2019 at 9:00 a.m. to tour the three businesses that presented tonight.

Councilmember Odegaard requested a CCR on rooming and boarding.

Councilmember Salas reported that she attended her first FMPO meeting; there is a new Executive Director developing a new operating standard and financial plan. She also reported that she met with the Flagstaff Leadership Alliance to discuss business in Flagstaff. She challenged the Alliance to quantify the barriers for business success in Flagstaff and identify solutions for consideration at the Council level.

Councilmember Salas also met with the Northern Arizona Interfaith Council and restated her commitment to continued transparency. She expressed her appreciation of the existing efforts with the City website; there is so much information online.

Ms. Goodrich reported that Flagstaff Police Officer Mike Hutchinson received the Officer of the Year award. She also recognized Interim Deputy City Manager Kevin Treadway who will be celebrating 32 years of service with the City of Flagstaff on Friday.

Ms. Goodrich also reported that an Indigenous Coordinator has been hired, her name is Catherine Esquivel and she will be starting next week. Her first priority will be establishing relationships in the community and tribal outreach.

Mayor Evans stated that there are discussions occurring with the new owners of the Catholic School across the street from the new Courthouse about a parking garage and the possibility of partnering with them for use of the facility.

14. Adjournment

The Flagstaff City Council Work Session of January 29, 2019, adjourned at 10:47 p.m.

MAYOR

ATTEST:

CITY CLERK