REGULAR COUNCIL MEETING
TUESDAY
APRIL 20, 2021

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

ATTENTION

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

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

PUBLIC COMMENT PROTOCOL

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

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

Public comments may be submitted to publiccomment@flagstaffaz.gov

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

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

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

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

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

AGENDA
A M E N D E D

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 regular meeting, the City Council may vote to go into executive session, which will not be open to the public, for legal advice and discussion with the City's attorneys for legal advice on any item listed on the following agenda, pursuant to A.R.S. §38-431.03(A)(3).

2. ROLL CALL

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

MAYOR DEASY	
VICE MAYOR DAGGETT	COUNCILMEMBER SALAS
COUNCILMEMBER ASLAN	COUNCILMEMBER SHIMONI
COUNCILMEMBER MCCARTHY	COUNCILMEMBER SWEET

3. PLEDGE OF ALLEGIANCE AND MISSION STATEMENT

MISSION STATEMENT

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

4. PUBLIC PARTICIPATION

Public Participation enables the public to address the Council about an item that is not on the agenda. Comments relating to items that are on the agenda will be taken at the time that the item is discussed. If you wish to address the Council at tonight's meeting, please complete a comment card and submit it to the recording clerk as soon as possible. Your name will be called when it is your turn to speak. 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 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. PROCLAMATIONS AND RECOGNITIONS

A. National Student Leadership Week

6. APPOINTMENTS

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 the City Council may vote to go into executive session, which will not be open to the public, for the purpose of discussing or considering employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee, or employee of any public body...., pursuant to A.R.S. §38-431.03(A)(1).

A. Consideration of Appointments: Planning and Zoning Commission.

STAFF RECOMMENDED ACTION:

Make two appointments to terms expiring December 2023.

B. Consideration of Appointments: Airport Commission.

STAFF RECOMMENDED ACTION:

Make one appointment to a term expiring October 2021.

7. CONSENT ITEMS

All matters under Consent Agenda are considered by the City Council to be routine and will be enacted by one motion approving the recommendations listed on the agenda. Unless otherwise indicated, expenditures approved by Council are budgeted items.

A. **Consideration and Approval of Contract:** Approve the construction contract with Sellers and Sons, Inc. in the amount of $727,880.27 for the Huntington Waterline Replacement Project.

STAFF RECOMMENDED ACTION:

1. Approve the Construction Contract with Sellers and Sons Inc. in the amount of $727,880.27, and a contract time of 160-calendar days: and
2. Approve a contract allowance of $41,200.77, which is 6% of the lowest responsive, responsible bid of $686,679.50;
3. Approve Change Order Authority to the City Manager in the amount of $68,667.95 (10% of the contract amount, less allowances)
4. Authorize the City Manager to execute the necessary documents.

B. **Consideration and Approval of a Cooperative Purchase Contract:** To purchase one (1) 2017 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc through a cooperative purchase contract with the City of Tucson Procurement Department #161534-01 in the amount of $228,000.00 plus sales tax $20,292.00 for a total of $248,292.00. AND To purchase one (1) 2019 Caterpillar 12M3 AWD TR Motor Grader from Caterpillar, Inc through a cooperative purchase contract with the City of Tucson Procurement Department #161534-01 in the amount of $246,500.00 plus sales tax $21,939.00 for a total of $268,439.00.

STAFF RECOMMENDED ACTION:

1. Approve the equipment purchase for one (1) 2017 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc and one (1) 2019 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc for the combined amount of $474,500.00, plus applicable taxes, for a total of $516,731.00 through cooperative purchase contract #161534.
2. Authorize the City Manager to execute the necessary documents.

C. **Consideration and Approval of Final Plat** Ponderosa Parkway LLC requests Final Plat approval for Ponderosa Parkway Condominiums Unit 2—a 78-unit residential condominium subdivision at 1650 E. Ponderosa Parkway on 11.97 acres in the High Density Residential (HR) Zone.

STAFF RECOMMENDED ACTION:

Staff recommends the City Council approve the Final Plat and authorize the Mayor to sign the plat and City Subdivider Agreement when notified by staff that the documents are ready for recording.

D. **Consideration and Approval of Contract:** Approve the sole source purchase of a Movex electric mini-dozer from Movex Innovation, Inc. in the amount of $113,947.00 for Stormwater Section maintenance of concrete box culverts.

STAFF RECOMMENDED ACTION:

1. Approval of the sole source purchase of a Movex electric mini-dozer from Movex Innovation, Inc. for Stormwater Section maintenance of concrete box culverts in the amount of $113,947.00, not including tax and freight; and
2. Authorize the City Manager to execute all necessary documents.

E. **Consideration and Approval:** Environmental Infrastructure Assistance Program project requests

STAFF RECOMMENDED ACTION:

Approve the submission of a list of project requests for immediate consideration under the Environmental Infrastructure Assistance program.

8. ROUTINE ITEMS

A. **Consideration and Adoption of Ordinance No. 2021-08 and Resolution No. 2021-13:** An ordinance amending the interceptors types, capacity, location, and maintenance for the regulation of fats, oils, and grease coming into Flagstaff's water reclamation plants; and a resolution adopting the Fats, Oil, and Grease Manual.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-06 by title only for the final time
2) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)
3) Adopt Ordinance No. 2021-06
4) Adopt Resolution No. 202113

B. **Consideration and Adoption of Ordinance No. 2021-07:** An ordinance amending Flagstaff City Code Section 7-02-001-0042 regulating scavenger waste, grease haulers and scavenger waste permits.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-07 by title only for the final time
2) City Clerk reads Ordinance No. 2021-07 by title only (if approved above)
3) Adopt Ordinance No. 2021-07

C. **Consideration and Adoption of Ordinance No. 2021-10 and Resolution No. 2021-14:** An ordinance amending multiple portions Chapter 7-02 with respect to local limits for significant industrial users of the water reclamation system, and a resolution amending the Enforcement Response Plan.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-10 by title only for the final time
2) City Clerk reads Ordinance No. 2021-10 by title only (if approved above)
3) Adopt Ordinance No. 2021-10
4) Adopt Resolution No. 2021-14

D. **Consideration and Adoption of Ordinance No. 2021-09:** An ordinance amending Section 7-03-001-0015 related to City Water Systems Cross Connection Control

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-09 by title only for the final time
2) City Clerk reads Ordinance No. 2021-09 by title only (if approved above)
3) Adopt Ordinance No. 2021-09

E. **Consideration and Adoption of Ordinance No. 2021-11:** An Ordinance of the City of Flagstaff amending easements on McMillan Mesa with Arizona Public Service Company (APS) and US West Wireless LLC, and approving an agreement for remediation services with APS, with conditions, providing for severability, authority for clerical corrections, and establishing an effective date; and **Consideration and Approval of Land Restoration Agreement** with APS for restoration of lands affected by easement boundary changes.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-11 by title only for the final time
2) City Clerk reads Ordinance No. 2021-11 by title only (if approved above)
3) Adopt Ordinance No. 2021-11
4) Approve the Land Restoration Agreement with APS to restore lands affected by the easement boundary changes.

F. **Consideration and Approval of Lease Amendment:** Lease No: GS-09B-LAZ00170 to issue a Notice to Proceed and provide lump sum payment procedures, to provide underground fiber and conduit installation, for the United States Geological Survey (USGS) facilities located at 2255 North Gemini Drive, Flagstaff, AZ 86001

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment No 1 to incorporate the Section 7.02 - NOTICE TO PROCEED - Underground Conduit Installation.

G. **Consideration and Approval of Contract:** Approval of a cooperative purchase contract with Aspen Communications for the completion of underground conduit and fiber installation at United States Geological Survey (USGS) Building 6 located at 2255 North Gemini Drive, Flagstaff, AZ 86001.

STAFF RECOMMENDED ACTION:

1) Approve the agreement with Aspen Communications to provide underground conduit and fiber installation work at the USGS Building 6, in the amount of $238,676.84; and
2) Authorize the City Manager to execute all necessary documents.

9. REGULAR AGENDA

A. **Consideration and Approval of Contract:** Red Gap Ranch Grazing Lease with Bar T Bar (-T-) Ranch in the amount of $50,408.

STAFF RECOMMENDED ACTION:

1. Approve the Grazing Lease with Bar T Bar (-T-) Ranch
2. Authorize the City Manager to execute the necessary documents

B. **Consideration and Adoption of Resolution No. 2021-15:** A resolution approving the City of Flagstaff's 2021/2025 Consolidated Plan and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

Consideration and Adoption of Resolution No. 2021-16: A resolution approving the City of Flagstaff's 2021 Analysis of Impediments to Fair Housing Choice and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

Consideration and Adoption of Resolution No. 2021-17: A resolution approving the City of Flagstaff's 2021/2022 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. 2021-15 by title only
2) City Clerk reads Resolution No. 2021-15 (if approved above)
3) Adopt Resolution No. 2021-15

4) Read Resolution No. 2021-16 by title only
5) City Clerk reads Resolution No. 2021-16 (if approved above)
6) Adopt Resolution No. 2021-16

7) Read Resolution No. 2021-17 by title only
8) City Clerk reads Resolution No. 2021-17 (if approved above)
9) Adopt Resolution No. 2021-17

C. **Consideration and Adoption of Ordinance No. 2021-06:** An Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to rezone approximately 11 acres of real property generally located at 151 West High Country Trail, APNs 112-05-001W and 112-05-011 from the Estate Residential (ER) zone to the Medium Density Residential (MR) zone with conditions, providing for severability, authority for clerical corrections, and establishing an effective date.

STAFF RECOMMENDED ACTION:

Staff recommended that the Planning and Zoning Commission forward the Direct to Ordinance Zoning Map Amendment request to the City Council with a recommendation for approval, in accordance with the findings presented in the attached report.

The Planning & Zoning Commission disagreed with staff's recommendation and instead recommends that the City Council, in accordance with the findings, deny the requested Direct to Ordinance Zoning Map Amendment for Aura Flagstaff (PZ-20-00008-01).

Should the Council decide to deny the requested Zoning Map Amendment:

At the April 20, 2021 Council Meeting:
1) Approve a motion to deny the application for Zoning Map Amendment

Should the Council decide to approve the requested Zoning Map Amendment:

At the April 20, 2021 Council Meeting:
1) Read Ordinance No. 2021-06 by title only for the first time
2) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)

At the May 4, 2021 Council Meeting:
3) Read Ordinance No. 2021-06 by title only for the final time
4) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)
5) Adopt Ordinance No. 2021-06

10. COUNCIL LIAISON REPORTS

11. FUTURE AGENDA ITEM REQUESTS

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

A. **Future Agenda Item Request (F.A.I.R.)** A Citizens' Petition requesting the "closure of Woody Way to cut through traffic allowing emergency access only"

12. CITY MANAGER REPORT

A. City Manager Report

13. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND STAFF, FUTURE AGENDA ITEM REQUESTS

14. 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 _____, 2021.

_____
Stacy Saltzburg, MMC, City Clerk

6. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration of Appointments: Planning and Zoning Commission.

STAFF RECOMMENDED ACTION:

Make two appointments to terms expiring December 2023.

Executive Summary:

The Planning and Zoning Commission consists of seven citizen members and serves as an advisory board to the Council on matters relating to the growth and physical development of the City. The commission also conducts hearings on amendments to the Zoning Map, tentative subdivision plats, and Development Review Board appeals. There are currently two seats available. It is important to fill vacancies on Boards and Commissions quickly so as to allow the Commission to continue meeting on a regular basis.

There are seven applications currently on file, they are as follows:

Tyler Denham (new applicant)
Pamela Garcia (new applicant)
Ricardo Guthrie (new applicant)
Bob Harris III (new applicant)
Marie Jones (current commissioner)
Danielle McGruer (new applicant)
Gaylene Soper (current commissioner)

Staff recommends filling the vacant seat as soon as possible to ensure that a quorum of members will be available to conduct hearings on amendments to the Zoning Map, tentative subdivision plats, and Development Review Board appeals. In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

Council Appointment Assignment: Councilmember Shimoni and Councilmember McCarthy

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:

None

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Inclusive and Engaged Community

- Foster community pride & civic engagement by increasing opportunities for public involvement, in line with best practices & legal requirements
- Enhance community involvement, education & regional partnerships to strengthen the level of public trust

Has There Been Previous Council Decision on This:

Appointments to this commission were brought before Council on February 2, 2021 and the appointments were tabled for two months to expand the list of applicants.

Options and Alternatives:

1) Appoint two Commissioners; by appointing Commissioners at this time, the Planning and Zoning Commission will be at full membership.
2) Table the action to allow for further discussion or expand the list of candidates.

Community Benefits and Considerations:

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

Community Involvement:

INFORM: The vacancies are posted on the City's website and individual recruitment and mention of the opening by Board members and City staff has occurred, informing others of these vacancies through word of mouth.

Attachments: P&Z Authority

CHAPTER 2-01
PLANNING AND ZONING COMMISSION

SECTIONS:

2-01-001-0001 CREATION OF COMMISSION
2-01-001-0002 INTENT AND PURPOSE
2-01-001-0003 MEMBERSHIP
2-01-001-0004 MEETINGS
2-01-001-0005 DUTIES AND FUNCTIONS

Prior legislation: Ords. 339, 859, 1427, 1826 and 2007-09.

2-01-001-0001 CREATION OF COMMISSION

There is hereby established a Planning and Zoning Commission for the City of Flagstaff under the provisions of A.R.S. § 9-461.02. (Ord. 339, 10-8-45; Ord. 2010-35, Amended, 11/16/2010)

2-01-001-0002 INTENT AND PURPOSE

The purpose of the Planning and Zoning Commission is to direct the growth and physical development of the City in a sound and orderly fashion for the prosperity, health, safety, convenience, and general welfare of the citizens of Flagstaff. (Ord. 2010-35, 11/16/2010)

2-01-001-0003 MEMBERSHIP

The Planning and Zoning Commission shall consist of seven (7) members appointed by the Mayor and Council.

The term of each citizen member shall be three (3) years or until his successor takes office. Vacancies occurring otherwise than through the expiration of term shall be filled for the unexpired portion of the term.

A. A Chairperson and Vice-Chairperson shall be elected from and by the voting membership of the Commission to serve one (1) year terms. A Chairperson may serve no more than two (2) consecutive terms as Chairperson (exclusive of a term as Vice-Chairperson). Upon the conclusion of a second, consecutive term as Chairperson, such Commission member shall be ineligible to serve as either Chairperson or Vice-Chairperson until a calendar year has expired.

B. In addition to the causes for removal set out in the Board and Commission Members' Rules and Operations Manual, a member accumulating eight (8) absences from regularly scheduled meetings in any given calendar year will be automatically removed from the Commission and a replacement appointed by the City Council. An unexcused absence is defined as the failure of the member to notify the Planning and Development Services Section of his or her inability to attend a regularly scheduled meeting. (Ord. 2010-35, 11/16/2010; Ord. 2014-28, Amended, 11/18/2014)

2-01-001-0004 MEETINGS

Unless there are no matters to be considered, the Commission shall hold at least one meeting each month and may schedule additional special meetings as needed. A special meeting may serve as the minimum one meeting per month. (Ord. 2010-35, 11/16/2010)

2-01-001-0005 DUTIES AND FUNCTIONS

The Planning and Zoning Commission created in this chapter shall be and act as the Zoning Commission of the City, and all duties and powers granted to zoning commissions under State law shall be exercised by the Planning and Zoning Commission. In addition to any authority granted to the Planning and Zoning Commission by State law or other ordinances of the City, the Planning and Zoning Commission shall have the following duties and functions under the provisions of these regulations:

A. To review and recommend to the City Council adoption of a comprehensive general plan adopted in compliance with the authority provided in A.R.S. Section 9-461.05 for the orderly growth and development of the City and for any land outside the City which, in the opinion of the Planning and Zoning Commission, bears a relation to the planning of the City.

B. To hear, review, and make recommendations to the City Council regarding applications for amendments to the General Plan or any other plan in accordance with the provisions of Chapter 11-10 (General Plans).

C. To serve as an advisory body to the City Council and furnish the Council through the Planning Director the facts concerning the adoption of any report or recommendation.

D. To make its special knowledge and expertise available upon reasonable written request and authorization of the City Council to any official, department, board, commission or agency of the State or Federal governments.

E. To hear and review amendments to the Zoning Map and to the text of the Zoning Code in accordance with the provisions of Title 10, Zoning Code, Division 10-20.50 (Amendments to the Zoning Code Text and the Zoning Map).

F. To confer with and advise other similar City or County commissions.

G. To make investigations, maps, reports, and recommendations to the City Council in regard to the physical development of the City.

H. To hear, review and make recommendations to the City Council regarding preliminary subdivision plats after recommendation from the Planning Director and City Engineer in accordance with Chapter 11-20, Subdivision and Land Split Regulations.

I. To take such other action as authorized in Title 10 (Zoning Code) and Title 11 (General Plan and Subdivisions) as necessary to implement the provisions of those titles and the General Plan.

J. To consider, review and approve Conditional Use Permits, pursuant to the provisions of Section 10-

20.40.050 (Conditional Use Permits).

K. The Commission shall carry out other such duties as determined by the City Council and present other recommendations the City Council deems pertinent. (Ord. 859, 10-24-72; Ord. 2010-35, Amended, 11/16/2010; Ord. 2014-28, Amended, 11/18/2014)

6. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Fobar, Deputy City Clerk
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration of Appointments: Airport Commission.

STAFF RECOMMENDED ACTION:

Make one appointment to a term expiring October 2021.

Executive Summary:

The Airport Commission consists of seven citizens, and is responsible for reviewing and reporting to the Council on the development of the Airpark and on matters affecting the operation and efficiency of the airport, using the Airport Master Plan as a guide. There is currently one seat available. It is important to fill vacancies on Boards and Commissions quickly so as to allow the Commission to continue meeting on a regular basis.

There are two applications on file and they are as follows:

Jose Alvarado (new applicant)
David Zorn (new applicant)

In an effort to reduce exposure to personal information the applicant roster and applications will be submitted to the City Council separately.

COUNCIL APPOINTMENT ASSIGNMENT: Vice Mayor Daggett

Financial Impact:

These are voluntary positions and there is no budgetary impact to the City of Flagstaff.

Policy Impact:

None.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

- Foster community pride & civic engagement by increasing opportunities for public involvement, in line with best practices & legal requirements
- Enhance community involvement, education & regional partnerships to strengthen the level of public trust

Has There Been Previous Council Decision on This:

None.

Options and Alternatives:

1) Appoint one Commissioner: by appointing a member at this time, the Airport Commission will be at full membership, allowing the group to meet and provide recommendations to the City Council.

2) Table the action to allow for further discussion or expand the list of candidates.

Community Benefits and Considerations:

The City's boards, commissions, and committees were created to foster public participation and input and to encourage Flagstaff citizens to take an active role in city government.

Community Involvement:

INFORM: Board members and City staff have informed the community of these vacancies though word of mouth in addition to the vacancies being posted on the City's website.

Attachments: Airport Commission Authority

CHAPTER 2-11
FLAGSTAFF AIRPORT COMMISSION

SECTIONS:

2-11-001-0001 COMMISSION CREATED:
2-11-001-0002 COMPOSITION; TERMS:
2-11-001-0003 ORGANIZATION:
2-11-001-0004 COMPENSATION:
2-11-001-0005 MEETINGS:
2-11-001-0006 ACTIONS OF THE COMMISSION:

2-11-001-0001 COMMISSION CREATED:

There is hereby established the Flagstaff Airport Commission to be composed of seven (7) members who shall meet as hereinafter provided to consider and deliberate upon matters of concern to the City Council and citizens that affect the operation and efficiency of the airport toward the end of providing an optimum level of services within available resources using the Airport Master Plan as a basic guide. (Ord. 1897, Amended, 11/21/95)

2-11-001-0002 COMPOSITION; TERMS:

The composition of the membership of the Commission shall be as follows:

A. Seven (7) members to be appointed by the City Council who shall serve for three (3) year terms, on a staggered basis.

B. Ex Officio Members: The following persons shall be ex officio members of the Commission, but shall have no vote:

The Mayor;

The City Manager;

The Airport Manager;

The FAA Tower Operator.

C. A quorum shall shall consist of four (4) voting members of the Commission. (Res. 1045, 9-20-77; Ord. 1897, Amended, 11/21/95; Ord. 2007-03, Amended, 02/06/2007; Ord. 2014-28, Amended, 11/18/2014; Ord. 2016-30, Amended, 07/05/2016)

2-11-001-0003 ORGANIZATION:

At the first meeting after appointment and at the first meeting held in any calendar year thereafter, the members of the Commission shall elect a Chairperson and Vice-Chairperson. (Ord. 2007-03, Amended 02/06/2007)

2-11-001-0004 COMPENSATION:

The members of the Commission may be reimbursed by the City for necessary travel and subsistence expenses, but shall not receive compensation for their services. Any such travel must be approved in advance by the City Council or the City Manager with all budgetary considerations taken into account.

2-11-001-0005 MEETINGS:

The Commission shall hold regular monthly meetings, which shall at all times be open to the public, the time and place of said meetings shall be posted in accordance with any currently applicable Arizona State Statutes regulating public meetings and proceedings (open meeting laws). Special meetings may be called by the Chairperson on twenty-four (24) hours' notice.

2-11-001-0006 ACTIONS OF THE COMMISSION:

A. The Commission, with the consent of the City Manager, may call on all City divisions for assistance in the performance of its duties, and it shall be the duty of such divisions to render such assistance to the Commission as may be reasonably required.

B. All discussions, deliberations, actions and recommendations of the Commission shall be advisory to the City Council, and such advisories as the Commission may from time to time make shall be forwarded to the City Council through the City Manager. (Res. 1045, 9-20-77)

7. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Trevor Henry, Project Manager
Co-Submitter:	Mac McNamara
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Contract: Approve the construction contract with Sellers and Sons, Inc. in the amount of $727,880.27 for the Huntington Waterline Replacement Project.

STAFF RECOMMENDED ACTION:

1. Approve the Construction Contract with Sellers and Sons Inc. in the amount of $727,880.27, and a contract time of 160-calendar days: and
2. Approve a contract allowance of $41,200.77, which is 6% of the lowest responsive, responsible bid of $686,679.50;
3. Approve Change Order Authority to the City Manager in the amount of $68,667.95 (10% of the contract amount, less allowances)
4. Authorize the City Manager to execute the necessary documents.

Executive Summary:

The contract award of $727,880.27, which includes a contract allowance of $41,200.77, to Sellers and Sons, Inc. is proposed to complete the Huntington Waterline Replacement Project (the Project) in accordance with the approved public improvement plans prepared by Woodson Engineering & Surveying, Inc. The Project consists of installing 3,000 LF of new 16” ductile iron waterline, and associated roadway improvements. Included will be new water services, fire hydrants, and air release valves. This project is part of the City’s ongoing aging water infrastructure replacement program. Pending Councils' approval, construction is anticipated to begin in May 2021 and is anticipated to be complete in October 2021.

Engineering did consult with IT on whether fiber-optic (FO) conduit should be included in this project, in support of the Broadband Master Plan. It was determined that since FO currently exists within the Huntington right-of-way, FO conduit would not need to be included in this waterline replacement project. It was noted, however, that the old waterline will be abandoned in place and that a future FO conduit could be run through it if ever needed later on.

Financial Impact:

The Project will be funded by the total budget appropriations, $1,135,000, remaining in FY 21 account number 202-08-370-3376-0 and in the proposed FY 22 account number 202-08-370-3438-0.

Policy Impact:

No impact.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Sustainable, Innovative Infrastructure

Utilize existing long-range plan(s) that identify the community's future infrastructure needs and all associated costs

Regional Plan

Regional Plan: Policy WR.2.2

Maintain and develop facilities to provide reliable, safe, and cost-effective water, wastewater, and reclaimed water services.

Council Goal - Transportation and Other Public Infrastructure

Deliver quality community assets and continue to advocate and implement a highly performing multi-modal transportation system.

Team Flagstaff: Foster a Resilient and Economically Prosperous City

Deliver outstanding services through a healthy environment, resources, and infrastructure.

Has There Been Previous Council Decision on This:

The Project's FY 22 proposed funding is being requested in the upcoming FY2022 Capital Improvement 5-Year Plan which will be presented to Council in April 2021.

Options and Alternatives:

1. Approve the award as recommended. Approval will allow work to move forward in calendar year 2021; or,
2. Reject approval of the award as recommended. This action would delay the Project.
    a. If rejection occurs, possible options include:
        i. Direct Staff to re-advertise the Project; or
        ii. Consider another delivery method (CMAR or Design/Build); or
        iii. Suspend or cancel the Project completely.

Background/History:

On January 20, 2021, the Purchasing Section posted an Invitation for Bids (IFB) solicitation for construction on the PlanetBids' website and advertised the IFB in the Arizona Daily Sun on January 24 and January 31, 2021. There were three (3) bids received and opened electronically on March 16, 2021. A summary of the bids received is identified in the Expanded Financial Considerations section below. Sellers and Sons, Inc. was determined to be the lowest responsive and responsible bidder.

Key Considerations:

The existing water main in this area was constructed approximately 60 years ago. This existing water main is aging and needs replacement. The City Water Services Division has approved funding for improvements to reduce maintenance costs and improve service to the community.

Expanded Financial Considerations:

On March 16, 2021, bids were received to construct the Huntington Waterline Replacement Project. The summary results are listed below.

Engineer's Estimate	$878,300.00
Sellers and Sons Inc.	$686,679.50
Summit Construction	$692,834.50
3-Hylan West	$740,696.00
Allowance at 6% of lowest bid	*$41,200.77*

After the bidding process, the Contract Allowance is established to address certain unforeseen items of work where details cannot be determined at the time of contracting and may be included in the Contract Amount per the City of Flagstaff's Procurement Code Manual. The $41,200.77 Contract Allowance is approximately 6% of the low bid amount, which does not include a Contract Allowance. The Contract Allowance is used only at the City's discretion. See attached allowance justification form.

Administrative Change Order Authority is established to address inevitable differing field conditions usually becoming time-sensitive major construction issues resulting in unforeseen costs that are more than the Contract Amount. Change Order Authority provides the City Manager, on behalf of the Council, the administrative authority to amend the Contract Amount up to an established dollar amount (10% of the Contract Amount, less the Contract Allowance) and is only utilized if the Contract Allowance is or would become exhausted.

Community Involvement:

The Community benefits of this Project include better service from the water distribution infrastructure. Additional Project information and traffic restriction advisories will be provided during construction via local media and through the City Manager's office as needed. The Project will replace old waterlines, reducing failures and maintenance costs over time, and provide the area with safe, consistent water delivery.

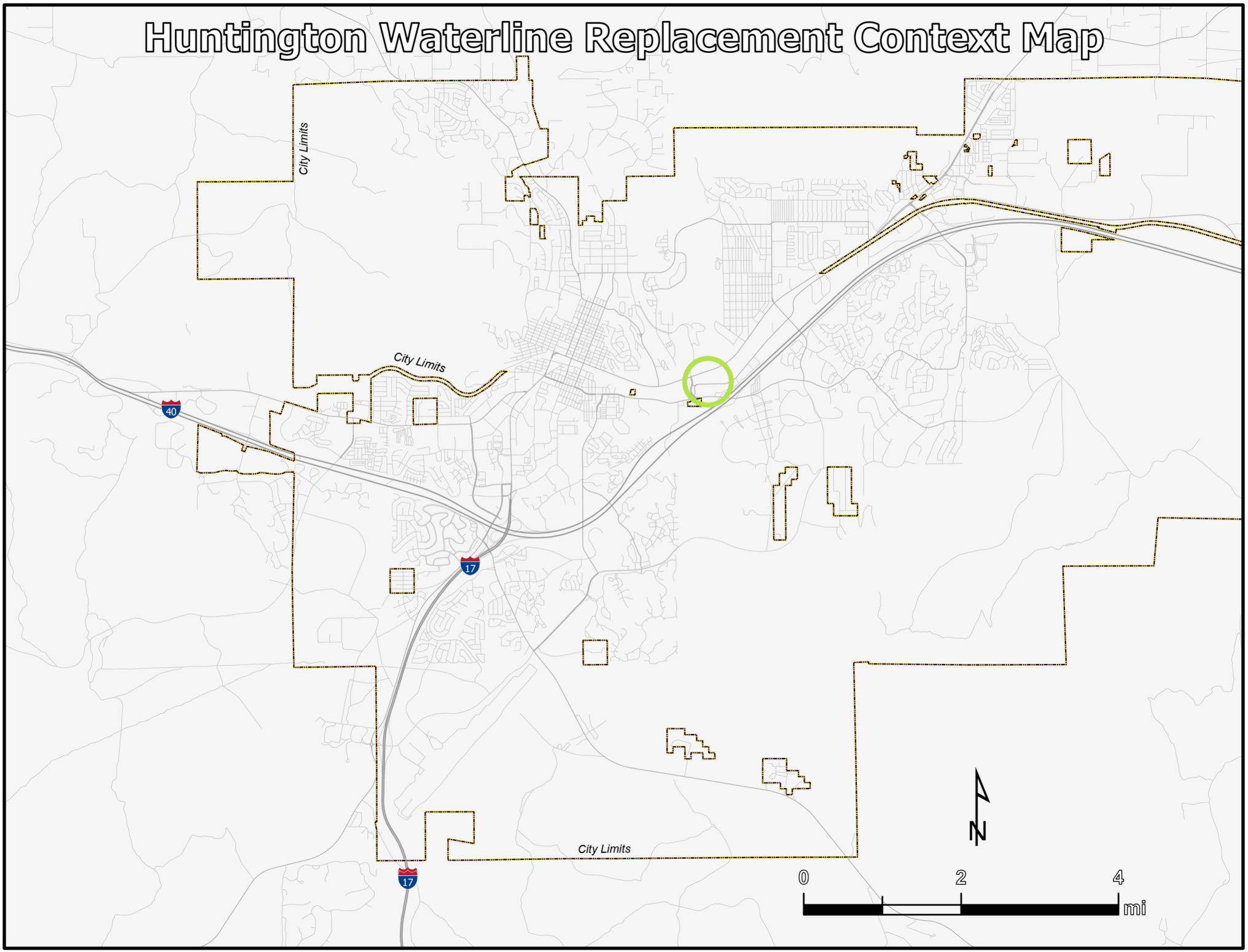
Expanded Options and Alternatives:

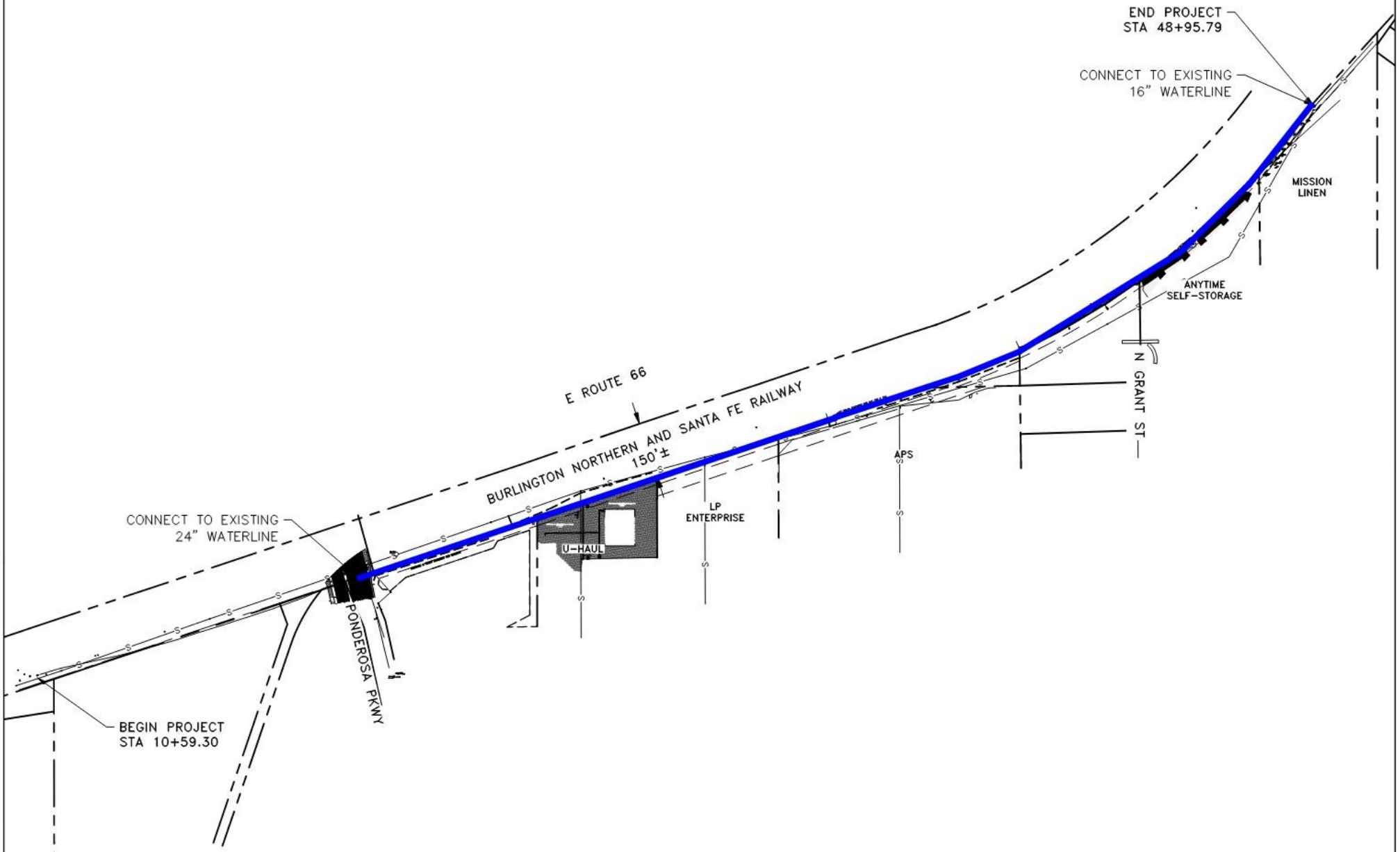
1. Approve the award as recommended. This would allow the project to be constructed in 2021.
2. Reject all bids. This option would delay the construction start and possibly cause the work to be deferred until 2022 or later.

Attachments:

Context Map
Vicinity Map
Contract
Contract - Exhibit A
Contract - Exhibit B
Contract Allowance & Administrative Change Order

Huntington Waterline Replacement Context Map





Huntington Waterline Replacement Vicinity Map

CONSTRUCTION CONTRACT #2021-57

City of Flagstaff, Arizona
and
Sellers & Sons, Inc.

This Construction Contract ("Contract") is made and entered into this _____ day of _____ 2021, by and between the City of Flagstaff, an Arizona municipal corporation with offices at 211 West Aspen Avenue, Flagstaff, Arizona ("Owner") and Sellers & Sons, Inc. ("Contractor") with offices at 7301 South Rainbow Road, Buckeye, AZ 85326. Contractor and the Owner may be referred to each individually as a "Party" and collectively as the "Parties."

RECITALS

A. Owner desires to obtain construction services; and

B. Contractor has available and offers to provide personnel and materials necessary to accomplish the work and complete the Project as described in the Scope of Work within the required time in accordance with the calendar days included in this Contract.

NOW, THEREFORE, the Owner and Contractor agree as follows:

1. Scope of Work. The Contractor shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities for the **Huntington Waterline Replacement Project** (the "Project"). The Project scope is specific to the attached Special Provisions (Exhibit A). Contractor shall construct the Project for the Owner in a good, workmanlike and substantial manner and to the satisfaction of the Owner through its engineers and under the direction and supervision of the City Engineer, or his properly authorized agents including but not limited to project managers and project engineers. Contractor's work shall be strictly pursuant to and in conformity with the Contract.

1.1 A Pre-Construction Conference will be held with the successful Contractor after the Notice of Award is issued. The date and time of the Conference will be agreed upon between the Contractor and the Engineer. The meeting will be held at City Hall, 211 West Aspen Avenue, Flagstaff, AZ 86001. The purpose of the meeting is to outline specific construction items and procedures that the Owner feels require special attention on the part of the Contractor. The Contractor may also present any variations in procedures to improve the workability of the Project, reduce the cost, or reduce inconvenience to the public. The Contractor shall submit a written proposal at this conference outlining intended plans for pavement replacement, maintaining continuous access to residences and businesses along the construction site, and traffic control.

2. Contract; Ownership of Work. Contractor shall furnish and deliver all of the materials and perform all of the work in accordance with this Contract; Construction Plans; Special Provisions; the City of Flagstaff Engineering Design and Construction Standards and Specifications; the latest version of the Maricopa Association of Governments ("MAG")

Specifications for Public Works Construction and City revisions to the MAG Specifications for Public Works Construction ("Exhibit B"); and any Arizona Department of Transportation (A.D.O.T.) Standards that may be referenced on the Plans or in the specifications, incorporated in this Contract by reference, plans and associated documents. All provisions of the Invitation for Construction Bids, Performance Bond, Payment Bond, Certificates of Insurance, Addenda, Change Orders and Field Orders, if any, are hereby incorporated into this Contract. All materials, work, specifications and plans shall be the property of the Owner.

The following exhibits are incorporated by reference and are expressly made a part of this Contract:

2.1.1 Special Provisions Exhibit A

2.1.2 Revisions of MAG Standard Specifications for Public Works Construction ("Flagstaff Addendum to MAG") Exhibit B

3. Payments. In consideration of the faithful performance of the work described in this Contract, the Owner shall pay an amount not to exceed Total Contract Amount of **seven hundred twenty-seven thousand eight hundred eighty dollars and twenty-seven cents ($727,880.27**), which is the sum of the Contractor's bid amount of $686,679.50 and a Contract Allowance of $41,200.77, to the Contractor for work and materials provided in accordance with the bid schedule, which amount includes all federal, state, and local taxes, as applicable. This amount shall be payable through monthly progress payments, subject to the following conditions:

3.1 Contractor shall promptly submit to the Owner all proper invoices necessary for the determination of the prices of labor and materials;

3.2 Progress payments shall be made in the amount of ninety percent (90%) of the value of labor and materials incorporated in the work, based on the sum of the Contract prices of labor and material, and of materials stored at the worksite, on the basis of substantiating paid invoices, as estimated by the Owner, less the aggregate of all previous payments, until the work performed under this Contract is fifty percent (50%) complete. When and after such work is fifty (50%) complete, the ten percent (10%) of value previously retained may be reduced to five percent (5%) of value completed if Contractor is making satisfactory progress as determined by the Owner, and providing that there is no specific cause or claim requiring a greater amount to be retained. If at any time the Owner determines that satisfactory progress is not being made, the ten percent (10%) retention shall be reinstated for all subsequent progress payments made under this Contract;

3.3 The City Engineer shall have the right to finally determine the amount due to Contractor;

3.4 Monthly progress payments shall be made by the Owner, on or before fourteen (14) calendar days after the receipt by the Owner of an approved estimate of the work completed;

3.5 Contractor agrees that title to materials incorporated in the work, and stored at the site, shall vest with the Owner upon receipt of the corresponding progress payment;

3.6 The remainder of the Contract price, after deducting all such monthly payments and any retention, shall be paid within sixty (60) days after final acceptance of completed work by the Owner. The release of retention or alternate surety shall be made following the Owner's receipt and acceptance of: Contractor's Affidavit Regarding Settlement of Claims, Affidavit of Payment, Consent of Surety for Final Payment, and Unconditional Full and Final lien waivers from all subcontractors and suppliers who have filed an Arizona Preliminary 20 Day Lien Notice in accordance with A.R.S. §§ 33-992.01 and 33-992.02.

4. Time of Completion. Contractor agrees to complete all work as described in this Contract within **one hundred sixty (160) calendar days** from the date of the Owner's Notice to Proceed free of all liens, claims and demands of any kind for materials, equipment, supplies, services, labor, taxes and damages to property or persons, in the manner and under the conditions specified within the time or times specified in this Contract.

5. Performance of Work. All work covered by this Contract shall be done in accordance with the latest and best accepted practices of the trades involved. The Contractor shall use only skilled craftsmen experienced in their respective trades to prepare the materials and to perform the work.

6. Acceptance of Work; Non-Waiver. No failure of the Owner during the progress of the work to discover or reject materials or work not in accordance with this Contract shall be deemed an acceptance of, or a waiver of, defects in work or materials. No payment shall be construed to be an acceptance of work or materials which are not strictly in accordance with the Contract.

7. Delay of Work. Any delay in the performance of this Contract due to strikes, lockouts, fires, or other unavoidable casualties beyond the control of the Contractor and not caused by any wrongful act or negligence of the Contractor shall entitle the Contractor to an extension of time equal to the delay so caused. The Contractor shall notify the Owner in writing specifying such cause within twenty-four (24) hours after its occurrence. In the event such delay is caused by strikes, lockouts, or inability to obtain workmen for any other cause, the Owner shall have the right but shall not be obligated to complete the work on the same basis as is provided for in Section 13 below (Contract Violations).

8. Failure to Complete Project in Timely Manner. If Contractor fails or refuses to execute this Contract within the time specified in Section 4 above, or such additional time as may be allowed, the proceeds of Contractor's performance guaranty shall become subject to deposit into the Treasury of the municipality as monies available to compensate the Owner for damages as provided by A.R.S. § 34-201 for the delay in the performance of work under this Contract, and the necessity of accepting a higher or less desirable bid from such failure or refusal to perform this Contract as required. If Contractor has submitted a certified check or cashier's check as a performance guaranty, the check shall be returned after the completion of this Contract.

9. Labor Demonstration. It is understood that the work covered by this Contract is for the Owner's business purposes and that any unfavorable publicity or demonstrations in connection with the work will have a negative effect upon the Owner. If Contractor's actions in performance of the Contract result in any public demonstration on behalf of the laborers or organized labor in the

vicinity of the Owner's premises, whether such demonstration is in the form of picketing, posting of placards or signs, violence, threats of violence or in any other form, which in the Owner's judgment, might convey to the public the impression that the Owner or the Contractor or any subcontractor is unfair to laborers or to organized labor, the Owner shall have the right to terminate this Contract immediately, unless the Contractor shall have caused such demonstration to be discontinued within two (2) days after request of the Owner to do so. In the event any such demonstration is attended by violence, the Owner may fix lesser time within which a discontinuance shall be accomplished. In the event of Contract termination, the Contractor agrees to remove from the Premises within twenty-four (24) hours of termination, all machinery, tools, and equipment belonging to it or to its subcontractors. All obligations or liabilities of the Owner to the Contractor shall be discharged by such termination, except the obligation to pay to the Contractor a portion of the Contract price representing the value based upon the Contract prices of labor and materials incorporated in the work as established by the Owner, less the aggregate of all previous payments, but subject to all of the conditions pertaining to payments generally.

10. Material Storage. During the progress of the work, the Contractor shall arrange for office facilities and for the orderly storage of materials and equipment. Contractor shall erect any temporary structures required for the work at his or her own expense. The Contractor shall at all times keep the premises reasonably free from debris and in a condition which will not increase fire hazards. Upon completion of the work, the Contractor shall remove all temporary buildings and facilities and all equipment, surplus materials and supplies belonging to the Contractor. Contractor shall leave the Premises in good order, clean, and ready to use by the Owner. The establishment of any temporary construction yard, material storage area or staging area to be located within City of Flagstaff limits and outside the public right-of-way or Project limits generally requires a Temporary Use Permit. (See Exhibit B, Section 107.2.1.)

11. Maintenance During Winter Suspension of Work. A "Winter Shutdown" is the period of time typically including December through March during which no Work will be performed by any person or entity (including but not limited to the Contractor) on the Project and Contractor shall shutdown, properly insulate and shelter the Project in a safe and workmanlike manner pursuant to local, state and federal laws. Although December through March is typically the time frame, the City reserves the right to initiate and terminate a Winter Shutdown at the City's sole discretion in the event of adverse weather conditions. A Winter Shutdown may be declared by the City despite delays, *for any reason*, on the Project. City retains the right to declare a Winter Shutdown. If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter Shutdown shall be by field order, change order or original contract. If repairs and/or maintenance are needed during the Winter Shutdown, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only during the Winter Shutdown. All other snow removal and maintenance operations shall be the responsibility of the Contractor during the Winter Shutdown. All cost associated with snow removal and proper disposal

shall be considered incidental to the work including repair of temporary surface improvements due to normal wear and snow removal operations during the Winter Shutdown.

12. Assignment. Contractor shall not assign this Contract, in whole or in part, without the prior written consent of the Owner. No right or interest in this Agreement shall be assigned, in whole or in part, by Contractor without prior written permission of the City and no delegation of any duty of Contractor shall be made without prior written permission of the Owner. The Owner shall not unreasonably withhold consent to such assignment. Contractor agrees that any assignment agreement between Contractor and the Assignee shall include and subject to the assignee to all obligations, terms and conditions of this Contract and that Contractor shall also remain liable under all obligations, terms and conditions of this Contract.

13. Notices. Many notices or demands required to be given, pursuant to the terms of this Contract, may be given to the other Party in writing, delivered in person, sent by facsimile transmission, emailed, deposited in the United States mail, postage prepaid, or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph. However, notices of termination, notices of default and any notice regarding warranties shall be sent via registered or certified mail, return receipt requested at the address set forth below ***and*** to legal counsel for the party to whom the notice is being given.

If to Owner:	**If to Contractor:**
Matthew Luhman, CPP, CPPB	John Sellers, Vice President
Purchasing Manager	Sellers & Sons, Inc.
211 West Aspen Avenue	7301 South Rainbow Road
Flagstaff, AZ 86001	Buckeye, AZ 85326
928-213-2278	623-882-8929

14. Contract Violations. In the event of any of the provisions of this Contract are violated by the Contractor or by any of Contractor's subcontractors, the Owner may serve written notice upon the Contractor and the Surety of its intention to terminate such Contract (the "Notice to Terminate"). The Contract shall terminate within five (5) days of the date Contractor receives the Notice to Terminate, unless the violation ceases and Contractor makes arrangements for correction satisfactory to the Owner. In the event of any such termination, the Owner shall immediately serve notice of the termination upon the Surety by registered mail, return receipt requested. The Surety shall have the right to take over and perform the Contract. If the Surety does not commence performance within ten (10) days from the date of receipt of the Owner's notice of termination, the Owner may complete the work at the expense of the Contractor, and the Contractor and his or her Surety shall be liable to the Owner for any excess cost incurred by the Owner to complete the work. If the Owner completes the work, the Owner may take possession of and utilize such materials, appliances and plants as may be on the worksite site and necessary for completion of the work.

15. Termination for Convenience. The Owner may terminate this contract at any time for any reason by giving at least **thirty (30) days** written notice to the Contractor. If termination occurs under this Section 15, the Contractor shall be paid fair market value for work completed by Contractor as of the date of termination. The parties agree that fair market value shall be determined

based on the Contractor's original bid price, less any work not yet completed by the Contractor as of the date the written notice of termination is given to the Contractor.

16. Contractor's Liability and Indemnification. To the fullest extent permitted by law, Provider shall indemnify, save and hold harmless the City of Flagstaff and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against liabilities, damages, losses and costs, including reasonable attorney fees, but only to the extent caused by the, recklessness or intentional wrongful conduct of the contractor, subcontractor or design professional or other persons employed or used by the contractor, subcontractor or design professional in the performance of the contract. The amount and type of insurance coverage requirements set forth in the Contract (Section 103.6 of Exhibit B) will in no way be construed as limiting the scope of the indemnity in this paragraph.

17. Non Appropriation. In the event that no funds or insufficient funds are appropriated and budgeted in any fiscal period of the Owner to meet the Owner's obligations under this Contract, the Owner will notify Contractor in writing of such occurrence, and this Contract will terminate on the earlier of the last day of the fiscal period for which sufficient appropriation was made or whenever the funds appropriated for payment under this Contract are exhausted. No payments shall be made or due to the other party under this Contract beyond these amounts appropriated and budgeted by the Owner to fund the Owner's obligations under this Contract.

18. Amendment of Contract. This Contract may not be modified or altered except in writing and signed by duly authorized representatives of the parties.

19. Subcontracts. Contractor shall not enter into any subcontract, or issue any purchase order for the completed work, or any substantial part of the work, unless in each instance, prior written approval shall have been given by the Owner. Contractor shall be fully responsible to the Owner for acts and omissions of Contractor's subcontractors and all persons either directly or indirectly employed by them.

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

21. Compliance with All Laws. Contractor shall comply with all applicable laws, statutes, ordinances, regulations and governmental requirements in the performance of this Contract.

22. Employment of Aliens. Contractor shall comply with A.R.S. § 34-301, which provides that a person who is not a citizen or ward of the United States shall not be employed upon or in connection with any state, county or municipal public works project.

23. Compliance with Federal Immigration Laws and Regulations. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. 23-214.A. Contractor acknowledges that pursuant to A.R.S. 41-4401 a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this contract, and that the City retains the legal right to inspect the papers of any employee who works on the contract to ensure compliance with this warranty.

24. Contractor's Warranty. Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214.A, Verification of Employment Eligibility. Contractor shall not employ aliens in accordance with A.R.S. § 34-301, Employment of Aliens on Public Works Prohibited. Contractor acknowledges that pursuant to A.R.S. § 41-4401, Government Procurement; E-Verify Requirement; Definitions, a breach of this warranty is a material breach of this contract subject to penalties up to and including termination of this Contract, and that the Owner retains the legal right to inspect the papers of any employee who works on the Contract to ensure compliance with this warranty.

25. Jurisdiction and Venue. This Contract shall be administered and interpreted under the laws of the State of Arizona. The Contractor hereby submits itself to the original jurisdiction of those courts located within Coconino County, Arizona.

26. Attorney's Fees. If suit or action is initiated in connection with any controversy arising out of this Contract, the prevailing party shall be entitled to recover in addition to costs such sum as the court may adjudge reasonable as attorney fees, or in event of appeal as allowed by the appellate court.

27. Time is of the Essence. Contractor acknowledges that the completion of the Contract by the dates specified final completion is critical to the Owner, time being of the essence of this Contract.

28. No Third-Party Beneficiaries. The Parties acknowledge and agree that the terms, provisions, conditions, and obligations of this Contract are for the sole benefit of, and may be enforceable solely by, the Parties to this Contract, and none of the terms, provisions, conditions, and obligations of this Contract are for the benefit of, or may be enforced by, any person or entity not a party to this Contract.

29. Headings. The article and section headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this Contract.

30. Severability. If any part of this Contract is determined by a court to be in conflict with any statute or constitution or to be unlawful for any reason, the parties intend that the remaining provisions of this Contract shall remain in full force and effect unless the stricken provision leaves the remaining Contract unenforceable.

31. Force Majeure. The parties acknowledge that there may be events that occur during the term of this Contract that are beyond the control of both the City and the Contractor, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God. These events may result in temporary delay or permanent shut down of the work that is the subject of this Contract, as set forth in Exhibit A – Special Provisions. This may be caused by such things as stay-at-home orders, loss of labor force, supply chain delays, and other impediments to timely delivery of the Contract.

The parties agree that there will be no claims arising from a temporary delay or permanent shut down caused by the events described above and that the City will pay no additional costs incurred as a result of such events.

The parties agree to act in good faith to extend the Contract completion date without any penalty to the Contractor and that the extension will be in an amount of time equal to any temporary delay. This term supersedes all other terms regarding temporary delay, permanent shut down, or increased costs.

IN WITNESS WHEREOF, the Owner and Contractor, by their duly authorized representatives, have executed this Contract as of the date written above.

(Please sign in blue ink. Submit original signatures – photocopies not accepted)

Owner, City of Flagstaff	**Contractor, Sellers & Sons, Inc.**
Greg Clifton, City Manager	Signature
Attest:	Printed Name
City Clerk	Title
Approved as to form:	
City Attorney	

CITY OF FLAGSTAFF, ARIZONA
PAYMENT BOND

PROJECT NAME: Huntington Waterline Replacement Project
PROJECT NUMBER: WA 3157/03-20001 **BID NUMBER:** 2021-57

STATUTORY PAYMENT BOND PURSUANT TO TITLE 34
CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond must be 100% of the Contract Amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____
(Hereinafter called the Principal), as Principal, and, _____
_____, a corporation organized and existing under the laws of the State of _____, with its principal office in the City of _____ ("Surety"), as Surety, are held and firmly bound unto the City of Flagstaff, Arizona ("Obligee"), in the amount of _____
_____Dollars ($_____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated this _____ day of_____, 20___, to the City of Flagstaff which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

Now, therefore, the condition of this obligation is such, that if the principal promptly pays all monies due to all persons supplying labor or materials to the principal or the principal's subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise it remains in full force and effect.

Provided, however, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with the provisions, conditions and limitations of said Title and Chapter, to the same extent as if it were copied at length in this Contract.

The prevailing party in a suit on this bond shall recover as a part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____ 20___.

_____	_____
Principal (Seal)	Surety (Seal)
By: _____	By: _____
_____	_____
Agency of Record	Agency Address

CITY OF FLAGSTAFF, ARIZONA
PERFORMANCE BOND

PROJECT NAME: Huntington Waterline Replacement Project
PROJECT NUMBER: WA 3157/03-20001 **BID NUMBER:** 2021-57

STATUTORY PERFORMANCE BOND PURSUANT TO TITLE 34
CHAPTER 2, ARTICLE 2, OF THE ARIZONA REVISED STATUTES
(Penalty of this Bond must be 100% of the Contract Amount)

KNOW ALL MEN BY THESE PRESENTS:

That, _____
(hereinafter called the Principal), as Principal, and, _____
_____, a corporation organized and existing under the laws of the State of _____
_____, with its principal office in the City of _____
("Surety"), as Surety, are held and firmly bound unto the City of Flagstaff, Arizona ("Obligee"), in the amount of _____Dollars ($_____
_____) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written Contract with the Obligee, dated this ____day of _____ 20__ in the City of Flagstaff which Contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

Now, therefore, the condition of this obligation is such, that if the principal faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of contract during the original term of the contract and any extension of the contract, with or without notice to the surety, and during the life of any guaranty required under the contract, and also performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications of the contract that may hereafter be made, notice of which modifications to the surety being hereby waived, the above obligation is void. Otherwise it remains in full force and effect.

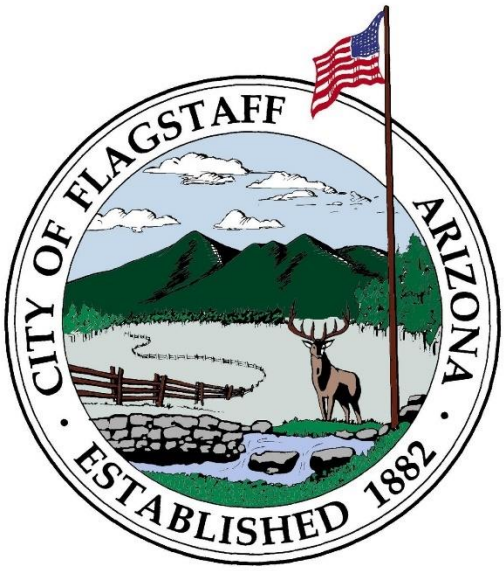
Provided, however, that this bond is executed pursuant to the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined

in accordance with the provisions of said Title and Chapter, to the extent as if it were copied at length in this Contract.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney fees that may be fixed by a judge of the court.

Witness our hands this _____ day of _____20__.

_____	_____
Principal (Seal)	Surety (Seal)
By: _____	By: _____
_____	_____
Agency of Record	Agency Address



CITY OF FLAGSTAFF
AMENDMENTS
to
MAG STANDARD SPECIFICATIONS
FOR PUBLIC WORKS CONSTRUCTION

(General Provisions)

The
MAG UNIFORM STANDARD SPECIFICATIONS
for
PUBLIC WORKS CONSTRUCTION
is hereby amended to include the following:

PART 100 - GENERAL CONDITIONS

SECTION 102 - BIDDING REQUIREMENTS AND CONDITIONS

102.1 ELIGIBILITY AND PREFERENCE:
(revise to include the following)

If requested by the City, a Bidder shall furnish satisfactory evidence of the Bidder's competency to perform the proposed work. Such evidence of competency, unless otherwise specified, shall consist of statements covering the Bidder's experience on similar work, a list of equipment that would be available for the work and a list of key personnel that would be available.

In addition, if requested, a Bidder shall furnish the City of Flagstaff with satisfactory evidence of the Bidder's financial responsibility. Such evidence of financial responsibility, unless otherwise specified, shall consist of a confidential statement or report of the Bidder's financial resources and liabilities as of the last calendar year or the contractor's last fiscal year. Such statements or reports shall be certified by a public accountant. At the time of submitting such financial statements or reports, the Bidder shall further certify whether the Bidder's financial responsibility is approximately the same as stated or reported by the public accountant. If the Bidder's financial responsibility has changed, the Bidder shall qualify the public accountant's statement or report to reflect the Bidder's true financial condition at the time such qualified statement or report is submitted to the City of Flagstaff.

The Bidder shall submit such "evidence of competency" and "evidence of financial responsibility" to the City of Flagstaff no later than five (5) working days after receipt of a written request by the City of Flagstaff.

Each bidder, contractor and subcontractor shall possess and maintain the appropriate contractor's license for the work included in this contract. The appropriate license shall be as required by the Arizona State Registrar of Contractors and as required by Arizona Revised Statutes Chapter 10, Title 32.

102.2 CONTENTS OF PROPOSAL PAMPHLET:
(revise to include the following)

The Plans, Specifications and other Documents designated in the Contract Documents shall be considered a part of the Contract whether attached or not.
The City of Flagstaff reserves the right to refuse to issue a proposal form or accept a proposal form from a prospective Bidder if they are in default for any of the following reasons:

(A) Failure to comply with any prequalification regulations of the City of Flagstaff, if such regulations are cited or otherwise included in the Proposal as a requirement for bidding;

(B) Failure to pay or satisfactorily settle all bills due for labor and materials on former contracts in force (with the City of Flagstaff) at the time the City of Flagstaff issues the Proposal to a prospective Bidder;

(C) Contractor, as a company owner, has defaulted under previous contract(s) with the City of Flagstaff in the prior five calendar years;

(D) Record of unsatisfactory work on previous contract(s) with the City of Flagstaff in the prior five calendar years.

102.2 CONTENTS OF PROPOSAL PAMPHLET:
(third paragraph, revise last sentence to read as follows)

The work embraced herein shall be done in accordance with the requirements of:

City of Flagstaff Amendments to MAG Standard Specifications for Public Works Construction (General Provisions).

City of Flagstaff (City) Engineering Standards (Current Version and adopted revisions).

Maricopa Association of Governments (MAG), *Uniform Standard Specifications for Public Works Construction*, Current Version (MAG Specifications).

MAG *Standard Details for Public Works Construction,* Current Version and adopted revisions (MAG Details).

Arizona Department of Transportation (ADOT) Standard Specifications for Road and Bridge Construction, Current Version and adopted revisions.

In the case of conflict, the following order of precedence shall govern:

1. Special Provisions
2. Construction Plans and Addenda
3. General Provisions and MAG Revisions
4. City of Flagstaff Standards and Specifications
5. MAG Standards and Specifications
6. ADOT Standards and Specifications
7. FHWA Manual of Uniform Traffic Control Devices

102.4 EXAMINATION OF PLANS, SPECIAL PROVISIONS AND SITE OF WORK:
(revise to include the following)

Before submitting a bid, each bidder shall examine the site and obtain information that pertains to the physical conditions of the site that may affect the cost, progress or performance of the work. Any restrictions or difficulties relating to the completion of the work shall be considered in accordance with the terms and conditions of the contract documents.

102.7 IRREGULAR PROPOSALS:
(revise to include the following)

The City of Flagstaff reserves the right to reject any irregular Proposal and the right to waive technicalities for acceptance of Proposals, if such waiver is in the best interest of the City of Flagstaff and conforms to local laws and ordinances pertaining to the letting of construction contracts. Proposals shall be considered irregular for the following additional reasons:

(A) If the Proposal contains unit prices that are obviously unbalanced.

(B) If the Proposal is not accompanied by the proposal guaranty specified by the City.

102.12 DISQUALIFICATION OF BIDDERS:
(revise to include the following)

A Bidder shall also be considered disqualified if the Bidder is considered in default for any reason specified in Subsection 102.2 as amended by this MAG Amendment.

102.13 SUCCESSFUL BIDDERS:
(revise paragraph to read as follows)

The City of Flagstaff shall provide six (6) sets of plans and Contract Documents at no cost. A direct expense fee shall be charged for any additional copies.

SECTION 103 - AWARD AND EXECUTION OF CONTRACT

103.6 CONTRACTOR'S INSURANCE:

103.6.1 GENERAL:
(revise subsection to read as follows)

The Contractor and its Subcontractors, at Contractor's and Subcontractors' own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of A-, 7, or approved by the City. The insurance company shall be licensed in the State of Arizona. Policies and forms shall be satisfactory to the City.

All insurance required herein shall be maintained in full force and effect until all work and/or services required to be performed, under the terms of the Contract, are satisfactorily completed and formally accepted. At the sole discretion of the City, failure to do so may constitute a material breach of this Contract.

The Contractor's insurance shall be primary insurance as respects the City. Any insurance or self-insurance maintained by the City shall not contribute to it.

Contractor shall not fail to comply with the claim reporting provisions of the insurance policies or cause a breach of any insurance policy warranty that would affect coverage afforded under insurance policies to protect the City.

The insurance policies (except Worker's Compensation) shall contain a waiver of transfer of rights of recovery (subrogation) against the City, its agents, representatives, directors, officers, and employees for any claims arising out of the Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the City under such policies. The Contractor shall be solely responsible for the deductible and/or self-insured retentions, and the City, at its option, may require the Contractor to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit.

The City reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of the City's right to insist on, strict fulfillment of Contractor's obligations under this Contract.

Except for Worker's Compensation, the insurance policies, required by this Contract shall name the City, its agents, representatives, officers, directors, officials and employees as additional insureds.

Required Coverage

A. COMMERCIAL GENERAL LIABILITY

The Contractor shall maintain Commercial General Liability insurance with a limit of not less than $1,000,000 for each occurrence with a $2,000,000 Products/Completed Operations Aggregate and a $2,000,000 General Aggregate Limit. The Policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage. Coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00011093 or any replacements thereof. The coverage shall not exclude X, C, U.

Such policy shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision, which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc. Additional Insured, Form B, CG 20101185, and shall include coverage for Contractor's operations and products and completed operations.

B. OWNERS AND CONTRACTOR'S PROTECTIVE LIABILITY

The Contractor shall purchase and maintain, at all times during prosecution of the work, services or operations under this Contract, an Owner's and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Work or Contractor's operations under this Contract. Coverage shall be on an occurrence basis with a limit not less than $1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues the Contractor's Commercial General Liability insurance.

C. AUTOMOBILE LIABILITY

Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than $1,000,000 each occurrence with respect to the Contractor's any auto, all owned autos, scheduled autos, hired autos, non-owned autos assigned to or used in performance of the Contractor's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off-loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and $5,000,000 per accident limits for bodily injury and property damage shall apply.

D. WORKER'S COMPENSATION

The Contractor shall carry Worker's Compensation insurance to cover obligations imposed by federal and state statues having jurisdiction of Consultant's employees engaged in the performance of the work or services; and Employer's Liability insurance of not less than $100,000 for each accident, $100,000 disease for each employee, and $500,000 disease policy limit.

In case any work is subcontracted, the Contractor will require the Subcontractor to provide Worker's Compensation and Employer's Liability to at least the same extent as required of the Contractor.

E. BUILDER'S RISK (PROPERTY) INSURANCE (AS REQUIRED)

When the project includes construction of a new building, an addition to an existing building, modifications to an existing building, or as otherwise may be required by the contracting agency, the Contractor shall purchase and maintain, on a replacement cost basis, Builder's Risk insurance in the amount of the initial Contract Amount as well as subsequent modifications thereto for the entire work at the site. At a minimum, the policy limits of such insurance shall be equal in face amount to the full Contract Amount. Such Builder's Risk insurance shall be maintained until final payment has been made or until no person or entity other than the City has an insurable interest in the property required to be covered, whichever is earlier. This insurance shall include interests of the City, the Contractor, and all Subcontractors and Sub-Subcontractors in the work during the life of the Contract and course of construction, and shall continue until the work is completed and accepted by the City. For new construction projects, the Contractor agrees to assume full responsibility for loss or damage to the work being performed and to the buildings under construction. For renovation construction projects, the Contractor agrees to assume responsibility for loss or damage to the work being performed at least up to the full Contract Amount, unless otherwise required by the Contract Documents or amendments thereto.

Builder's Risk insurance shall be on an all-risk policy form and shall cover false work and temporary buildings. Builder's Risk insurance shall insure against risk of direct physical loss or damage from external causes including debris removal, demolition occasioned by enforcement of any applicable legal requirements and shall cover reasonable compensation for Architect's service and expenses required as a result of such insured loss and other "soft costs" as required by the Contract.

Builder's Risk insurance must provide coverage from the time any covered property becomes Contractor's control and/or responsibility, and continue without interruption during construction or renovation or installation, including any time during which the covered property is being

transported to the construction installation site, and while on the construction or installation site awaiting installation. The policy will provide coverage while the covered premises or any part thereof is occupied. Builder's Risk insurance shall be primary and not contributory.
If the Contract requires testing of equipment or other similar operations, at the option of the City, the Contractor will be responsible for providing property insurance for these exposures under a Boiler Machinery insurance policy.

Required coverage may be modified by an amendment to the Contract Documents.

CERTIFICATES OF INSURANCE

Prior to commencing work or services under this Contract, Contractor shall furnish the City with Certificates of Insurance, or formal endorsements as required by the Contract, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect.

In the event any insurance policies required by this contract are written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the Contractor's work or services and as evidenced by annual Certificates of Insurance.
If a policy does expire during the life of the Contract, a renewal certificate must be sent to the City fifteen (15) days prior to the expiration date.

All Certificates of Insurance shall be identified with bid/project number and project name. A $25.00 administrative fee will be assessed for all certificates received without the appropriate bid serial number and title.

CANCELLATION AND EXPIRATION NOTICE

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) days written notice to the City.

SECTION 104 - SCOPE OF WORK

104.1.3 WATER SUPPLY:
(revise to include the following)

Potable water may not be used for major construction activity, such as dust control, soil compaction, or street cleaning. Reclaimed water is available at the Wildcat Hill Wastewater Treatment plant on East Highway 66 and at the south end of Babbitt Drive at the Rio De Flag Water Reclamation Plant. Additional reclaimed water bulk loading sites are located in other areas of the city. The contractor should obtain current locations from the Water Services Department. **Current rates for the**

reclaimed water shall apply. The Contractor is responsible for the cost of construction water and it is considered incidental to the cost of the contract.

Prior to loading, hauling and applying reclaimed water, the Contractor shall be required to obtain the necessary no fee permit at the Wildcat Hill Wastewater Treatment Plant or from the Rio De Flag plant and shall be responsible for complying with all permit and ADEQ requirements regarding the use of reclaimed water.

104.1.4 SPECIAL ACCESS REQUIREMENTS:
(revise to include the following)

The Contractor shall maintain access to all side streets, access roads, driveways, alleys, parking lots and to adjacent properties during their hours of operation. The Contractor shall coordinate with residents and ensure access to all driveways be provided during all non-working hours. Where a property has more than one driveway, no more than one access will be restricted or closed at one time. Should it be necessary to close access to private property, driveways or alley entrances, the closure must be for as short a time as possible and be restored at the end of the work shift. If primary business access cannot be restored, the Contractor shall provide an alternate access, which will be coordinated with the business and pre-approved by the Owner prior to any restrictions being implemented.

104.1.5 SANITATION PICKUP:
When construction activity interferes with pickup, the contractor shall provide for sanitation and recycling vehicle access to the affected properties or relocate the containers where access is acceptable.

104.1.6 EMERGENCY ACCESS:
Street closure information shall be submitted to the City's Project Representative who will forward the information to the Fire Department and Police Department. All notices shall be submitted at least 72 hours in advance of the closures.

104.1.7 POSTAL SERVICE ACCESS:
The contractor shall be responsible for maintaining access for Postal Service within the project area at all times.

104.1.8 SCHOOL BUS ACCESS:
The contractor shall be responsible for maintaining access for bus access within the project area.

104.2 ALTERATION OF THE WORK:

104.2.3 DUE TO EXTRA WORK:
(revise to include the following)

When Allowance and/or Contingency items are provided for in the contract, the funds are encumbered for use at the discretion of the Project Manager. The funds are to cover unanticipated costs to complete items of work not included in the Contract Documents or may be applied to any work deemed necessary by the Owner. Work would include, but not limited to, unanticipated conditions, scope changes, addressing errors or omissions, and/or construction changes that are warranted for project completion consistent with the purpose of the work.

The amount of the allowance item is determined by the City and is not subject to individual bid pricing. The allowance is not part of the bidding process and per the City of Flagstaff Procurement Manual, will be added to the contract amount, if approved by the City Council.

The allowance item provides an estimated funding to cover unforeseen changes that may be encountered and corresponding extra work needed to complete the contract. Any work which is to be paid out of this allowance shall be authorized in writing and approved by Field Order prior to proceeding with the work. Extra work shall be paid for in the following order of precedence:
1.) by extension of unit bid prices, 2.) by negotiated price or 3.) by a time and materials basis in accordance with MAG Section 109.5.

It shall be understood that the amount for this item in the proposal is an estimate only and no guarantee is given that the full amount or any portion thereof will be utilized. It shall not be utilized without first obtaining an approved Field Order signed by the Contractor and the Project Manager.

105.2.1 RECORD DRAWING PREPARATION AND COORDINATION
(revise to include new subsection as follows)

Record drawing preparation shall be the obligation of the Contractor whose purpose is to accurately record and depict the as-built conditions. During the construction phase and prior to backfilling or covering of improvements, the Contractor shall have the work surveyed and recorded for record drawing preparation.

The Contractor shall maintain a redline working copy of the project plans which shall include changes made in construction of the project. The redline copy of the plans shall be updated weekly.

105.2.2 RECORD DRAWING (As-Built Plans)

(revise to include new subsection as follows)

The Contractor shall retain an Arizona licensed civil engineer to record as-built information per Arizona Revised Statute § 32-152. Water and sewer record drawing certification shall comply with ADEQ R18-5-508 (drinking water) and ADEQ R18-9-E301 (sewage collection) requirements for as-built drawings. Unless otherwise noted, the City will complete and submit the Engineer's Certificate of Completion to ADEQ.

Prior to the City's final approval and acceptance of public improvements (sanitary sewer, water, storm sewer, streets) record drawings (as-built plans) must be submitted to the City for review and acceptance per Engineering Standard Specifications.

A redline submittal shall be a .pdf and/or two sets of blue or black line paper sets, copied from the originally approved plan set. Redline submittal will be reviewed by the City and returned with applicable comments. Comments are to be addressed and resubmitted for the City's final approval. A reference checklist is available from the Office of the City Engineer.

Upon City and ADEQ (when applicable) review and approval of the submittal, an electronic .pdf of the plans shall be submitted to the City as a permanent record. All record drawing plan sets shall contain a statement by a licensed professional engineer, currently registered to practice in Arizona, certifying that the drawings are per the as-built condition. The record set requires the seal and signature of the registrant per Arizona Revised Statutes § 32-152. All survey data given by the record drawings shall be performed by a land surveyor who is currently registered in the State of Arizona. Plans must show seal and signature of registrant.

Payment shall be lump sum for all work required to develop the necessary documents, including but not limited to coordination, field inspection, survey, drafting, printing and engineer's seal. The fee shall include as-built information for all record changes within the project area.

SECTION 105 - CONTROL OF WORK

105.8 CONSTRUCTION STAKES, LINES AND GRADES:
(revise entire subsection to read as follows)

The Contractor shall be responsible for all required construction staking, including preconstruction staking for relocation of existing utilities. All construction staking is to be done under the direct supervision of a Registered Land Surveyor or Civil Engineer. All costs associated with this work are to be included in the amount bid for the items of work to which it is incidental or appurtenant. No separate payment will be made for construction staking.

105.10 INSPECTION OF THE WORK

(revise to include the following)

The Contractor is responsible for Quality Control of the work. The City will perform Quality Assurance; frequency of testing will be determined by the City. The Contractor shall be responsible for coordinating and scheduling all inspections of the work and shall confirm that the required inspections and material testing are completed and accepted prior to proceeding with additional work. The Contractor is required to perform the work to a confidence level that the City's Quality Assurance will validate that the work meets specification(s).

105.11 REMOVAL OF UNACCEPTABLE AND UNAUTHORIZED WORK:

(revise to include the following)

Any work and/or materials condemned by the Project Manager as inferior or not in compliance with the Contract, Specifications and Plans shall be immediately removed by the Contractor. Materials and/or work so condemned shall be removed and promptly replaced and executed in accordance with the Contract, Specifications and Plans without any expense to the Owner. The Contractor shall bear the expense of making good on all work of other contractors destroyed or damaged by such removal and replacement.

105.12 MAINTENANCE DURING CONSTRUCTION:

(revise to include the following)

The Contractor is responsible to provide adequate drainage for the construction area at all times. Damage to any portion of the work caused by the Contractor's failure to provide adequate drainage of the construction area shall be repaired at the Contractor's expense. A contract time extension will not be granted for any additional time required to make such repairs.

The Contractor shall control open excavations and stockpiling in a manner to prevent water from running into excavations. Obstructions of surface drainage shall be avoided and means shall be provided whereby storm water and wastewater can flow uninterrupted in existing or established pipes, flow courses, other surface drains, temporary drains or channels.

Material for backfill or for protection of excavations within public roads or easements shall be placed and shaped to cause the least possible interference to public travel. In no event shall any flows be allowed to enter private property.

105.16 MAINTENANCE DURING WINTER SUSPENSION OF WORK

(revise to include new subsection as follows)

The City retains the right to declare a winter shutdown, *for any reason*, on the Project including but not limited to adverse weather conditions. A winter shutdown period is typically December through March during which no work will be performed on the Project.

The Contractor shall shutdown, properly insulate and shelter the Project in a safe and workmanlike manner pursuant to local, state and federal laws.

If work has been suspended due to winter weather, the Contractor shall be responsible for maintenance and protection of the improvements and of partially completed portions of the work until final acceptance of the project. Winter suspension shall be by field order, change order or original contract. If repairs and/or maintenance are needed during the suspension, the Contractor is required to perform the repairs and/or maintenance within twenty-four (24) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

The City shall provide snow removal operations on active traffic lanes only. All other snow removal and maintenance operations shall be the responsibility of the Contractor. All cost associated with snow removal and proper disposal shall be considered incidental to the work including the repair of temporary surface improvements due to normal wear and snow removal operations during the Winter Shutdown.

SECTION 107 - LEGAL REGULATIONS AND RESPONSIBILITY TO THE PUBLIC

107.1 LAWS TO BE OBSERVED:
(revise to include the following)

(G) TAX EXEMPTION: Certain material, machinery and equipment to be installed in this project is exempt from sales tax or use tax as allowed in Arizona Revised Statutes Section 42-5061, 42-5009 and Section 42-5159 and by the Administrative Rules and Regulations of the Arizona Department of Revenue; ACC R15-5-608, R15-5-120 and R15-5-2314.

The City wishes to rely upon the expertise of the contractor in the purchase of items that qualify for the tax exemption. With respect to purchase of the qualifying items, the Contractor is authorized to act as an agent for the City. This agency agreement is strictly limited to the purchase of the qualifying items to be used in the construction of the project and will not otherwise affect or alter the respective rights, responsibilities and remedies of the parties as specified under this contract. The contractor shall furnish the City a list of suppliers and the material, machinery and equipment

to be furnished by each. The City will then issue the materials and equipment exemption certificate to each supplier pursuant to A.R.S. §42-5009 (A) (2). The contractor's applicable unit bid prices for items qualifying for this tax exemption should not include sales or use tax. The materials, machinery and equipment that are a part of this project and to which the exemption applies are listed below:

1. Pipes, valves and appurtenances four (4) inches in diameter or larger used to transport potable water,
2. Any additional material, machinery or equipment identified in the Special Provisions.

107.2.1 TEMPORARY USE PERMITS:
(revise to include new subsection as follows)

A Temporary Use Permit (and Above Ground Fuel Storage Permit if applicable) is required prior to the establishment of any temporary construction yard, material storage area or staging area located within City limits and outside the public right-of-way or project limits. The Contractor is responsible for obtaining the necessary Temporary Use Permit from the agency with jurisdictional authority.

The time required to process the Temporary Use Permit is approximately twelve (12) calendar days. The Contractor shall submit the necessary permit application no later than ten (10) calendar days following the Notice of Award. Any delays experienced by the Contractor in acquiring the Temporary Use Permit shall not necessarily be grounds for delaying the project Notice to Proceed.

107.2.2 DISPOSAL OF WASTE AND SURPLUS MATERIAL:
(revise to include the following)

All disposal costs, regardless of disposal site, shall be included in the bid unit price for the related item of work and no direct payment will be made for disposal of waste or surplus materials. This right of disposal does not apply to any substance or items that are regarded as toxic and/or hazardous by the City, the State of Arizona or the United States Government.

Alternate disposal sites may be proposed by the Contractor but are subject to all applicable local ordinances and codes. In addition to the property owner's written authorization, all disposal sites within the city limits are subject to review and approval by the Temporary Use Permit process. The disposal of material at alternate disposal sites will not be allowed without written authorization of the owner, approval of the appropriate jurisdictional authority, and the issuance of all necessary permits.

107.2.3 ABOVE GROUND FUEL STORAGE PERMIT:

(revise to include new subsection as follows)

If required, Above Ground Fuel Storage Permits may be obtained from the City of Flagstaff Fire Department, located at 211 West Aspen Avenue, Flagstaff, AZ. The Contractor is responsible for obtaining the permit.

107.5 SAFETY, HEALTH, AND SANITATION PROVISIONS:

107.5.4 HANDLING, REMOVAL AND DISPOSAL OF SURPLUS MATERIAL AND ASBESTOS CONTAINING MATERIALS (ACM)
(revise to include new subsection as follows)

The Contractor is responsible for handling, removal and disposal of all soil material generated by the project as described in the General Provisions.

The City requires compliance with Environmental Protection Agency (EPA), Arizona Department of Environmental Quality (ADEQ) and Occupational Safety and Health Administration (OSHA) asbestos regulations for all City projects.

Utility pipes constructed of materials other than metal or polyvinyl chloride (PVC) require testing prior to any disturbance of the pipes to determine if regulated levels of asbestos are present in the pipe material. Suspect pipe materials requiring testing typically include vitrified clay and cement pipe (transite). Asbestos testing is not required for metal pipes.

City Public Works/Sustainability & Environmental Management staff are available to collect samples and submit the samples for analyses. The City of Flagstaff will provide testing free of charge. If the pipe does not contain regulated levels of asbestos, the contractor may disturb and remove the piping. If utility piping contains regulated levels of asbestos, an asbestos abatement contractor must perform any disturbance/removal of the pipe materials. This is required to ensure workers are not exposed to any asbestos fibers.

Work may require the proper handling, removal and disposal of regulated asbestos piping and materials generated by cutting or breaking the pipe to remove it from the ground. If asbestos containing materials (ACM) removal is necessary on the project, the City of Flagstaff requirements for handling, removal and disposal are as follows:

- If an infrastructure or building material that is not either wood, glass or metal is encountered during the project and has not yet been either assumed or positively identified to be ACM then the material(s) must be sampled in accordance with regulations generated by the EPA Asbestos Hazard and Emergency Response Act (AHERA) 40 CFR 763 as well as OSHA 29 CFR 1910.1101, by a certified AHERA Building Inspector and sent to a National Voluntary Laboratory Accreditation Program (NVLAP) certified laboratory for analysis.

- Once materials of concern are assumed or properly identified to be ACM then material removal is required according to OSHA 29 CFR 1910-1926.1101 by a certified asbestos abatement worker, and NOT a general contractor (GC). However, if the GC holds the appropriate asbestos certifications (AHERA Asbestos Operations and Maintenance), which the City would need to verify is current, then the GC could perform the asbestos abatement.

The City requires the General Contractor arrange for abatement of assumed and/or identified ACM by a certified asbestos abatement contractor and to arrange area and/or clearance air monitoring by a third party certified asbestos consultant. If applicable to the project, copies of abatement activities and air monitoring shall be provided to City of Flagstaff Environmental Management staff.

In the event of large disturbances to ACM, compliance with the National Emission Standards for Hazardous Air Pollutants (NESHAP) 40 CFR 61, Subpart M shall be followed. Notification would be required the Arizona Department of Environmental Quality 10 working days in advance of the start of a large project. This notification is not typically required for utility pipe work, but could be required for a very large project involving numerous saw cuts of utility pipes. http://www.azdeq.gov/environ/air/asbestos/

If ACM removal is necessary on the project, the City of Flagstaff requirements for ACM disposal at the City's Cinder Lake Landfill are as follows:

Only non-friable asbestos waste is accepted for disposal at Cinder Lake Landfill. PRIOR to disposal of non-friable ACM, obtain the necessary forms, which are:

- Non-Friable Asbestos Waste Acceptance Application and accompanying instructions
- Non-Friable Asbestos Waste Shipment Record (WSR)

The Asbestos Waste Acceptance Application is available at the City of Flagstaff's website or by contacting the City of Flagstaff Environmental Management staff. A Waste Shipment Record is required to accompany each load of non-friable asbestos waste taken to the Cinder Lake Landfill.

Assure the non-friable ACM is properly handled and wrapped. Non-friable ACM must be thoroughly wetted using amended water PRIOR to being wrapped in 6-millimeter poly and be tightly sealed with duct tape. If the material is heavy (such as transite pipe), has sharp edges, or may easily puncture the poly wrap, a double layer of poly will be necessary. The Cinder Lake Landfill scale house attendant will inspect the load to ensure it is properly wrapped. Containers holding non-friable ACM shall be carefully unloaded and placed in a designated location. Dumping using a hydraulically lifted bed of a truck is not permitted (dump truck), as the poly wrap may be torn open.

If using a large bin for disposal, attach a copy of the Waste Shipment Record to the disposal bin. If not using a City of Flagstaff disposal bin, make sure the delivery driver takes a copy of the SIGNED Non-Friable Asbestos Waste Acceptance Application and the Waste Shipment Record to the Cinder Lakes Landfill with the waste delivery.

If using a City of Flagstaff disposal bin call City Environmental Services at (928) 774-0668 to schedule a pick-up for the disposal bin. Please be sure to provide the driver with the SIGNED Non-Friable Asbestos Waste Acceptance Application and the Waste Shipment Record and be sure to clarify if you would like the disposal bin emptied and removed, or emptied and returned to the work site. When disposal is completed, the Landfill Manager will sign the Waste Shipment Record and landfill staff will provide or mail a copy of the Waste Shipment Record.

Cutting of utility pipes generates Regulated Asbestos Containing Material (RACM). RACM requires disposal at the Joseph City Landfill or at other landfills located in southern Arizona.

All work relating to the removal and disposal of unknown and unanticipated hazardous materials as described above shall be paid per MAG 109.4.3.

107.8 107 USE OF EXPLOSIVES:

(first paragraph, revise second sentence to read as follows)

The Contractor shall submit a blasting plan for approval and obtain a Blasting Permit from the City of Flagstaff Fire Department, located at 211 W. Aspen Avenue, Flagstaff, Arizona.

(revise to include the following)

The Contractor shall submit a copy of the approved blasting plan to the Project Manager. The plan shall include as a minimum; safety layout, drilling pattern, size and depth of bore, weight and type of charge, delay sequence, contractor's anticipated peak particle velocity at the right-of-way line or nearest structure, and the proposed seismograph locations.

A record of each blast shall be kept and all records including seismograph reports shall be available for inspection. Each record shall provide as a minimum; location, date and time of blast, name of person in charge, number of holes burdened, spacing, diameter and depth of holes, boring logs to determine top of rock, type and total amount of explosives used, direction and distance to nearest building, type of detonators and delay periods used, and exact locations of seismographs.

When blasting operations are to be conducted within 200 feet of a water line, sewer line or other underground utility, the Contractor shall take additional precautionary measures. The Contractor shall also coordinate with Franchise Utilities prior to blasting operations. The Contractor shall notify the owner of the facility a minimum of two weeks in advance that such blasting operations are

intended. At their discretion, the Owner may perform pre-blast, post-blast pressure tests or other inspection of the facility. If any damage occurs because of blasting operations, the Contractor shall be responsible for the restoration of the facility to pre-blast conditions.

107.9 PROTECTION AND RESTORATION OF PROPERTY AND LANDSCAPE:
(revise to include the following)

The Contractor is responsible for replacing and/or restoring the site, landscaping and owner's improvements associated with the project to the pre-existing condition using in-kind materials. All cost shall be included in the bid as incidental to the work, unless otherwise specified in the bid schedule or plans.

Within easements, the Contractor is responsible for removing existing improvements and salvaging items (not identified for removal) for relocation after the public improvements are completed. Close coordination between the Contractor and property owners and/or residents is required.

107.11 CONTRACTOR'S RESPONSIBILITY FOR UTILITY PROPERTY AND SERVICES:
(revise to include the following)

All power poles, pedestals, guy wires and underground facilities shall be removed and/or relocated by the respective owners of the facilities. The contractor is responsible for the notification and coordination with the utility companies to ensure that this work is accomplished in a manner consistent with the construction schedule. Payment for Franchise Utility coordination and location is incidental to the cost of the work.

The Contractor shall perform utility potholes and identify potential conflicts prior to trenching. The utility pothole information and identification of potential conflicts shall be provided to the Project Manager at least two weeks prior to performing trenching or pipeline construction.

SECTION 108 - COMMENCEMENT, PROSECUTION AND PROGRESS

108.1 NOTICE TO PROCEED:
(revise to include the following)

Time is of the essence in submitting the initial and revised construction schedule and traffic control plan. Each is a requirement that precedes the Contractor's right and the City's obligation to proceed with the agreement.

The Notice to Proceed shall be issued for a start date no later than twenty-seven (27) calendar days following receipt of the Notice of Award. The Contractor shall be required to submit a construction schedule and traffic control plan in accordance with the Contract Documents and the following:

The Contractor shall within seven (7) calendar days of receiving the Notice of Award, submit a construction schedule and traffic control plan to the Project Manager. The Project Manager shall promptly review the construction schedule and traffic control plan and either approve them, or provide a written list of the items that will require revision. The Contractor shall submit the revised construction schedule and traffic control plan within five (5) calendar days of receiving the Project Manager's list of required revisions. The corrected construction schedule and traffic control plan submittal shall address all comments from the Project Manager's list of required revisions.

108.3 CORRESPONDENCE TO THE CONTRACTOR:
(revise to include the following)

In addition to written communication to the Project Manager, the Contractor shall provide and maintain a contact located within ten miles of the job site at all times throughout the duration of the Contract. The designated contact shall be accessible by telephone at all times to respond to agency requirements and emergencies. The local location and phone number(s) shall be provided to the Project Manager prior to issuance of the Notice to Proceed. Any changes of the location or phone number(s) shall be reported immediately to the Project Manager.

If a response is needed, the Contractor is required to respond and perform the repairs and/or maintenance within two (2) hours of notification from the City. If the needed repairs and/or maintenance are not addressed within the timeframe, the City will accomplish the work and deduct the cost from monies due or become due to the Contractor.

108.4 CONTRACTOR'S CONSTRUCTION SCHEDULE:
(revise to include the following)

The Contractor's schedule shall include, as a minimum, the following:

- Identification of project tasks with assigned dates and durations, which reflect anticipated sequencing of construction activities on scheduled working days;
- All anticipated subcontractors that will be used during the course of the work;
- The anticipated number of crews to expedite the progress and ensure prompt completion of the work;

  Definition of a crew;
  - personnel *(e.g. operator, laborer)*
  - equipment *(e.g. Cat 325 Excavator, 950 Loader)*
  - workdays anticipated or scheduled per week (*e.g. Monday through Friday)*
  - work hours anticipated or scheduled per day *(e.g. 7:00 am to 3:30 pm)*

- Anticipated adverse weather days for weather dependent activities, weekends and holidays.
- Specific long lead times for delivery of equipment and materials;
- Critical path project schedules may be required as provided for by the Special Provisions or Project Addenda.

108.5 LIMITATION OF OPERATIONS:
(third paragraph, revise to read as follows)

Except in emergencies endangering life or property, written permission shall be obtained from the City prior to performing any work on weekends, legal holidays or after regular work hours (hereinafter defined as 7:00 a.m. to 5:00 p.m. - Monday through Friday). Work on Saturdays will be permitted with prior approval by the City's Engineering Inspection Supervisor. 72 hours advance notice will be required. Work on Sundays and legal City Holidays will not be permitted except in emergencies or as approved by the owner. Inspection and testing will not be provided on Sundays or City legal holidays without prior approval from the Project Manager (72-hour advance notice) and full compensation by the Contractor for any necessary personnel, equipment and services.

Overtime compensation for City personnel shall be as follows:

Construction Supervisor @ $ 43.00/hour
Inspector II @ $ 35.00/hour
Inspector I @ $30.00/hour
Lab Tech I @ $ 25.00/hour
Vehicle @ $1.80/hour

108.7 DETERMINATION AND EXTENSION OF CONTRACT TIME:
(revise to include the following)

The contract time, including final clean-up of the project site and storage areas, may be extended because of weather conditions that cannot be reasonably anticipated. The number of actual days that the scheduled work is impacted by adverse weather shall be recorded weekly during the construction period.

The Contractor will be entitled to a contract time extension if the actual adverse weather days experienced during the work exceed the anticipated adverse weather days shown. The following is the monthly schedule of adverse weather days that shall be anticipated by the Contractor in scheduling the work:

TABLE 108.7 MONTHLY CALENDAR DAYS for ANTICIPATED ADVERSE WEATHER

MONTH	*JANUARY*	*FEBRUARY*	*MARCH*	*APRIL*	*MAY*	*JUNE*
Monthly Calendar Days for Anticipated Adverse Weather	7 Days	7 Days	8 Days	6 Days	4 Days	3 Days
Average Monthly Precipitation	1.98”	1.96”	2.05”	1.34”	0.68”	0.51”
MONTH	*JULY*	*AUGUST*	*SEPTEMBER*	*OCTOBER*	*NOVEMEBER*	*DECEMBER*
Monthly Calendar Days for Anticipated Adverse Weather	12 Days	11 Days	7 Days	5 Days	5 Days	6 Days
Average Monthly Precipitation	2.78”	2.68”	1.82”	1.52”	1.49”	1.90”

The above schedule of anticipated adverse weather days establishes the base line for the project's monthly weather impacts based on historical records, as recorded by the National Weather Service at Pulliam Airport, for precipitation in excess of 0.01 of an inch per calendar day.
The number of actual days that scheduled work is impacted by adverse weather as defined above shall be recorded weekly during the contract period. It is the Contractor's responsibility to request in writing any adverse weather delays experienced during the prior week no later than the normally scheduled weekly project meeting. Any adverse weather day requests that are not received, as stated above, shall neither be considered nor approved. Once the number of approved actual adverse weather days exceeds the number of anticipated adverse weather days in the schedule above, the Contractor is entitled to a contract time extension.

Actual adverse weather days must also prevent work for fifty (50) percent or more of the Contractor's work day and delay scheduled work critical to the timely completion of the project. The City will convert any delays meeting the above requirements to calendar days and extend the contract period as necessary. No additional compensation will be allowed for direct and indirect overhead expenses associated with any such contract time extensions. The Contractor's schedule must include the above anticipated adverse weather delays for all weather dependent activities and shall show all weekends and holidays.

108.8 GUARANTEE AND WARRANTY PROVISIONS:
(revise to include the following)

If requested by the City, the Contractor shall return to the project site eleven months after acceptance of the project and visually inspect, in the presence of the Owner's Representative, all accessible construction items and appurtenances. All defective materials and/or workmanship shall be satisfactorily repaired or replaced at the sole expense of the Contractor.

All costs for the 11-month inspection and repair shall be borne by the Contractor and in figuring his or her bid, the Contractor shall include an appropriate amount for such inspection and possible required repair, and no additional payment will be allowed.

108.10 FORFEITURE AND DEFAULT OF CONTRACT:
(revise to include new section)

Due to Failure to Prosecute the Work

If the Contractor fails to prosecute the work in accordance with the contract, including requirements of the progress schedule, the City may correct these deficiencies after three days after providing written notice to the Contractor. The cost of these remedies shall be charged against the Contractor. A change order may be issued to make the necessary changes in the contract and to make an appropriate reduction in the contract price. Such a change order shall not require the signature or approval of the Contractor. The remedy shall not prejudice the City's use of any other remedy, which the City may be entitled to use.

108.12 AUTHORIZED SIGNATURES:
(revise to include new section)

The Contractor shall provide a notarized list of all authorized signatures for project related documents. Only those individuals listed by the Contractor on the project Authorized Signature form shall be authorized to sign the contract, contract change orders, time extensions, bonds, securities, pay requests, certifications or other documents that affect the execution of the Contract.

108.13 SUBSTANTIAL COMPLETION:
(revise to include new section)

The project is substantially complete within the contract time and liquidated damages will no longer be assessed when the following have occurred:

(A) All contract items of work have been substantially completed and pedestrian and vehicular traffic can move unimpeded through the project;

(B) The only work left for completion is incidental, causes no disruption to pedestrian and vehicular traffic, and does not affect the safety and convenience of the public;

The decision whether the project is substantially complete is within the sole discretion of the Project Manager. At that time, a *Substantial Completion* letter will be issued by the City to the Contractor.

The remaining incidental work shall be completed within 15 calendar days from the issuance of the *Substantial Completion* letter. Failure to prosecute the remaining work within this time-period will result in the resumption of time charges and the application of liquidated damages from the date scheduled for final acceptance and start of warranty.

The start of the project warranty period will be established in the *Notice of Final Acceptance* and does not begin with substantial completion.

The Contractor is responsible for correction and repair of any project deficiencies until the end of the warranty period established in the *Notice of Final Acceptance* at which time the City will accept the improvements for operation and maintenance.

108.14 SUSPENSION and TERMINATION:
(revise to include new section)

CITY'S RIGHT TO STOP WORK

The City may, at its discretion and without cause, order the Contractor in writing to stop and suspend the Work. Such suspension shall not exceed one hundred and eighty (180) consecutive days.

The Contractor may seek an adjustment of the Contract Price and/or Contract Time if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of Work by the City.

TERMINATION FOR CONVENIENCE

Upon receipt of written notice to the Contractor, the City may, at its discretion and without cause, elect to terminate this Agreement. In such event, the City shall pay the Contractor only the direct value of its completed Work and materials supplied as of the date of termination. The Contractor shall be entitled to profit and overhead on completed Work only but shall not be entitled to anticipated profit or anticipated overhead.

If the City suspends the Work for one hundred eighty-one (181) consecutive days or more, such suspension shall be deemed a termination for convenience.

Upon such termination, the Contractor shall proceed with the following obligations.

1. Stop Work as specified in the notice.
2. Place no further subcontracts or orders.
3. Terminate all subcontracts to the extent they relate to the work terminated. The Contractor shall ensure that all subcontracts contain this same termination for convenience provision.
4. At the City's sole discretion and if requested in writing by the City, assign to the City all right, title and interest of the Contractor under the subcontracts subject to termination.
5. Take any action that may be necessary for the protection and preservation of the property related to this Agreement that is in the possession of the Contractor and in which the City has or may acquire an interest.

6. The Contractor shall submit complete termination inventory schedules no later than one hundred twenty (120) days from the date of the notice of termination.

The City shall pay the Contractor the following:

1. The direct value of its completed Work and materials supplied as of the date of termination.
2. The reasonable and direct, actual costs and expenses attributable to such termination. Reasonable costs and expenses shall not include, among other things, anticipated profit, anticipated overhead, or costs arising from the Contractor's failure to perform as required under this Agreement.
3. The Contractor shall be entitled to profit and overhead on completed Work only but shall not be entitled to anticipated profit or anticipated overhead. If it is determined that the Contractor would have sustained a loss on the entire Work had they been completed, the Contractor shall not be allowed profit and the City shall reduce the settlement to reflect the indicated rate of loss.

The Contractor shall maintain all records and documents for three (3) years after final settlement. These records shall be maintained and subject to auditing as prescribed in Section 7.7.

THE CITY'S RIGHT TO PERFORM AND TERMINATE FOR CAUSE

If the City provides the Contractor with a written order to provide adequate maintenance of traffic, adequate cleanup, adequate dust control or to correct deficiencies or damage resulting from abnormal weather conditions and the Contractor fails to comply in a time frame specified, the City may have work accomplished by other sources at Contractor's sole expense.

If the Contractor persistently fails to

1. provide a sufficient number of skilled workers,
2. supply the materials required by the Contract Documents,
3. comply with applicable Legal Requirements,
4. timely pay, without cause, sub-consultants and/or subcontractors,
5. prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time, as such times may be adjusted, or
6. perform material obligations under the Contract Documents, then the City, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth below.

Upon the occurrence of an event set forth above, the City may provide written notice to the Contractor that it intends to terminate this Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of the Contractor's receipt of such notice.

If the Contractor fails to cure, or reasonably commence to cure, such problem, then the City may give a second written notice to the Contractor of its intent to terminate within an additional seven (7) day period.

If the Contractor, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then the City may declare this Agreement terminated for default by providing written notice to the Contractor of such declaration.

Upon declaring this Agreement terminated and for the purpose of completing the Work, the City may enter upon the premises and take possession of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work. The Contractor hereby transfers, assigns and conveys all items, which have been purchased or provided for the performance of the Work to the City for such purpose and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items.

In the event of such termination, the Contractor shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, the Contractor shall be entitled to be paid only for Work performed and accepted by the City prior to its default.

If the City's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then the Contractor shall be obligated to pay the difference to the City. Such costs and expenses shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by the City in connection with the re-procurement and defense of claims arising from the Contractor's default.

If the City improperly terminates the Agreement for cause, the termination for cause shall be converted to a termination for convenience in accordance with the provisions of 108.14

SECTION 109 - MEASUREMENTS AND PAYMENTS

109.1 MEASUREMENT OF QUANTITIES:

(revise to include the following)

It is the responsibility of the Contractor to conform to the Contract Documents, including plans, typical sections and specifications including but not be limited to dimensions, materials, application rates and densities. The Contractor shall take all actions necessary to ensure that the work conforms to the contract documents. The Contractor shall cooperate fully with the Project Manager or Project Manager's representative to correct any known nonconformity to the contract documents.

109.1 MEASUREMENT OF QUANTITIES:
(delete the second paragraph)

Unless otherwise specified, longitudinal and surface (plane) measurements will be made in a horizontal plane.

PART 200 - EARTHWORK

SECTION 201 - CLEARING AND GRUBBING

201.3 CONSTRUCTION METHODS:
(revise to include the following)

The Contractor shall make every effort possible to avoid damaging existing trees. In the event that any trees suffer limb damage, the Contractor shall cut branches to the nearest branch crotch or to the branch collar at the trunk.

No separate payment will be made for trimming trees. The cost shall be considered incidental to the work.

SECTION 205 – ROADWAY EXCAVATION

205.1 DESCRIPTION
(revise to include the following)

The bid schedule unit cost for excavation, backfill and embankment work shall include the cost of rock excavation, handling rock or disposing of rock and no separate measurement or payment shall be made. Rock shall be defined as any highly cemented or hard material that may require additional efforts for removal, handling or disposal.

205.2 UNSUITABLE MATERIAL:
(third paragraph, revise to read as follows)

Should unsuitable material be encountered at subgrade elevation in cut areas or at existing grade in fill areas, the unsuitable material shall be removed and replaced with suitable fill material in accordance with MAG Section 210 and MAG Section 211.

Determination of unsuitable material and the limits and depths of required removal and replacement shall be at the sole discretion of the Project Manager. In no case shall any unsuitable material be removed without prior written consent of the Project Manager.

Measurement and payment for removal and replacement of unsuitable material will be by the cubic yard as shown in the proposal. Payment shall be compensation in full for the work complete and in-place including any borrow, permits, pit royalties, all excavation, hauling, placing, compacting, conditioning, watering and proper disposal, together with all appurtenant costs.

205.3 MEASUREMENT

(revise to include the following)

Earthwork is incidental to the roadway construction and no additional payment will be made for roadway excavation. The Contractor shall be responsible for estimating and accounting for earthwork import and haul off. It is recommended that the Contractor review the report on geotechnical investigation and sampling results.

PART 300 -- STREETS AND RELATED WORK

SECTION 301 - SUB-GRADE PREPARATION

301.1 DESCRIPTION:

(revise to include the following)

The untreated base or prepared subgrade shall be test rolled in the presence of the Project Manager prior to the placement of asphalt paving materials. The equipment used to perform the test roll shall be approved by the Project Manager. The Contractor shall be responsible for scheduling this test roll with the Inspector during regularly scheduled work. All costs associated with the test roll shall be considered incidental to and included in the cost of sub-grade preparation.

SECTION 336 - PAVEMENT MATCHING AND SURFACING REPLACEMENT

336.1 DESCRIPTION:

(first paragraph, revise to include the following)

The exact points of pavement matching shall be determined in the field by the Project Manager.

336.2 MATERIALS AND CONSTRUCTION METHODS:

336.2.1 PAVEMENT WIDENING OR EXTENSIONS:

(first paragraph, revise second sentence to read as follows)

The minimum depth of cut shall be four (4) inches or Depth/4, whichever is greater.

PART 400 -- RIGHT-OF-WAY AND TRAFFIC CONTROL

SECTION 401 - TRAFFIC CONTROL

401.5 GENERAL TRAFFIC REGULATIONS:
(revise to include the following)

Within seven (7) calendar days following receipt of the Notice of Award and in accordance with Section 108.1 of these General Provisions, the Contractor shall submit to the Project Manager a traffic control plan that shows the control of traffic in accordance with Part VI of the FHWA Manual on Uniform Traffic Control Devices for all phases of the work. The plan should include nights, weekends, shut down periods and an approximate schedule of street closures and detours.

The Traffic Control Plan is to detail the Contractor's proposal for routing traffic and pedestrians around the areas of construction. The Plan shall be coordinated with the proposed construction schedule and show how the locations of the various traffic and pedestrian control devices will change as construction progresses. The Plan shall allow for complete detours around the work areas.

Private and commercial driveways shall not be closed for any period exceeding eight hours during any twenty-four-hour period. The affected resident and the City shall be notified 48 hours in advance of any closure. Convenient access to driveways, houses and buildings along the line of work shall be maintained and temporary crossings or alternate access shall be provided and maintained in good condition, except during that period mentioned above. **Business access shall be maintained at all times by at least one driveway.**

(eleventh paragraph, revise to read as follows)

The Contractor will reinstall all permanent traffic control devices as required by the approved construction plans and specifications.

(twelfth paragraph, delete the last sentence)

Delete - The Traffic Engineering Department will reinstall all traffic signs.

401.7 PAYMENT:
(revise paragraph to read as follows)

Payment for all work and materials required to prepare a traffic control plan and provide traffic control during construction shall be made at the lump sum price shown on the Bid Schedule. Full compensation for any required traffic control devices, flaggers, uniformed off-duty law enforcement

officers, pilot cars and drivers shall be included in the lump sum contract price and no additional payment shall be allowed. Progress payments shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

SECTION 425 TOPSOIL

425.2 MATERIALS:
(revise to read as follows)

Overburden topsoil shall be salvaged and reused when possible. All topsoil, whether overburden or imported, shall be free of roots, heavy clay, clods, noxious weed seeds, coarse sand, large rocks, sticks, brush, litter and other deleterious material and meet the requirements of MAG Section 795. The Project Manager's approval of the proposed topsoil shall be obtained before delivery to the project.

425.4 MEASUREMENT:
(revise paragraph to read as follows)

Topsoil shall be measured lump sum, complete and in place unless indicated otherwise by the bid schedule.

425.5 PAYMENT:
(revise to read as follows)

Topsoil will be paid for in accordance with the contracted price for furnishing and placing topsoil, as described and specified. Progress payment shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

SECTION 430 – LANDSCAPING AND PLANTING
(revise to include section as follows)

430.3 LAWN AREAS

430.3.1 Preparation of In Place Soil
(delete the second paragraph and revise to read as follows)

After clearing, grubbing and initial cultivation has been completed, a slow release chemical fertilizer shall be mechanically spread over the turfgrass area at an average rate of 1 pound of actual nitrogen per 1000 square feet. After spreading, the fertilizer shall be cultivated into the top four inches of soil using suitable equipment. The resulting soil shall be in a friable condition suitable for planting. (Actual nitrogen is determined by using the nitrogen ratio number x weight of the bag/100).

430.3.2 Seeding

(delete the first and second paragraph revise to read as follows)

The rate of seeding shall be three pounds of seed per 1000 square feet using the following seed mixture;

Poa pratensis	Kentucky Bluegrass (mix of three varieties)	70%
Lolium perenne	Perennial Rye Grass	10%
Festuca rubra	Creeping Red Fescue	20%

Alternative species may be acceptable but are subject to prior approval from the City Project Manager or duly authorized representative.

SECTION 431 – EROSION CONTROL

(revise to include new section as follows)

431.1 DESCRIPTION

Erosion control applies to improvements within the city and as part of the erosion control section of a Storm Water Pollution Prevention Plan (SWPPP). Materials, means and methods for erosion control and stabilization, Best Management Practices (BMPs), Erosion Control Plans (ECPs) and SWPPPs are described in the City of Flagstaff Stormwater Design Manual.

The Contractor shall stabilize all disturbed areas within the project site and as shown on the plans. Work shall be performed according to the provisions of this Section and shall include but not be limited to the furnishing, hauling, placement and application of erosion control materials.

The Contractor is responsible for complying with the requirements of the National Pollutant Discharge Elimination System (NPDES) permit program. This generally includes submittal of a Notice of Intent to the Arizona Department of Environmental Quality (ADEQ) and Notice of Termination to ADEQ for the project. Preparation and implementation of a Storm Water Pollution Prevention Plan (SWPPP) for the site is required per ADEQ and City of Flagstaff standards.

The cost for complying with the NPDES permit and the SWPPP, including the erosion control devices, shall be included in the NPDES & SWPPP Requirements portion of the Contractor's bid. It is recommended that contractors see the ADEQ Smart NOI (Notice of Intent) program website (http://az.gov/webapp/noi/main.do) for information and processes.

Progress payment shall be made based on the Contractor's estimate for percent complete as approved by the Owner.

432.1 NATIVE SEEDING

All areas to be seeded that are accessible to machinery shall be tilled to a minimum depth of four (4) inches. Areas inaccessible to machinery shall be hand tilled and prepared to a minimum depth of two (2) inches. Cut slopes of 2:1 or steeper do not require tilling. Cultivation on sloping terrain shall run perpendicular to the direction to the slope. If weeds or herbaceous plant material interferes with proper seedbed preparation, the contractor shall remove them from the seedbed.

Contractor shall remove and dispose of all debris and other objectionable material that may interfere with seeding operations.

The area to be seeded shall be relatively smooth and all surface irregularities (e.g. rills, tire marks) shall be filled and firmed to conform to the desired cross sections. The seedbed shall be rolled both before and after the seeding operation with a minimum of one pass of a cultipacker or drag harrow.

Seed shall be sown when conditions will promote germination and growth. Normal non-irrigated permanent native seed application dates are between April 1 and June 15, between August 15 and September 20 and after the first frost (recurring overnight temperature of 28 degrees F) until snowfall. Seeding work shall be performed only after planting and other work affecting ground surface is complete.

To assist in establishment of the permanent seed mix, a nurse crop shall be used for this work. Preapproved nurse crop seed shall be one of the following, incorporated with the specified permanent seed mix;

Annual ryegrass	*(Lolium multiflorum)*	30 lbs/acre
Oats	(*Avena sativa)*	60 lbs/acre
Regreen©	(*Triticum aestivum x Elytrigia elongata)*	30 lbs/acre

Alternative species may be acceptable but are subject to prior approval from the City Project Manager or duly authorized representative.

When cut or fill slopes are greater than six (6) feet in height and steeper than 3H:1V, the seeded area shall be covered with American Excelsior Company straw/coconut blanket or an approved equal. Installation shall be per the manufacturer's written directions.

440.10. (D) SEQUENCING

(add the following section)

The irrigation system shall be installed, inspected, approved and operable prior to the installation of plant materials, landscape fabric and ground plane treatments (*decomposed granite, landscape rock, mulch, etc.)*

PART 600 - WATER AND SEWER

SECTION 601 - TRENCH EXCAVATION, BACKFILLING AND COMPACTION

601.2 EXCAVATION:

601.2.1 GENERAL:
(revise to include the following)

All excavation, including trench excavation, shall be performed in any substance and material encountered. The cost is considered incidental to and is to be included in the price for the bid item to be constructed or installed. No special payment shall be made for trench excavation other than rock excavation as specified under Trench Rock Excavation.

Trench Rock Excavation
Trench rock is defined as consolidated igneous, metamorphic and/or sedimentary material in the original bed and/or in well-defined ledges that cannot be removed by a mechanical method and therefore requires pneumatic hammering, drilling or blasting for removal. Example of mechanical methods include hand tools, trenching machine, backhoe, ≥195 horsepower hydraulic excavator with ripping teeth or equivalent.

Boulders and pieces of rock having a volume of more than 27 cubic feet (1 cubic yard) shall be considered rock.

For projects where trench rock excavation is anticipated, the estimated contingent quantity is shown in the proposal under the applicable bid item. The contingency quantity is an estimate only and no guaranty is given that any portion will be utilized. Trench rock excavation will be paid for separately at the unit price bid per cubic yard for Trench Rock Excavation.

Measurement of Trench Rock Excavation shall be per cubic yard in place. This volume of rock will be measured by the City representative, using the maximum trench width allowed in accordance with MAG Table 601-1, the lineal footage of actual rock excavation required and the actual depth of rock as determined by inspection of the trench after rock excavation and before backfilling.

SECTION 611 – WATER, SEWER AND STORM DRAIN TESTING

611.2 DISINFECTING WATER MAINS:

611.2.13 Fire Flow Testing:
(revise to include the following new section)

All water lines that have new fire hydrants shall require a fire flow test per CoF Engineering Standard 13-09-006-0006.1.

Fire flow testing shall be performed by a certified tester. Results shall be sealed by an Arizona Professional Engineer.

The City Water Services Section requires a 72-hour notice via e-mail to schedule hydrant operation and testing observation. A digital copy of the test results shall be submitted to the City Project Manager.

SECTION 631 WATER TAPS AND METER SERVICE CONNECTIONS
(revise to add the following)

631.3 INSTALLATION:

New water service lines shall be installed to replace the existing water service lines. Construction includes replacement of all water services to COF Engineering Standards, including the service saddle at the main, corporation stop, pipe and curb stop to the meter and adjust the customers' service to the new outlet meter coupling elevation. The lines shall be extended to the new polymer meter box location and a new meter box shall be installed and shall connect to the existing meter. If the existing meter is not at the City's standard depth; the contractor shall adjust the elevation of the meter. In cases where the meter box moves, the contractor shall salvage the existing meter and shift it to the proposed location. At each of these locations the contractor is required to connect the existing water services on the private side of the meter. The Contractor shall coordinate with each homeowner where private construction is required to verify the water line rerouting and to restore landscaping to its original condition.

The City will provide the contractor with Temporary Rights of Entry for the water service connection, replacement/adjustment of water meter boxes and associated work. If the contractor needs to go outside the Temporary Right of Entry limits they will have to provide the City with written permission from the property owner prior to conducting the work.

A residential plumber's license will be required for all work that is done on the private service side of the meter.

City of Flagstaff utility tapping fees are the responsibility of the contractor. The contractor shall perform all work and coordinate payment directly with the City Water Services Department. All costs for utility tap work and fees shall be included in the line item for installation of the new service, including but not limited to all labor and materials for complete installation. Repair associated within any abandoned or new tap shall be included in the contract bid item.

SECTION 710 - ASPHALT CONCRETE

710.1 GENERAL:
(revise to include the following)

The asphaltic concrete designation shall be 3/4 inch, except as required by the project plans or Special Provisions.

End of Document

SPECIAL PROVISIONS

HUNTINGTON WATERLINE REPLACEMENT PROJECT

PREPARED BY WOODSON ENGINEERING & SURVEYING, INC.

CITY OF FLAGSTAFF PROJECT NO. WA 3157/03-20001

INTRODUCTION

Modifications to the MAG Specifications, Arizona Department of Transportation Specifications (ADOT), and to the Preceding General Provisions are made in the Special Provisions and take precedence over the MAG and ADOT Specifications and the General Provisions. Where there is no conflict between MAG Specifications, ADOT Specifications and the General Provisions, the Special Provisions are to be construed as being additions to the Specifications. In cases of conflict between the other Specifications and the Special Provisions, the Special Provisions are to be construed as supplanting only the conflicting portions of the other Specifications.

MAG UNIFORM STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION AND THE GENERAL PROVISIONS ARE HEREBY AMENDED TO INCLUDE THE FOLLOWING:

PART 100 – GENERAL CONDITIONS

SECTION 102 – BIDDING REQUIREMENTS AND CONDITIONS

102.4 EXAMINATION OF PLANS, SPECIAL PROVISIONS AND SITE OF WORK:

Revise the second paragraph to read:

The bidder shall examine the site of the proposed work and all documents pertaining to the work. It is mutually agreed that the submission of a proposal shall be considered prima facie evidence that the bidder has made such examination and is familiar with the character, quality and quantity of the work to be performed and material to be furnished.

SECTION 104 – SCOPE OF WORK

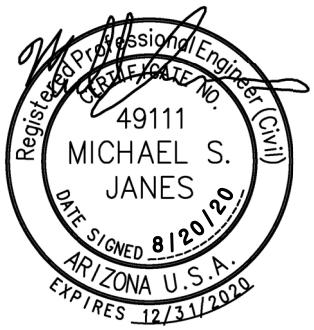
104.1 WORK TO BE DONE

104.1.1 General

(revise to include the following)

The Huntington Waterline Improvement project generally includes the following components:

- Replace 16" water main with new 16" DIP in an easement across private property south of the BNSF Railroad Tracks
- Connect to existing waterlines.



104.1.2 MAINTENANCE OF TRAFFIC
(revise to include the following)

The detailed traffic control plan shall be submitted to The Community Development Program and approved by the City of Flagstaff prior to the start of work. The plans shall include provisions for access to all adjacent private properties within the project area. Through advance written notice and coordination with the City's Project Representative and the property owners, the Contractor may temporarily limit a vehicular or pedestrian access to a property only if acceptable alternate access is provided.

The Contractor shall be required to provide no less than one (1) week advance written notice of all street closures and traffic restrictions, and commencement of construction activity to all affected property owners, business owners, residents, and the surrounding neighborhood as well as to the Engineer. The City Representative will indicate the limits of the notification. The notice shall include the projected date, and duration of the closure and alternate detour routes. Each notice shall include the Contractor's name, contact person and local telephone number as well as the Owner's name and telephone number.

Existing pedestrian and bicycle facilities shall be continued through or detoured around the construction zone.

Transit stops and pedestrian access thereto shall be maintained. Should construction occur during the school year, any existing school bus stops will need to be temporarily relocated to another location acceptable to the Flagstaff Unified School District Transportation Director. The Contractor shall coordinate any school bus relocations through the Flagstaff Unified School District Transportation Director, Joe Martin at 928-527-2300.

Special Access Requirements:

The Contractor shall maintain access to all side streets, access roads, driveways, alleys, parking lots and to adjacent businesses at all times during their hours of operations. This includes any home-based businesses within the residential area. Access to all residential driveways shall be provided during all non-working hours. Where a property has more than one driveway, no more than one access will be restricted or closed at one time. Should it be necessary to close access to private property, business, driveways or alley entrances, the closure must be for as short a time as possible and be restored at the end of the work shift. If primary residential or business access cannot be restored, the Contractor shall provide an alternative, which will be coordinated with the resident/business and pre-approved by the Owner prior to any restrictions being implemented. The contractor shall coordinate work with the owners so that business access is not impeded.

Sanitation Pickup:

Regular sanitation pickup in the area of this project is scheduled every Wednesday and Friday. When construction activity interferes with sanitation pickup, the Contractor shall provide for sanitation vehicle access to the affected properties or relocate the trash containers where access is acceptable. Contact the Solid Waste Services of the Public Works Department at 928-213-2110.

Traffic Control and Safety:

At the time of the Pre-construction Conference, the Contractor shall designate an employee, other than the Project Superintendent, who is well qualified and experienced in construction traffic control and safety, to be available on the project site during all periods of construction to coordinate and

maintain safe barricading whenever construction restricts traffic. The contractor shall designate and provide the contact information of one person who shall be available during non-construction hours in case of any traffic control and/or safety items that need to be handled in an urgent manner. This representative must be fully authorized and equipped to correct unsafe or excessively inconvenient conditions on short notice per Section 105 of MAG including nights, weekends and holidays. Traffic control shall include pedestrian as well as vehicle traffic.

Public Involvement:

At the time of the Pre-construction Conference, the Contractor shall designate an employee who is responsible for coordination with the public, including but not limited to property owners, business owners, and tenants. This person shall be qualified and experienced in public coordination during a construction project and shall be available during all periods of construction to coordinate construction work with businesses and residents and address any issues. The Contractor shall schedule night and weekend work as needed to reduce construction impacts to residents and businesses.

Emergency Access:

All roadway closures shall be coordinated by the Contractor with the City's Project Representative at each weekly meeting or at least 72 hours in advance of the roadway closures. The Contractor shall submit the street closure information to the Fire Department and Police Department.

U.S. Postal Service Access:

The Contractor shall be responsible for maintaining access for Postal Service within the project area at all times. The Contractor shall coordinate this work to avoid interruption of mail service. Mailboxes shall be protected in place. Should an existing mailbox be damaged by construction activity, the Contractor shall promptly remove and replace the damaged mailbox with like kind; including post and foundation, at no cost to the resident or the City. Placement of any mailbox shall be in accordance with USPS requirements.

SECTION 105 – CONTROL OF WORK:

105.2 PLANS AND SHOP DRAWINGS
(revise to include the following)
The Contractor shall include a cover sheet with all submittals listing the submittal items and if there are any deviations from the standard that are being requested for any item OR if they are per specification.

105.2.1 RECORD DRAWING (As-Built Plans):
(revise to include the following)

The Contractor shall be required to provide a record drawing (as-built) set of construction plans that fully describes work that deviated from the approved contract documents. The redlined plan set will be reviewed at each weekly meeting with the City's PM and the Engineer to assure that

all deviations from the plans are being noted. The redlined plan set needs to be legible and contain accurate information.

The contractor is responsible for preparing sealed Record Drawings at the conclusion of the project. The record drawings shall be completed per Section 13-06-002-0008 of the City Engineering Standards and the attached COF As-built checklist dated December 12, 2019. They shall be sealed by a registered Civil Engineer in the State of Arizona and approved by the City. The engineer will submit the drawings to ADEQ once they are approved by the City and the contractor is responsible for addressing comments from ADEQ and revising the Record Drawings as required and providing a final mylar set.

105.5.1 WEEKLY CONSTRUCTION MEETING:
(revise to include new sub-section)

The Contractor's Superintendent shall attend weekly construction progress meetings. The Contractor representative shall provide an agenda and be prepared to discuss construction schedule, construction activities projected for the next two weeks, problems, issues and any other pertinent project details as may be required by the City's representative. The Contractor shall provide a two-week look ahead schedule each week.

105.5.2 PROTECTION OF WORK:
(revise to include new sub-section)

The Contractor is required to protect work during inclement weather. The contractor shall grade areas to drain and utilize pumps to remove ponding water immediately during all stages of construction during both working and non-working hours.

105.8 CONSTRUCTION STAKES, LINES, AND GRADES

Unless noted otherwise in the contract documents, the Contractor shall layout the work from the lines, grades and dimensions shown on the drawings. The Contractor shall be responsible for all such work for the duration of the project. Any dimension or grade errors shall be immediately transmitted in writing to the Owner for clarification, before proceeding with the work.

105.12 MAINTENANCE DURING CONSTRUCTION
(revise to include the following)

The contractor shall trench for utility construction as work proceeds and patch trenches per City of Flagstaff trenching and backfill details.

SECTION 107 – LEGAL REGULATIONS AND RESPONSIBILITY TO PUBLIC:

107.2 PERMITS:

(revise to include the following)
The Contractor shall be required to obtain City, ADEQ, and other required permits. The Contractor is required to supply his own construction staging yard and comply with the requirements of the Temporary Use Permit.

A Floodplain use permit will be required for this project to be obtained by the Contractor.

City of Flagstaff utility tapping fees are the responsibility of the Contractor. Fee rates may be obtained from the counter. All cost and fees for utility tap work shall be included in the line item for the installation of new services, including but not limited to all labor and materials for installation, repair of any associated abandoned tap and fees. The Contractor shall perform all work and coordinate payment directly with the Water Services Department counter in the City Hall lobby.

The contractor shall make arrangements for and provide all necessary water for his construction operation at his own expense.

107.9 PROTECTION AND RESTORATION OF PROPERTY AND LANDSCAPE:

(revise to include the following)

The Contractor shall take special care to control construction-related dust and noise and to keep the project site cleaned up to the greatest extent possible. The Contractor is responsible to coordinate alternate measures for any impacted operations as mentioned which are acceptable to the parties involved.

Survey monuments and property corners shall be protected and not disturbed unless specifically called out on the plans for replacement. All costs associated with protecting or re-establishing disturbed survey monuments and property corners shall be borne solely by the Contractor.

The Contractor is responsible for replacing and/or restoring landscaping (including but not limited to fences, retaining walls, landscape walls, pavers, aggregate rock ground cover, plantings, sod) and owner improvements associated with the project to a pre-existing condition. All cost shall be included in the bid as incidental to the work, unless specified in the bid schedule or plans.

The Contractor is responsible for removing existing improvements and salvaging items for relocation after the public improvements are finished. This may necessitate close coordination with property owners. The contractor is responsible for replacing materials in like kind. All cost shall be included in the bid as incidental to the work.

Sections of the curb, gutter and sidewalk not called out for removal and replacement shall be protected in place and the contractor shall take great care in protecting existing improvements. With the exception of areas disturbed by proposed utility work, the existing improvements beyond the edge of pavement shall remain in current condition. The contractor shall schedule a field walk with City staff to designate the limits of concrete removal prior to disturbance.

Pre-Construction Video:
The contractor shall record and provide the City with a pre-construction video (in readable format) of the full construction area prior to mobilization, paying special attention to the private property boundary and private improvements. This video will serve as a record of preexisting conditions and it is in the best interest of the contractor to record a thorough document for the record.

107.9.1 EROSION AND SEDIMENT CONTROL:
(new section)

The contractor is required to comply with all applicable standards and guidelines included with the most current AZPDES Construction General Permit. This includes but is not limited to preparing a Storm Water Pollution Prevention Plan (SWPPP), Implementing and maintaining the necessary Best Management Practices (BMP's) to control erosion and sediment throughout the duration of the project, and filing a Notice of Intent (NOI) prior to starting construction and a Notice of Termination (NOT) after completion of the project. The SWPPP will be paid in partial payments as work progresses. Dust control abatement shall be conducted throughout the duration of project, including weekends.

All disturbed areas shall be hydroseeded in accordance with City of Flagstaff Engineering Standards Section 13-17. A revegetation plan will be required to be implemented and proved successful prior to project closeout. Contractor shall provide 70% successful regrowth per ADEQ permanent stabilization requirements for all areas disturbed during construction. Soil conditioners and watering are required in accordance with 13-17-002-004 and 13-17-002-0005.6 to promote establishment of vegetation.

The contractor shall include documentation of any impacted downstream Stormwater systems in the pre-construction video.

107.11 CONTRACTOR'S RESPONSIBILITY FOR UTILITY PROPERTY AND SERVICES: (revise to include the following)

The Contractor is responsible for providing written notification to each affected resident at least 48 hours prior to any disruption to water or sewer service in the construction area. The notice must include the exact time of the disruption of service and the expected duration of the loss of service.

The Contractor is responsible for providing written notification to each affected resident at least 72 hours prior to any disruption to reclaimed water service in the construction area. The notice must include the exact time of the disruption of service and the expected duration of the loss of service.

The Contractor shall protect existing water, sewer, and gas service lines where the proposed work crosses individual service lines.

Not all service lines are shown on the plans and it is the Contractor's responsibility to determine their location in the field at the beginning of the project. The contractor shall coordinate all necessary utility relocations directly with the appropriate utility franchise and provide sufficient time for response prior to construction of the improvements. The Contractor shall verify location, direction and grade of existing sanitary services at the locations where new storm drain is being installed to verify that no conflicts exist. This investigation and coordination is considered incidental to the project.

Protection or repair of existing service lines not in conflict with the work is also considered incidental. In the event that there is a physical conflict between an existing service line and the proposed work, the Contractor shall immediately notify the Engineer of the conflict. The Owner will make a determination as to how the conflict will be resolved. Any extra work required as a result of an unforeseen service conflict will be ordered and paid for in accordance with General Provision Section 104.2.3.

Locations of underground utilities shown on the plans are to be regarded as approximate only and it is the Contractor's responsibility to determine their location in the field at the beginning of the project.

SECTION 108 – COMMENCEMENT, PROSECUTION AND PROGRESS:

108.4 CONTRACTOR'S CONSTRUCTION SCHEDULE
(revise to include the following)

The contractor is required to submit a revised master schedule with each monthly pay request. The contractor shall be prepared to shift work areas and/or work on clean up, etc. to reduce any stand by time due to conflicts. Standby time less than 3 hours shall not be considered.

108.5 LIMITATIONS OF OPERATIONS:

(revise to include the following)

Work on Saturdays will be permitted, as necessary, as approved by the City's Public Works Inspection Supervisor. Seventy-Two hours advance notice will be required. Work on Sundays and legal City holidays will not be permitted except in emergencies.

108.7 DETERMINATION AND EXTENSION OF CONTRACT TIME:
(revise to include the following)

The Contractor's schedule must include the anticipated adverse weather delays as listed in section 108.7 of Exhibit A, City of Flagstaff Amendments to MAG Standard Specifications for Public Works Construction on a month-by-month basis during the contractor's normal working schedule.

Extension of contract time shall be by calendar day.

SECTION 109 – MEASUREMENTS AND PAYMENTS

109.2 SCOPE OF PAYMENT
(revise to include the following)
The contractor is responsible for all staff per-diem costs.

PART 300 – STREET AND RELATED WORK

SECTION 350 – REMOVAL OF EXISTING IMPROVEMENTS

350.1 DESCRIPTION:
(revise to include the following)

Some of the removal limits may be at existing joints that are not uniform and clean. If this is the case the Contractor shall shift the match line 6" past the joint and sawcut the curb to create a uniform edge. Contractor to document the adjusted stationing of the removal limits on the redlined as-built drawings so that quantities can be verified. Expansion joints will be placed at all connections between existing and proposed concrete.

All sidewalk, curb, asphalt, fencing, and other existing improvements are to be protected unless specifically called out for removal. If additional removals are necessary the Contractor shall coordinate with the City's Project Manager.

350.2.1 UTILITIES:
(Revise to include the following)
The construction plans may or may or may NOT represent the location of the existing service lines correctly. Existing service lines may or may not run perpendicular to the property and/or main. Investigation will be required to understand which services are active and determine locations of the service runs. The Contractor is required to locate all services and verify that the service is active. This is included in the cost of the work and no additional payment will be made for investigation and locating.

PART 600 – WATER, SEWER, STORM DRAIN AND IRRIGATION

SECTION 601 – TRENCH EXCAVATION, BACKFILLING AND COMPACTION

(revise to include the following)
Removal and replacement of asphalt trench materials and patch is incidental to the item of work. It is the contractor's responsibility to control the final trench width and no additional payment will be provided for asphalt patching or trench materials.

Soft subgrade materials of low compaction and/or groundwater may be present. No additional payment or time shall be provided for benching trenches or dewatering.

Rock excavation for services is incidental to the work.

SECTION 610 – WATERLINE CONSTRUCTION

(revise to include the following)

A check-valve assembly shall be provided between new and old improvements until all water main testing has been passed in order to protect existing water supply from untested water.

The contractor is responsible for maintaining individual water services during construction of the new improvements. If a water service(s) has to be shut down for more than 8 hours to install the

new waterline a temporary service will have to be provided until the new main is tested and inspected. The Contractor is responsible for all testing and materials required to install and maintain the temporary service line. The cost of the temporary service is incidental to the installation of the new main.

Tracer Wires and tapes shall be installed prior to testing the water or sewer main as required by Section 13-09-001-0002.

Water valves shall be adjusted per COF Detail No. 09-03-060 and manholes shall be adjusted per COF Detail No. 9-03-062

All water and sewer materials shall be domestic made.

610.16 MEASUREMENT AND PAYMENT:
(revise to include the following)

Unless otherwise noted in the contract documents, all work and materials to provide complete and operational water and sewer systems is included and incidental to the water and sewer bid items, including but not limited to connections, fittings, bends, elbows, thrust blocks, adjustments and materials for sewer main connections to new mains or manholes, etc. and there will be no separate measurement or payment for these items.

Vertical deflections are quantified on the plans. One vertical deflection is defined as 4-45 degree bends with restrained joints or thrust blocking and the connector pipe between the bends to reach the elevations shown on the plans.

CITY OF FLAGSTAFF
CONTRACT SUPPLEMENTARY JUSTIFICATION

[X] CONTRACT ALLOWANCE
[X] ADMINISTRATIVE CHANGE ORDER

PROJECT NO. WA 3157 **PROJECT NAME:** Huntington Waterline Replacement

FILE NO. 03-19008 **Project Manager:** Trevor Henry

CONTRACTOR/CONSULTANT: Sellers & Sons Inc.

PROJECT DESCRIPTION: The Project consists of installing 3,000 LF of new 16" ductile iron waterline. Included will be new water services, fire hydrants, air release valves, and a minimal amount of asphalt and concrete work associated with the new waterline connections within Ponderosa Parkway. This project is part of the City's ongoing aging water infrastructure replacement program.

JUSTIFICATION FOR USE AND AMOUNT:
Contract Allowance (CA) Justification and Amount:

A $41,200.77 CA is recommended to compensate Sellers & Sons Inc. for costs associated with potential unforeseen items of work where details could not be determined at the time of contracting such as:

- Owner directed increases to Project scope for items not identified to need repair at the time of design or contracting.
- Non-compliant water service locations starting outside the Project limits and ending within the Project limits.

The low bid amount is *$686,679.50* plus a CA of *$41,200.77* or 6% of the low bid amount of *$686,679.50* (excluding a CA), equals the total Contract Amount of *$727,880.27*

Administrative Change Order (ACO) Justification and Amount:

A *$68,667.95* ACO is recommended to compensate Sellers & Sons Inc. for the associated costs on items such as:

- Unforeseen trench rock excavation, unsuitable soil, subgrade stabilization, and utility conflicts.
- Increase in the Project scope due to additional funding becoming available or oversight during Project scoping.

The *$68,667.95* ACO is *10%* of the low bid amount of *$686,679.50*, which is the Contract Price of $727,880.27 excluding the *$41,200.77 CA*. This ACO amount is per the April 16, 2019 Procurement Code revisions.

The Procurement Code Manual for Design/Bid/Build contracts allows for up to a 7.5% Contract Allowance for contracts of this value. Staff recommends and is comfortable with a 6% Contract Allowance as this is a lower risk project with less potential for unforeseen items of work.

COST/BUDGET/FUNDING SOURCE ANALYSIS:
Contract Allowance Justification and Amount:

The CA is recommended to be included in the Contract Amount and will be funded by the total budget appropriations, $1,135,000, remaining in FY 21 account number 202-08-370-3376-0 and in the proposed FY 22 account number 202-08-370-3438-0.

Administrative Change Order Justification and Amount:

The ACO is recommended to be approved and can be funded by the total budget appropriations, $1,135,000, remaining in FY 21 account number 202-08-370-3376-0 and in the proposed FY 22 account number 202-08-370-3438-0.

APPROVAL:	Signature		Date:
Project Manager	Trevor Henry	Approval Recommended	4-15-21
Program Manager	[signature]	Approval Recommended	4/15/21
Section Head		Approval Recommended	
Division Head	Richard A. Barnett	Approval Recommended	4/15/21

7. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Scott Overton, Streets Section Director
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of a Cooperative Purchase Contract: To purchase one (1) 2017 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc through a cooperative purchase contract with the City of Tucson Procurement Department #161534-01 in the amount of $228,000.00 plus sales tax $20,292.00 for a total of $248,292.00. AND To purchase one (1) 2019 Caterpillar 12M3 AWD TR Motor Grader from Caterpillar, Inc through a cooperative purchase contract with the City of Tucson Procurement Department #161534-01 in the amount of $246,500.00 plus sales tax $21,939.00 for a total of $268,439.00.

STAFF RECOMMENDED ACTION:

1. Approve the equipment purchase for one (1) 2017 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc and one (1) 2019 Caterpillar 12M3 AWD Motor Grader from Caterpillar, Inc for the combined amount of $474,500.00, plus applicable taxes, for a total of $516,731.00 through cooperative purchase contract #161534.
2. Authorize the City Manager to execute the necessary documents.

Executive Summary:

Public Works - Streets Section is responsible for the ongoing maintenance of our local transportation network. The Streets Section has a road grader fleet for use in road grading activities and snow operations. A reliable grader fleet is essential to meet the community expectations and service maintenance of our dirt road inventory and the snow operations tasked with clearing the 700 lane miles of transportation infrastructure during winter events. The request is to bolster our existing fleet by 2 road graders to address the community physical infrastructure growth and demand for timely service especially during snow operations neighborhood service.

Financial Impact:

This equipment purchase was approved in the 2020-2021 budget and is funded with Highway User Revenue Funds (HURF) Acct# 040-060-161-0614-6-4402 for a budgeted amount of $525,000.00.

Policy Impact:

Public Works - Streets Section is responsible for daily activities and the timely response to all concerns as they relate to our transportation infrastructure. Response to events is critical to maintain the safest travel possible on city streets. Our grading crew and good quality equipment are essential in the timely repair or road maintenance. The units that are being considered are front line machines with excellent performance based on our experiences with similar units in the existing fleet. This action has been recommended and approved by the Fleet Management Committee and was included in the 2020-2021

budget. Our community desires a strong relationship to our transportation infrastructure and its maintenance expectations and excellent winter storm response.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Transportation and Public Infrastructure - Deliver quality community assets and continue to advocate and implement a highly performing multi-model transportation system.

Has There Been Previous Council Decision on This:

Yes, we have discussed during snow operations planning and past budget retreats the need to provide equipment and staffing recommendations that are consistent with policy objectives and Public Works best practices. It has been discussed that the additional service areas and sheer mileage of roadway no longer can be reasonably maintained during snow operations and the additional units will result in more manageable routing and improved service to the community.

Options and Alternatives:

1. Approve this Cooperative Purchasing Contract with Caterpillar, Inc through the Cooperative Purchase Contract No. 161534. 2. Forego the purchase of one or both road graders which would require the City to continue to utilize existing equipment and best practices. Rental equipment was investigated and is not always available or set up specifically for snow operations. 3. Contract road grader services and supplement snow operations with contracted equipment providers.

Background/History:

The City of Flagstaff Streets team self performs significant road way maintenance and uses road graders in a majority of the winter storm snow operations response. The Public Works division worked with the Procurement section to find the best value for the graders needed for the Streets section. By utilizing a contract formally procured by the City of Tucson with Empire Southwest, LLC, we were able to get a reasonable price for the intended purchase in a cooperative contract. In addition, due to some of the demand in the winter season it was evaluated and determined that these units could be purchased at a sizable discount compared to a new unit. The hour requirements and equipment specifications were discussed and this is a more financially acceptable route without sacrificing performance or quality of equipment. Our local Empire dealer will be honoring the balance of warranty and can provide all servicing needs beyond Fleet Services as needed in a timely fashion.

Expanded Financial Considerations:

The current funding in HURF is supportive of the purchase and we have been delaying this procurement until the financial effects of COVID-19 had stabilized. We are now confidant and comfortable moving forward with this purchase while still maintaining fund health. The Co-op being utilized for procurement, while used often for new equipment specific language to purchase used fleet and provide for sizable government discounts is allowable.

Community Benefits and Considerations:

The policy implication is that this purchase and equipment supports the mission to provide a high level of road maintenance protecting our community's infrastructure investment and timely snow removal during winter storm events. Procurement of this piece of equipment is with a local vendor using a cooperative purchasing agreement. In addition to the best pricing, we also have a good service relationship with local maintenance professionals that will respond quickly if issues should occur with this equipment.

Attachments: COF Coop 2021-100

Exhibit A - Empire Quote and Machine
Exhibit B - Tucson Contract
Exhibit B - Tucson extension
2017 Grader Photo
2019 Grader Photo

COOPERATIVE PURCHASE CONTRACT
Contract No. 2021-100

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 20_____by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Empire Southwest, a California Limited Liability Company ("Contractor").

RECITALS:

A. The Contractor is a fully authorized dealer of Caterpillar Inc. products;

B. Caterpillar Inc. holds a Local Government Purchasing Cooperative Contract #161534-01 with the City of Tucson Procurement Department, Public Sector to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process; and

C. Contractor is a dealer as described in the Agency Contract; and

D. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Materials and or Services Purchased: Contractor shall provide to City the materials and or services, as specified in the Purchase Order(s) and/or Scope of Work submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

CATERPILLAR 12M3 AWD MOTOR GRADER
1 - 2017 MODEL
1 – 2019 MODEL

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or ***Exhibit A*** attached hereto and incorporated by reference.

3. Payment: Payment to the Contractor for the materials and or services provided for Two hundred and ten thousand, two hundred and seventy dollars **($516,731.00) including other fees and taxes**; made in accordance with the price list and terms set forth in the Agency Contract.

4. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. The Agency Contract documents are set forth in ***Exhibit B*** attached hereto and incorporated by reference. Contractor is responsible for promptly notifying City in

writing of any changes to the Agency Contract, including, specifically changes in price for the materials.

5. Certificates of Insurance: All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Term: This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

7. Renewal: This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

Empire Southwest, LLC.:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

EXHIBIT A

Quote from Empire CAT (attached)

EXHIBIT B
AGENCY CONTRACT

Contract #161524-01 City of Tucson Department of Procurement (attached)

Mike Stress
CITY OF FLAGSTAFF
211 W ASPEN AVE
FLAGSTAFF, AZ 86001-5399

3/29/2021

Dear Mike, On behalf of Empire Machinery and Caterpillar Inc., we are pleased to quote the following Caterpillar 12M3AWD TR.

2017 Caterpillar 12M3AWD TR Motor Grader

Hours: 2577.00 **Serial:** 0N9B00449 **ID Number:** E136013

Specifications: C9.3 ENGINE ARR 516-9591, S/N SYE17467 .. TRANSMISSION ARR 381-0660, S/N CM303473 .. CAB & AIR, RIPPER, PUSH BLOCK .. TMI = T4F CA.DOORS EIN# TE5C88 ISSUED 06/30/17 CA.DOORS DECAL INSTALLED 06/30/17

Configured as Follows

LANE 2 ORDER
MOLDBOARD, 14' PLUS
STANDARD WEATHER AWD
PRECLEANER, NON SY-KLONE
BASE + 1 (RIP)
LIGHTS, FRONT HEADLIGHTS, LOW
CAB, PLUS (INTERIOR)
PRODUCT LINK, CELLULAR PLE641
JOYSTICK CONTROLS, ADVANCED
GUARD GP, HITCH
LANGUAGE, ENGLISH
ANTIFREEZE WINDSHIELD WASHER
CAMERA, REAR VISION
CONTROL,AUTO ARTICULATION-DEMO
PUSH PLATE, COUNTERWEIGHT
SHANKS/TEETH, RIPPER/SCARIFIER
Air Conditioning
Heater
AWD Drive
Engine Tier Rating: T4F
Tire Size: 17.5R25

GLOBAL ARRANGEMENT
RIPPER/SCARIFIER
LINES,STANDARD W/O ACCUMULATOR
DRAIN, GRAVITY, ENGINE OIL
STARTER, ELECTRIC, HEAVY DUTY
CAB, PLUS (STANDARD GLASS)
SEAT BELT
INSTALLATION, ACCUGRADE READY
TIRES, 17.5R25 BS VKT * D2A MP
COOLANT, 50/50, -35C (-31F)
DECALS, ENGLISH (U.S.)
LIGHTS, WORKING, PLUS, HALOGEN
MIRRORS, OUTSIDE MOUNTED
GUARD, TRANSMISSION
TOOTH, STRAIGHT
ROLL ON-ROLL OFF
Includes Product Link
Blade Length: 14'
Pushblock
Rear Ripper/Scarifier

Sale Price:	$228,000
Sales Tax:	$20,292
Net Total:	**$248,292**

Warranty

EMISSION WARRANTY OFF HWY Expires: 07-25-22 POWERTRAIN,HYD+TECHNOLOGY Expires: 07-25-22

Remainder of Powertrain warranty will be provided.

2019 Caterpillar 12M3 AWD Motor Grader

Hours: 3019.00 **Serial:** 0N9B00818 **ID Number:** E146417

Specifications: . . . ENGINE C9.3 S/N SYE31728 ARR# 525-2449 TMI=T4F CA.DOORS EIN# XG9M39 ISSUED 04/08/19 JCPXL09.3HTF CA.DOORS DECAL INSTALLED 04/08/19

Configured as Follows

LANE 3 ORDER
MOLDBOARD, 14' PLUS
STANDARD WEATHER AWD
PRECLEANER, NON SY-KLONE
BASE + 1 (RIP)
LIGHTS, ARM, FOLD DOWN
HEADLIGHTS,FRONT, LOW, HALOGEN
CAB, PLUS (INTERIOR)
PRODUCT LINK, CELLULAR PLE641
JOYSTICK CONTROLS, ADVANCED
FAN, STANDARD
GUARD GP, HITCH
LANGUAGE, ENGLISH
ANTIFREEZE WINDSHIELD WASHER
CAMERA, REAR VISION
CONTROL,AUTO ARTICULATION-DEMO
PUSH PLATE, COUNTERWEIGHT
SHANKS/TEETH, RIPPER/SCARIFIER
FUEL ANTIFREEZE, -25C (-13F)
GLOBAL ARRANGEMENT
RIPPER/SCARIFIER
ACCUMULATORS, BLADE LIFT
DRAIN, GRAVITY, ENGINE OIL
STARTER, ELECTRIC, HEAVY DUTY
LIGHTS, ROADING, HALOGEN
CAB, PLUS (STANDARD GLASS)
SEAT BELT
INSTALLATION, ACCUGRADE READY
TANK, FUEL, STANDARD
TIRES, 17.5R25 BS VKT * D2A MP
COOLANT, 50/50, -35C (-31F)
DECALS, ENGLISH (U.S.)
LIGHTS, WORKING, PLUS, HALOGEN
MIRRORS, OUTSIDE MOUNTED
GUARD, TRANSMISSION
TOOTH, STRAIGHT
ROLL ON-ROLL OFF

Sale Price:	$246,500
Sales Tax:	$21,939
Net Total:	**$268,439**

Warranty

EMISSION WARRANTY OFF HWY Expires: 04-17-24 POWERTRAIN,HYD+TECHNOLOGY Expires: 04-17-24

Remainder of Powertrain warranty will be provided.

Pricing Summary

NIPA City of Tucson Pricing #161534

Sale Price:	$474,500
Sales Tax:	$42,231
Net Total:	**$516,731**

Thank you for your consideration of this proposal and we look forward to the continued business partnership with CITY OF FLAGSTAFF.

Sincerely,

Todd Owen
Account Manager

This quote is good for thirty days and prices are subject to change. All finance options are subject to credit approval. By purchasing goods or services from Empire, you agree to Empire's Terms (www.empire-cat.com/salesserviceterms), which are incorporated into this quote. Due to market issues outside of Empire's control, any tires listed on this quote may not be available at time of shipment. All tire makes, models and costs are subject to change.

CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
PHONE: (520) 837-4123 / FAX: (520) 791-4735
Jeffrey.Whiting@tucsonaz.gov
ISSUE DATE: DECEMBER 5, 2017

CONTRACT #161534-01
CONTRACT AMENDMENT NUMBER: ONE (1)

JW/lr
CONTRACT OFFICER: JEFFREY WHITING

HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

ITEM NO. ONE (1): CONTRACT RENEWAL
Pursuant to Contract No. 161534, Special Terms and Conditions, Term and Renewal, the City is hereby exercising its option to renew the contract for the period of May 01, 2018 through April 30, 2019.

ITEM NO. TWO (2): PRICING
Pursuant to Contract No. 161534, Scope of Work, Pricing, shall be **replaced** in its entirety with the Attached Price Page dated January 01, 2018 and shall become effective January 01, 2018.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR: Caterpillar Inc.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Patty A Redfath 12/11/17
Signature of person authorized to sign Date

PATTY REDFATH, GOVERNMENT ACCOUNT MANAGER
Name and Title (typed or printed legibly)

CATERPILLAR INC.
Company Name

100 NE ADAMS ST. PEORIA, IL 61629
Address

REDFATH_PATTY@CAT.COM
Email Address

PEORIA IL 61629
City State Zip

Contact information for Sales/Account Representative for daily business operations:

PATTY REDFATH, GOVT ACCOUNT MANAGER
Name and Title (typed or printed legibly)

309-494-4578
Phone Number

REDFATH_PATTY@CAT.COM
Email Address

CITY OF TUCSON:

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 14 DAY OF Dec, 2017, AT TUCSON, ARIZONA.

Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
as Director of Procurement and not personally

2018 Caterpillar Coop Contract Discounts v1

Cooperative Contracts -- Effective January 1, 2018

Machine Model*	New Equipment
2018	Discount to Customer (Off List Price)
Pavers	
AP255	18.00%
AP300	18.00%
AP355	18.00%
AP500	18.00%
AP555	18.00%
AP600	18.00%
AP655	18.00%
AP1000	18.00%
AP1055	18.00%
Rollers	
CB1.7	19.00%
CB1.8	19.00%
CB7	19.00%
CB8	19.00%
CB10	19.00%
CB13	19.00%
CB14	19.00%
CB15	19.00%
CB16	19.00%
CB22	19.00%
CB24	19.00%
CB32	19.00%
CB34	19.00%
CB36	19.00%
CB44	19.00%
CB46	19.00%
CB54	19.00%
CB64	19.00%
CB66	19.00%
CB68	19.00%
CC24	19.00%
CC34	19.00%
CCS7	19.00%
CCS9	19.00%
CD8	19.00%
CD10	19.00%
CD44	19.00%
CD54	19.00%
CP34	19.00%
CP44	19.00%
CP54	19.00%
CP56	19.00%
CP68	19.00%
CP74	19.00%
CS34	19.00%
CS44	19.00%
CS54	19.00%
CS56	19.00%
CS64	19.00%
CS68	19.00%
CS78	19.00%
CW16	19.00%
CW34	19.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2018 Caterpillar Coop Contract Discounts v1

Track Type Tractors

D3	23.00%
D4	23.00%
D5	23.00%
D6	21.00%
D7	19.00%
D8	19.00%
D9	10.00%

Wheeled Excavators

M314F	26.00%
M315F	26.00%
M316F	26.00%
M317F	26.00%
M318F	26.00%
M320F	26.00%
M322F	26.00%

Material Handlers

MH3022	26.00%
MH3024	26.00%
MH3026	26.00%

Cold Planers

PM310	20.00%
PM312	20.00%
PM313	20.00%
PM620	20.00%
PM622	20.00%
PM820	20.00%
PM822	20.00%
PM825	20.00%

Reclaimers

RM300	20.00%
RM500	20.00%

Telehandlers

TH255	23.00%
TH3510	24.00%
TH357	24.00%
TH408	24.00%
TH514	24.00%
TL642	24.00%
TL943	24.00%
TL1055	24.00%
TL1255	24.00%

Motor Graders

12	30.00%
120	34.00%
140	30.00%
160	30.00%
14	19.00%

Skid Steer Loaders

226	21.00%
232	21.00%
236	21.00%
242	21.00%
246	21.00%
262	21.00%
272	21.00%

Multi-Terrain Loaders

257	21.00%
277	21.00%
287	21.00%
297	21.00%

2018 Caterpillar Coop Contract Discounts v1

Compact Track Loaders

239	21.00%
249	21.00%
259	21.00%
279	21.00%
289	21.00%
299	21.00%

Excavators

300.9	20.00%
301.4	20.00%
301.7	20.00%
302.4	20.00%
302.7	20.00%
303	20.00%
303.5	20.00%
304	20.00%
304.5	20.00%
305	20.00%
305.5	20.00%
307	20.00%
308	20.00%
311	18.00%
313	15.00%
313GC	16.00%
315	19.00%
316	19.00%
318	16.00%
320	15.00%
320GC	16.00%
323	15.00%
325	15.00%
326	15.00%
330	15.00%
335	15.00%
336	15.00%
349	10.00%
352	10.00%
374	10.00%

Backhoe Loaders

415	22.00%
416	22.00%
420	22.00%
430	22.00%
450	22.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	18.00%
623	18.00%
627	18.00%

Articulated Trucks

725	17.00%
730	17.00%
735	17.00%
745	17.00%

Rigid Frame Trucks

770	3.00%
773	3.00%

2018 Caterpillar Coop Contract Discounts v1

Landfill Compactors

816	12.00%
826	12.00%
836	12.00%

Wheel Dozers and Soil Compactors

814	15.00%
815	13.00%
824	15.00%
825	13.00%

Wheel Loaders

903	23.00%
906	23.00%
907	23.00%
908	23.00%
910	23.00%
914	23.00%
918	24.00%
924	24.00%
926	24.00%
930	24.00%
938	24.00%
950GC	20.00%
950M	18.00%
962	18.00%
966	15.00%
972	11.00%
980	11.00%
982	11.00%

Track Loaders

953	19.00%
963	22.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

2018 Caterpillar Model List – Change Summary from 2017 - 2018

Add Models	Customer Discount
CB1.7	19
CB1.8	19
CB13	19
CB15	19
CB16	19
CCS7	19
CCS9	19
MH3022	26
MH3024	26
MH3026	26
PM310	20
PM312	20
PM313	20
PM820	20
PM822	20
PM825	20
TH357	24
TH408	24
320GC	16

Delete Discontinued Models

CW14
CT660, CT680, CT681 (Caterpillar exited Vocational Truck business)
PM102
TH306
TH406
TH407
312
321
329
740

City of Tucson, AZ

Contract 161534

for

Heavy Equipment, Parts, Accessories, Supplies and Related Services

with

Caterpillar, Inc

Effective: May 1, 2017

The following documents comprise the executed contract between the City of Tucson, AZ and Caterpillar Inc., effective May 1, 2017

I. Signed Contract
II. Summary of Negotiated Items
III. Caterpillar, Inc Original Response
IV. Original Request for Proposal

CITY OF TUCSON

DEPARTMENT OF PROCUREMENT

April 26, 2017

Sent via electronic mail, this day

Patty Redpath, Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL 61629
redpath_patty@cat.com

Re: Contract No.: **161534-01**
Contract Title: **Heavy Equipment, Parts, Accessories, Supplies and Related Services**

Dear Ms. Redpath:

The City of Tucson has awarded your firm the contract for furnishing the City's requirements for **Heavy Equipment, Parts, Accessories, Supplies and Related Services** during the time period of May 1, 2017 through April 30, 2018.

Please find attached your pdf copy of the contract, purchase order and the Designation of Contract Representative Memorandum outlining the duties and responsibilities of the representative as they relate to this contract. If you have any questions concerning this award, please contact me at (520) 837-4123.

The City wishes to thank you for your interest and proposal.

Sincerely,

Jeffrey Whiting
Senior Contract Officer

JW/lr

Attachments

Cc: File 161534

CITY OF
TUCSON
DEPARTMENT OF
PROCUREMENT

April 04, 2017

Patty Redpath
Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@ cat.com

Sent this day via electronic mail

RE: City of Tucson Request for Proposal # 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services -Summary of Negotiated Items

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

> **8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.
> However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

> **5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

> **6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

> **3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.
>
> For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
> (a) contacting Caterpillar's GCI Government Contracts group or
> (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

1.b Maintenance Services: The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

2. Subcontractors: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the

Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

9. Modification of Terms: A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

20.Indemnification: To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

28. Payment: The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

39. Termination of Contract: This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

6. Term of Agreement

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

10. Exceptions to Contract Provisions

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

11. Public Record

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

12. Confidential Information

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
(a) contacting Caterpillar's GCI Government Contracts group or
(b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.
The City and the appropriate contract manager agrees that it shall not publish such price pages , for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

21. City of Tucson Business License

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

4. Insurance:

The Applicable Dealer agrees to:

A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.

B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	$1,000,000
General Aggregate (including Per Project)	$2,000,000
Products & Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Blanket Contractual Liability	$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)*[1]	
Per Occurrence	Statutory
Employer's Liability	$1,000,000
Disease Each Employee	$1,000,000
Disease Policy Limit	$1,000,000
IV. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.

E. **NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. **ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.

G. **VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

H. **SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies **or** Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

I. **EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

38. Subcontracts: Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to Jeffrey.Whiting@tucsonaz.gov. If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting
Contract Officer

Concurrence: Patty A Redpath Date: April 6, 2017

Name: PATTY KEDPATH Title: GOVERNMENT ACCOUNT MANAGER

Contract #161534

Heavy Equipment, Parts, Accessories, Supplies, and Related Services

Table of Contents

1. Caterpillar's Response to Summary of Negotiated Items
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1. Caterpillar's Response to Summary of Negotiated Items

CITY OF TUCSON

DEPARTMENT OF PROCUREMENT

April 04, 2017

Patty Redpath
Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@ cat.com

Sent this day via electronic mail

RE: City of Tucson Request for Proposal # 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services -Summary of Negotiated Items

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

> **8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.
>
> However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

> **5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

> **6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

> **3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.
>
> For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
> (a) contacting Caterpillar's GCI Government Contracts group or
> (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

1.b Maintenance Services: The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

2. Subcontractors: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the

Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

9. Modification of Terms: A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

20.Indemnification: To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

28. Payment: The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

39. Termination of Contract: This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

6. Term of Agreement

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

10. Exceptions to Contract Provisions

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

11. Public Record

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

12. Confidential Information

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by
(a) contacting Caterpillar's GCI Government Contracts group or
(b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.
The City and the appropriate contract manager agrees that it shall not publish such price pages , for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

21. City of Tucson Business License

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

4. Insurance:

The Applicable Dealer agrees to:

A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.

B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	$1,000,000
General Aggregate (including Per Project)	$2,000,000
Products & Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Blanket Contractual Liability	$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	$1,000,000
III. Workers' Compensation (applicable to the State of Arizona)*1	
Per Occurrence	Statutory
Employer's Liability	$1,000,000
Disease Each Employee	$1,000,000
Disease Policy Limit	$1,000,000
IV. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.

E. **NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. **ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.

G. **VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

H. **SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies **or** Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

I. **EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

38. Subcontracts: Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to Jeffrey.Whiting@tucsonaz.gov. If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting
Contract Officer

Concurrence: Patty A Redsmith Date: April 6, 2017

Name: PATTY RESMITH Title: GOVERNMENT ACCOUNT MANAGER

2. Caterpillar's Response to BAFO

From: Patty Redpath <Redpath_Patty@cat.com>
To: "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>
Date: 3/8/2017 1:40 PM
Subject: Re: RFP 161534 - Heavy Equipment
Attachments: 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017.xls; Caterpillar National IPA 2017 Update Gen - Eff 1-9-2017.xlsx

Hello Jeff -

Thank you for the opportunity to respond. Attached is our Best and Final Offer, which is consistent with what we provided with our original RFP Response.

Thanks!

Patty Redpath
Government Account Manager
Caterpillar Inc.
Global Construction & Infrastructure ? Count on Us
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: +1 (309) 494-4578 | C: (309) 370-0775

From: "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>
To: <Redpath_Patty@cat.com>
Date: 03/07/2017 02:14 PM
Subject: Re: RFP 161534 - Heavy Equipment

Hi Patty,
Please see the attached document, and let me know if you have any additional questions. Thanks

Jeffrey Whiting
Senior Contract Officer
Department of Procurement
255 W Alameda, 6th Floor
Tucson, AZ 85726
520-837-4123
520-791-4735 Fax

[attachment "BAFO-CAT.docx" deleted by Patty Redpath/0A/Caterpillar]

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Cooperative Contracts -- March 8, 2017

Machine Model*	New Equipment
2017	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

Rigid Frame Trucks

770	10.00%
773	10.00%

Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar January 9th, 2017 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	NIPA Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List) *(EPA & CARB Tier 4 Interim Emissions Certified)*	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List) *(EPA & CARB Tier 4 Final Emissions Certified)*	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGAG" Caterpillar Price List)	
750 kW	36%
800 kW	36%

C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PGBG" Caterpillar Price List)	
1000 kW	38%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGFL" Caterpillar Price List)	
Standby Rating Only - 1600 kW	37%
Standby Rating Only - 1750 kW	35%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516-PGDL" Caterpillar Price List)	
Standby Rating Only - 2000 kW	40%
Standby Rating Only - 2500 kW	38%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	34%
High Voltage - Standby Rating Only - 2000 kW	34%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	34%
High Voltage - Standby Rating Only - 2250 kW	34%
G3412, 60 HZ, 375kW, 450kW, 500kW	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Available by Design To Order Only)	17%
G3512 Stationary Certified 750kW, 1000kW	17%
(Reference the "PSNA-EPG-F_G3512NL" Caterpillar Price List)	
G3516 1040 kW Standby	17%
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
G3516	
(Reference the "PSNA-EPG-F_G3516AEPL" Caterpillar Price List)	17%
G3516C, 1475kW, 1600kW	17%
(Reference the "PSNA-EPG-F_G3516CTPL" Caterpillar Price List)	
G3516H 1966kW	17%
(Reference the "PSNA-EPG-F_G3516HNL" Caterpillar Price List)	
G3520H 2469kW	17%
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	
G3520C 1800kW, 1900kW, 2055kW	17%
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	
CG132, CG170, CG260 (custom)	15%
Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)	
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)	
4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4)	
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)	
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	30%
3100 kW (without Fan Rating)	30%
G30PGAN, 30kW	31%
G80PGAN, 50kW, 60kW, 80kW	31%
G150PGAN, 100kW, 125kW, 150kW	35%
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW	
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%

G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)*	
20 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)*	
30 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)*	23%
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) *(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)*	
60 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)*	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)*	
320 kW* (3 phase or 1 phase)	23%
XQ425BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ425BN" Caterpillar Price List)*	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)*	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) *(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)*	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) *(Reference the "XQ2000N" Caterpillar Price List)*	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

3. City's Request for BAFO

Date March 7, 2017 ***Sent via electronic mail, this day***

Patty Redpath, Governmental Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL, 61629
Email: redpath_patty@cat.com

Subject: Request for Proposal No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services – Request for Best and Final Price

Dear **Mrs. Redpath**:

The City of Tucson is in receipt of Caterpillar's signed Summary of Negotiated Items for RFP No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services. In order for the evaluation committee to proceed with the evaluation of your proposal, it is requested that you submit a revised offer.

Attached you will find your firms original discount off list, provided with the original offer. Please review this document, and determine if any additional discounts can be offered to the City and its participating partners. If you decide to keep your firm's pricing the same, you will still need to provide a revised discount off offer, and return it to me.

If there are other areas in your offer that you wish to revise, please also do so at this time.

Please provide a written response to me no later than **Wednesday, March 08, 2017 at 4:00PM.** You may e-mail your response to Jeffrey.Whiting@tucsonaz.gov.

The City of Tucson appreciates your attention to this request.. If you should have any questions, please contact me at (520) 837-4123.

Sincerely,

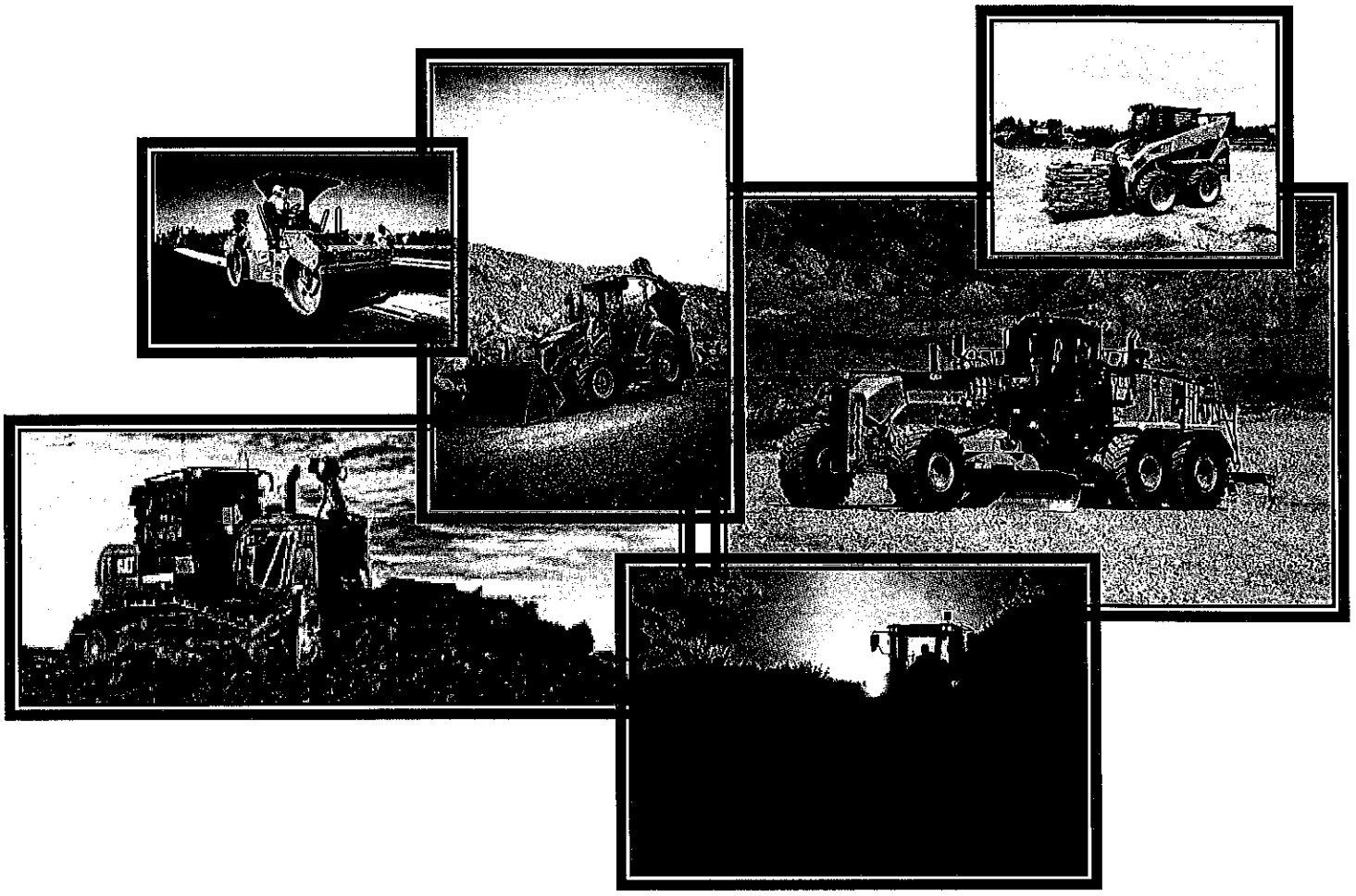
Jeffrey Whiting
Contract Officer

4. Caterpillar's Response to RFP 161534

ORIGINAL

CITY OF TUCSON

Request for Proposal
#161534
Heavy Equipment, Parts, Accessories, Supplies and Related Services



Submitted by:

Caterpillar Inc. / Empire Machinery

November 14, 2016

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   Signed Offer and Acceptance Form
   RFP #161534 As Issued
2. City of Tucson Proposal Evaluation Questionnaire Response – Caterpillar Inc.
3. National IPA Supplier Qualification Questionnaire Response – Caterpillar Inc.
4. Proposed Exceptions to RFP #161534 – Caterpillar Inc.
5. Empire Machinery Proposal and Exceptions
6. Price Proposal / Discounts
   Machines
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7. Example Price Lists
8. 2015 Executive Summary: Year in Review and Sustainability Report
9. Caterpillar Dun & Bradstreet Report
10. City of Tucson Business License
11. Example Warranty Statements
12. Insurance Certificates
13. Payment Letter

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:
1) Questionnaire Responses to the City of Tucson;
2) Questionnaire Responses to National IPA;
3) Proposed Exceptions;
4) Empire Machinery Responses;
5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

Ann Schreifels

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-338-5976

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

Caterpillar Inc.
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Signature of Person Authorized to Sign

Brian Foster
Printed Name

North American Sales Manager
Title

For clarification of this offer, contact:

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath_patty@cat.com

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-01.

Approved as to form this 25th day of April, 2017.

As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 24th day of April, 2017.

for Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
As Director of Procurement and not personally

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701.**

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16
Signature Date

Ann Schreifels Governmental Sales Manager
Print Name and Title

Caterpillar Inc
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over $1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

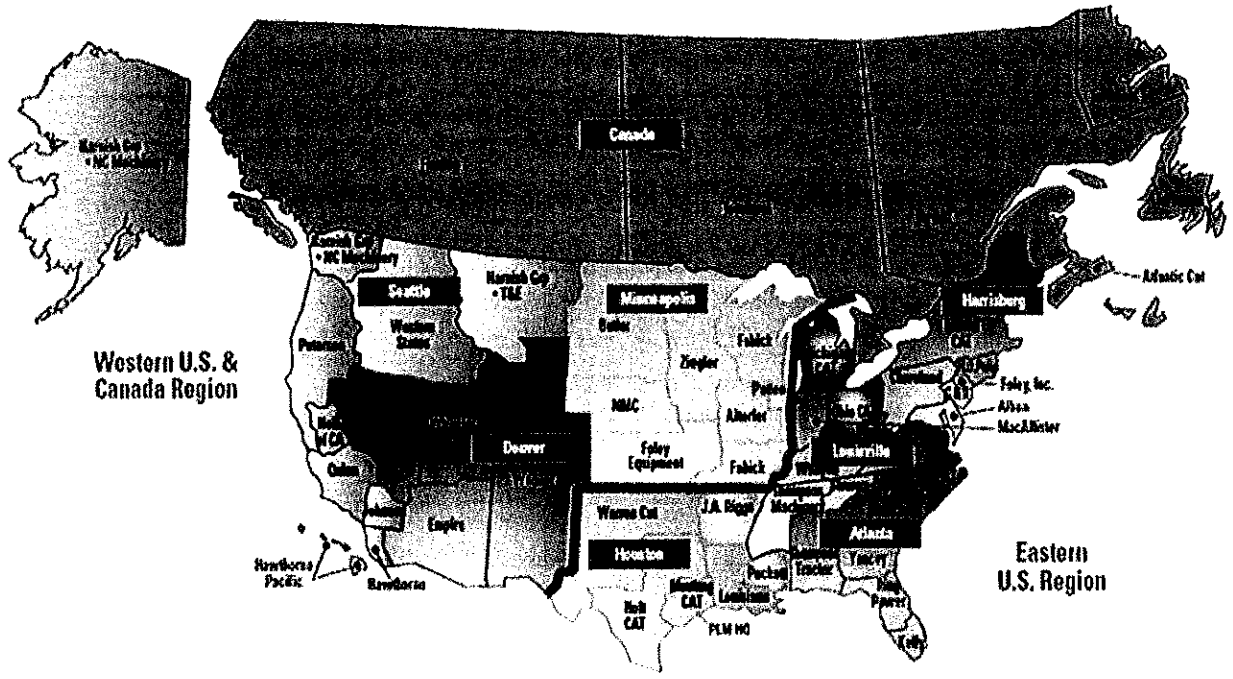

Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers)	Fuso Trucks
Broce Brooms	Mac Trailers
JLG (Man lifts)	Maintainer (Service Bodies)
Mega (Water tanks, Towers and Trailers)	Murray Trailers (Heavy Haul)
Genie (Man lifts and Telehandlers)	Trail King (Small to Heavy Haul)
Progressive Solar (Solar Power Light Plants)	UTB (Service Bodies)
Multiquip Power	Fleming Trailers
Sullair Air Compressors	
Rockland (Buckets and Dozer Blades)	
Paladin (Couplers and Attachments)	
CE Attachments (Attachments)	
Dymax (Attachments)	
Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners)	
Wain-Roy	
Agriculture	**Technology**
Challenger Tractors	Spectra Precision (Survey Instruments)
Massey Ferguson Tractors	Trimble (2D and 3D Grading Systems)
Rome (Construction Grade Discs and Plows)	Accugrade (Caterpillar Grade Control)
Woods (Scrapers and Mowers)	Seco (Surveying and Site Prep)
Gearmore (Attachments)	Laserline (Laser Controls)
Reynolds (Scrapers)	Apache (Grade Control, GPS and Lasers)
TG Schmeiser (Box blades, Land Levelers)	Level Best (Laser Grading Box)
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

Caterpillar Response

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

   i. Major Component Failures
   ii. Engineering Deficiencies
   iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

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Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? _X_Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be

successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

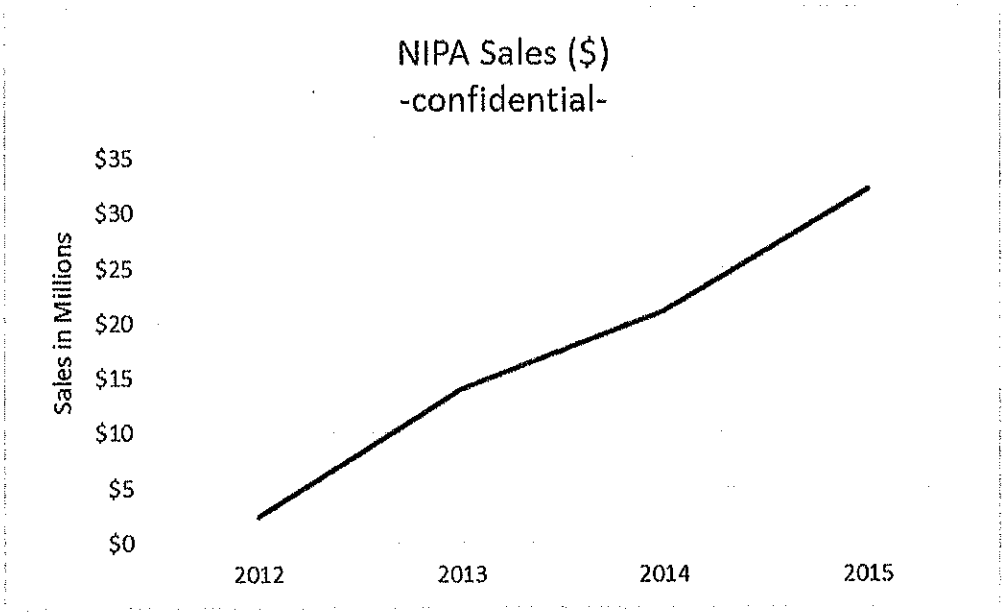
Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

National IPA Exhibit A – National IPA Response for National Cooperative Contract

3. SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

B. Total number and location of sales persons employed by your company.

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.

Image 1, Caterpillar Dealer Brach Operations

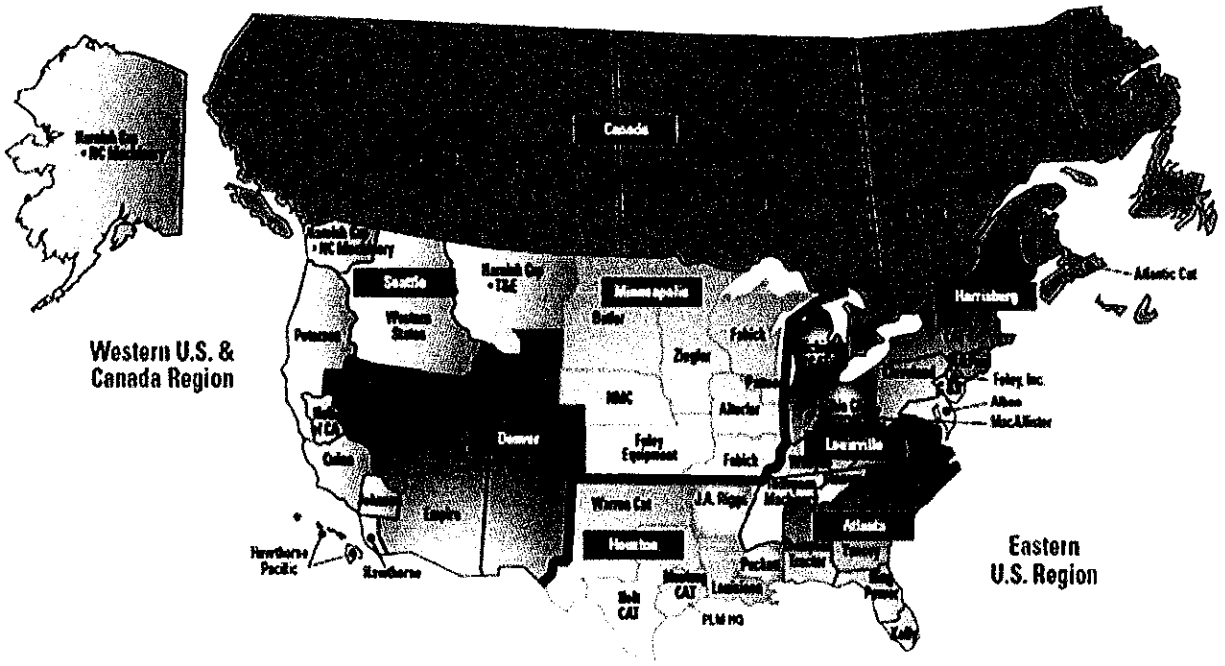


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – $55.6B
2014 – $55.1B
2015 - $47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
Construction Industries	**Arkansas:** North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang, Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallar **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong

Resource Industries	**Illinois:** Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Denison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuna, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
Energy & Transportation	**Alabama:** Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
   i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.
   Agree.
   ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

   Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

   Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:

i. Creation and distribution of a co-branded press release to trade publications
Agreed.

ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
Agreed.

iii. Design, publication and distribution of co-branded marketing materials within first 90 days
Agreed.

iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
Agreed as calendars and budgets allow.

v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
Agreed as calendars and budgets allow.

vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
Agreed as budgets allow.

vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
Agreed.

viii. Dedicated National IPA internet web-based homepage on Supplier website with:
- National IPA standard logo;
- Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

   Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

   Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

   Patty Redpath
   Governmental Sales
   100 NE Adams St, Peoria, IL 61629
   Office: 309-494-4578
   Redpath_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

   Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

   Brian Foster
   Americas North Sales Manager
   309-675-5181
   FOSTER_BRIAN_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

   Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

   Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set- up, etc.

   The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

Caterpillar's governmental sales in 2015 were $900M+ from 5,000+ units.

Customers who purchase Caterpillar equipment are ultimately the customers of the local Dealers who serve them. As such Caterpillar does not have all the contact information for customers requested here. Caterpillar also regards all customer transaction information as confidential and reserves the right to withhold such information.

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$ .00 in year one
$ .00 in year two
$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).

ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.

iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).

iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Contract Officer
City of Tucson
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the ~~T~~training material ~~shall be presented~~ in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotapinge part or all of the training provided at no additional cost to the agency.

6. REPAIRS. The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response.~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

INSTRUCTIONS TO OFFERORS

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. ~~the contract provisions contained in the City's Request for Proposal shall prevail.~~

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Oefferor submits a formal written objection.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the applicable ~~Contractor~~ Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 7914566 or email at tax-license@tucsonaz.gov.

SPECIAL TERMS AND CONDITIONS

2. **SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

   City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor~~ Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of ~~caused in whole or part by~~ Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted t~~T~~he City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commeneed to remedy within thirty days of receipt of notice of such failure. ~~T~~the City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will ~~endeavor to~~ notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

ATTACHMENT A

EXHIBIT A

1.2 Marketing, Sales and Administrative Support

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to~~of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under~~ this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and ~~the Supplier~~local authorized dealer (Contract Sales are reported to National IPA).

EXHIBIT B

NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by ~~the Supplier~~Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

MONTHLY REPORTING & FEES

10. Supplier shall pay National IPA an administrative fee in the amount of ~~—%~~1% of the total new machine purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of new machines to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including

any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. On the 10th day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. ~~.~~

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

RE: Request for Proposal Number 161534
Heavy Equipment, Parts, Accessories, Supplies and Related Services

On behalf of Caterpillar Inc. and Empire Machinery, we sincerely appreciate the opportunity to participate in RFP #161534 from the City of Tucson. We believe the current contract, #120377, is a very successful contract for all parties; City of Tucson, National IPA, National IPA Member Agencies, Caterpillar and CAT Dealers.

We believe Caterpillar's offer in RFP #161534, if awarded, has three major benefits to all parties that are currently utilizing Contract #120377.

One – Capitalizing On the Momentum of Contract #120377
Contract #120377 has grown more than 1700% since 2012, and has increased more than 50% every year through 2015.

Two – Caterpillar's Product Offering Far Exceeds Any Other Manufacturer
CAT offers 159 more individual machine models to the governmental market than our next closest competitor. The depth and breadth of these additional units represents three times more machines to service your needs, and results in potential multiples of higher revenue through the contract.

Three – CAT Dealers' Larger Infrastructure in Both Stores and People to Serving the US
Cat Dealers have the infrastructure in stores and people in numbers, greater than all our competitors combined. More and more CAT Dealer Sales Managers and Salespersons are discovering two major benefits of the City of Tucson/National IPA contract.

1. A nationally recognized municipality as the Lead Agency and,
2. A single award

When these features are presented, procurement staff and operating departments have much higher confidence and trust in the co-op bid process. U.S. Cat dealers continue to increase their presentations and visibility of the contract and thus secure the adoption by new and/or existing National IPA members. At Empire, we are experiencing an increased level of engagement, with our counterparts at other dealerships who are requesting our guidance and best practice suggestions- especially over the last 18 months as capital budgets have improved across the country.

The response will be separated into two sections. Section 3 and 4 is Cat only and Section 6 is a combined response, which will include the responses from both Caterpillar and Empire Machinery. This allows responses to be viewed together.

Caterpillar's response was prepared by Patty Redpath, Governmental Sales Account Manager based in Peoria, Illinois. Patty's response pertains to the scope of Caterpillar's responsibility, while remaining cognizant that each dealership and respective territory has their own business rules and local regulations. Caterpillar is not at liberty to make commitments in this response on behalf of all Cat dealers. Caterpillar's commitment is the pricing discount from their published list price on machines they manufacture. These will be available to every Caterpillar dealer in the United States in the event that a local agency requests to purchase from this contract, and that specific Caterpillar dealer agrees with both the pricing level offered and agrees to accept any additional terms the agency requires.

The dealer response is from Empire Machinery, referred to as "Dealer Response". Empire approached our submission as if we were preparing our proposal solely for the City of Tucson. Empire's business relationship with the City of Tucson is highly valued and is our primary focus. The Empire Machinery section should only be considered as a commitment of what Empire will provide the City of Tucson and other agencies in our Cat territory. If this submission provides particular value, it may be used in the NIPA marketing effort to potential agencies in understanding what a Caterpillar dealership is capable of, but in no way is meant to imply or represent that any other dealers can or will provide the exact scope or elements that Empire offers the City of Tucson.

In addition, Empire represents several products that Caterpillar does not manufacture, but were requested in the RFP. We refer to non-Caterpillar products at Empire as "Allied" products. These help enhance or complete the machines for applications our customers need. Additional information is included in the Empire section entitled "Allied Products".

Thank you for the opportunity to participate in this solicitation for the City of Tucson.

Sincerely,

Clinton Swapp
Sales Account Manager
520-240-8213
Clinton.Swapp@empire-cat.com

Mark McGee
Governmental Industry Manager
520-240-8292
Mark.McGee@empire-cat.com

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response (only)

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local

customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over $1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium;

Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

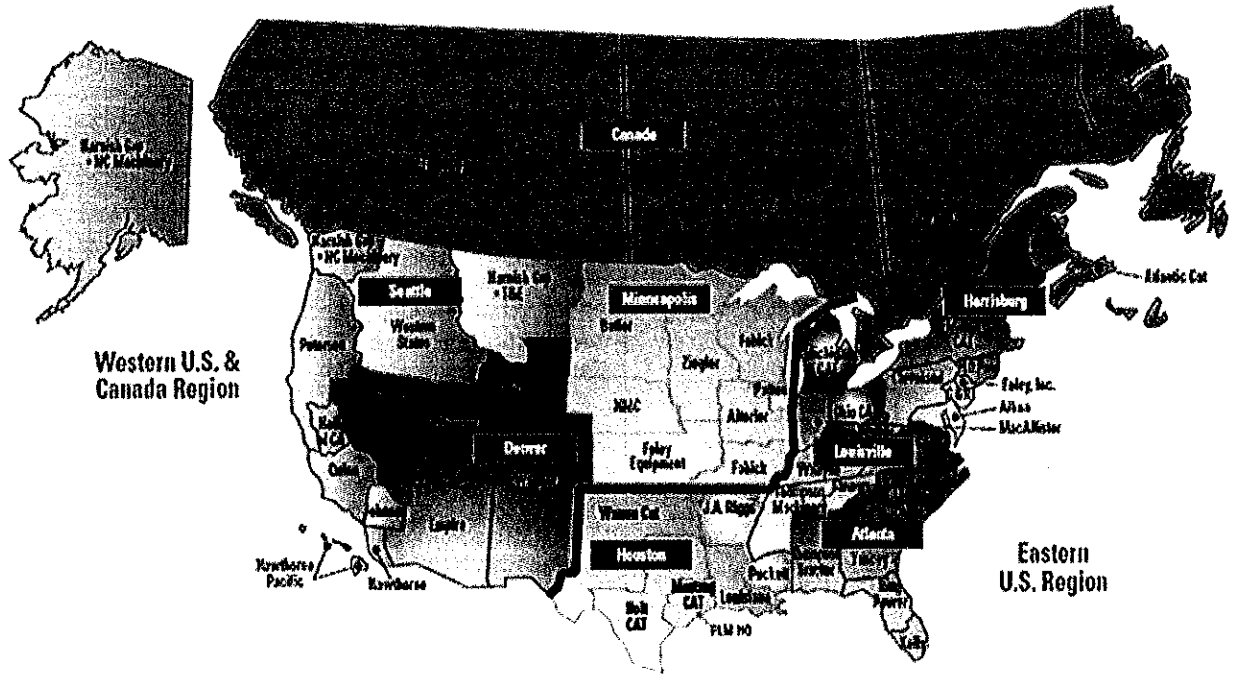


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

Dealer Response

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions
Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving
Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools
In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied
There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

Number of unique machines by Manufacturer (Excludes Mining Products)	Caterpillar	John Deere	Komatsu	Volvo	Case	Bobcat
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers -- Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
Breadth of Caterpillar machines covering Governmental Market	239	77	45	80	62	39

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- $93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

Manufacturer and Dealer	Website
Caterpillar	www.cat.com
Empire Southwest	www.empire-cat.com
North America Caterpillar Dealers	http://www.cat.com/en_US/support/dealer-locator.html
Construction and Mining	**Website**
Allmand (Light Towers)	www.allmand.com
Broce Brooms	www.brocebroom.com
JLG (Man lifts)	www.jlg.com
Mega (Water tanks, Towers and Trailers)	www.megacorpinc.com
Genie (Man lifts and Telehandlers)	www.genielift.com
Progressive Solar (Solar Power Light Plants)	www.progressivesolarsolutions
Multiquip Power	www.multiquip.com
Sullair Air Compressors	www.sullair.com
Rockland (Buckets and Dozer Blades)	www.rocklandmfg.com
Paladin (Couplers and Attachments)	www.paladin.com
CE Attachments (Attachments)	www.ceattachments.com
Dymax (Attachments)	www.dymaxinc.com
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	www.weilerproducts.com
Wain-Roy	www.woodsequipment.com
Agriculture	**Website**
Challenger Tractors	www.challenger-ag.com
Massey Ferguson Tractors	www.masseyferguson.com
Rome (Construction Grade Discs & Plows)	www.romeplow.com
Woods (Scrapers and Mowers)	www.woodsequipment.com
Gearmore (Attachments)	www.gearmore.com
Reynolds (Scrapers)	www.reynoldsinternational.com
TG Schmeiser (Box blades, land levelers)	www.tgschmeiser.com
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	www.wilcoxap.com
On Road Industrial	**Website**
Fuso Trucks	www.mitfuso.com
Mac Trailers	www.mactrailers.com
Maintainer (Service Bodies)	www.maintainer.com
Murray Trailers (Heavy Haul)	www.murrytrailer.com
Trail King (Small to Heavy Haul)	www.trailking.com/trailers
UTB (Service Bodies)	www.unitedtruckbodies.com
Fleming Trailers	www.flemingtrailers.com
Technology	**Website**
Spectra Precision (Survey Instruments)	www.spectraprecision.com
Trimble (2D and 3D Grading Systems)	www.trimble.com
Accugrade (Caterpillar Grade Control)	www.Caterpillar.com/en
Seco (Surveying and Site Prep)	www.surveying.com
Laserline (Laser Controls)	www.laserlinemfg.com
Apache (Grade Control, GPS and Lasers)	www.apache-laser.com
Level Best (Laser Grading Box)	www.level-best.com

6. Do you offer color choices for each product listed?

Caterpillar Response (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire/Caterpillar Warranty Offerings:

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- Caterpillar Standard Warranty - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- Caterpillar Extended Warranty – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- Powertrain Only – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- Powertrain and Hydraulics – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- Premier – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

General Warranty Information

Coverage - Inclusions, Exclusions

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category

** Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories		Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components		✓	✓	✓
Valve Cover		✓	✓	✓
Oil Cooler BHL		✓	✓	✓
Radiator				✓
Exhaust/Muffler				✓
Manifolds		✓	✓	✓
Fan Motor		✓	✓	✓
Water Pump		✓	✓	✓
Fuel Injection Pumps		✓	✓	✓
Injectors		✓	✓	✓
Lift/Transfer Pump		✓	✓	✓
Senders/Solenoids/Sensors		✓	✓	✓
Thermostat		✓	✓	✓
Flywheel & Torque Converter		✓	✓	✓
Oil Pan Group		✓	✓	✓
Engine Oil Filter Mount	**	✓	✓	✓
Turbocharger		✓	✓	✓
Pulleys	**	✓	✓	✓
Starter				✓
Alternator				✓
AC Compressor/Condenser				✓
Electronic Control Modules		✓	✓	✓
Governor/Speed Controls & Linkages	**	✓	✓	✓
Fuel Lines	**	✓	✓	✓
Fuel Tank & Associated Parts				✓
Water Piping				✓
Oil Hoses/Lines				✓
Transmission/Hydrostatic/Driveline		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Transmissions		✓	✓	✓
Final Drives/Planetary		✓	✓	✓
Drive Shafts		✓	✓	✓
Transfer Case		✓	✓	✓
Wet brake assemblies		✓	✓	✓
Hydrostatic Pumps & Drive Motors	**		✓	✓
Linkage/Lines Connected to Hystat Pump	**		✓	✓
Drive (pilot/eh) Control Valves	**	✓	✓	✓
Senders/Sensors	**		✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Differentials		✓	✓	✓
Hydraulic Systems		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Chassis/Implement Frames	**			✓
Weldment	**			✓

Allied Product Warranty:

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:

    i. Major Component Failures
    ii. Engineering Deficiencies
    iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Image 2: US Dealer Locations

Dealer Response

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91st Ave.	85345
Phoenix	602-333-5600	801 N. 44th Ave.	85009
Phoenix	602-627-5700	840 N. 43rd Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365

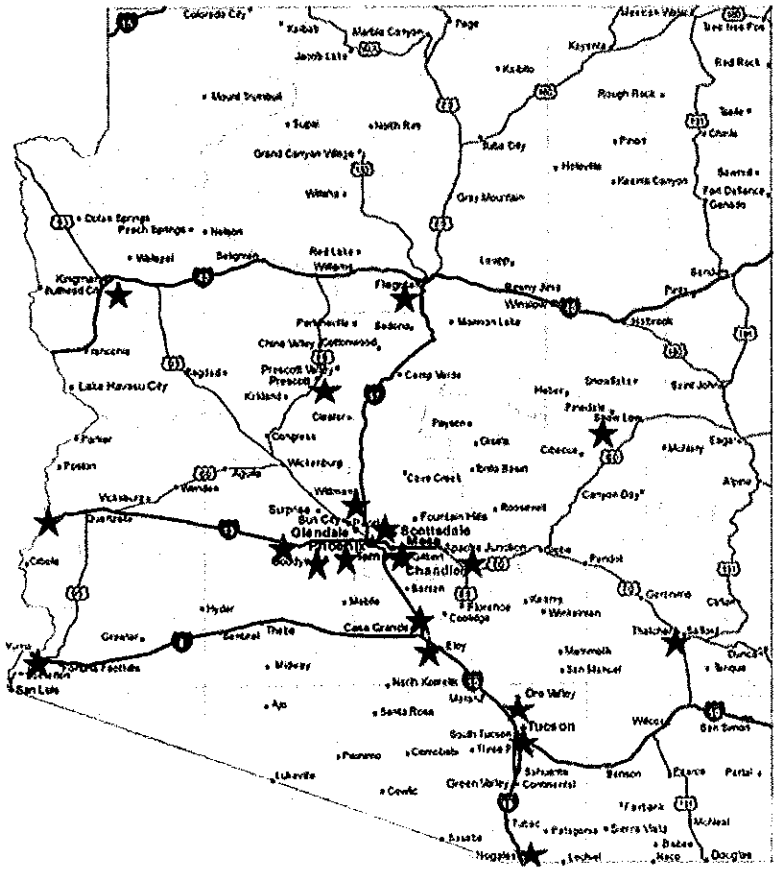


Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

  PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

  - PM1 – Services the manufacturer recommends at 250 hours
  - PM2 – Services the manufacturer recommends at 500 hours
  - PM3 – Services the manufacturer recommends at 1,000 hours
  - PM4 – Services the manufacturer recommends at 2,000 hours
  - PM5 – Services the manufacturer recommends at 4,000 hours

  Empire and participating dealers can offer different options for these hour intervals including:

  - Parts only agreements
  - Parts and fluids only agreements
  - Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	X	X	X	X	X
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	X	X	X	X	X
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant	X	X	X	X	X
Change fuel filters and fuel /water separators, clean fuel bowl screen (replace if neccessary)	X	X	X	X	X
Change Primary Air Filters	X	X	X	X	X
Check Coolant Condition - Freeze point	X	X	X	X	X
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (can), ripper shanks)	X	X	X	X	X
Change cab A/C filters	X	X	X	X	X
Lubricate all grease points	X	X	X	X	X
Inspect and test all visible and safety systems	X	X	X	X	X
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable		X	X	X	X
Change rear differential oil (Backhoe Loaders only on A.D. Models)		X	X	X	X
Change front wheel oil on off highway trucks		X	X	X	X
Change the Transmission oils, clean transmission screens and magnetic			X	X	X
Change swing drives oils on excavators, change differential and finals oils on backhoes			X	X	X
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders			X	X	X
Change circle drive oil on motor graders			X	X	X
Change axle differential and final oils				X	X
Change tandem oil drive oils on motor graders				X	X
Change circle drive oils on motor graders according to OEM				X	X
Change hydraulic system oil					X

- **Total Maintenance and Repair (TM&R):**

  In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

  TM&R's can be customized by the customer, including the following:

  - With/without travel
  - With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

  This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

  Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

  The technician will usually perform:

  - Running repairs
  - Preventative maintenance services

  Other onsite services could include:

  - Daily inspections
  - Cleanings
  - Operational checks

  The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

  Additional "man on site" Inclusions or exclusions in most cases include the following:

  - Housing (when applicable)
  - Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

  Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

  Inclusions and exclusions in most cases include:

  - With/Without daily cleanings.
  - With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly $3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.

ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
    a. Walk around inspection
    b. Daily service points/lubrication
    c. Cab and controls
    d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
    a. Operator's station

b. Engine
c. Electrical system
d. Power train
e. Implement and steering hydraulic systems
f. Auxiliary hydraulic lines
g. Thumbs
h. Buckets
i. Couplers

5. Post Test
6. Review Maintenance Section of Operation and Maintenance Manual
   a. Lubricants and fluids
   b. Towing
   c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

Parts – Hours of Operation

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

  Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from www.empire-cat.com are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vison Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

Dealer Response

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response (only)

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

CONFIDENTIAL – Request confidential treatment –

Empire Machinery and other dealers across North America, who choose to participate, offer the following parts, service, rental, and accessories discounts as part of RFP#161534.

Dealer Related Parts, Service, Rentals and Accessories	Minimum List/Card Discount
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Freight is calculated in three different manners, depending on model, for Caterpillar:

- Caterpillar Included in Price: On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.

- Caterpillar Managed Freight: On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.

- Empire Quoted: Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.

- Allied Products: Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

  Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

CONFIDENTIAL – Request confidential treatment –

Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

CONFIDENTIAL – Request confidential treatment –

Empire will honor our discount from Caterpillar list prices to the City of Tucson for the term of the awarded contract. However, as a dealer we have no control over when the manufacturer announces price increases or how much those increases will be. Over the last three years, the prices have changed hundreds of times. To avoid overwhelming this proposal with hundreds of example price increases, Empire will provide examples of the price increases associated with the seven Caterpillar models we have included below.

Typically, in September, Caterpillar announces an annual price increase that will affect machines and work tools shipping after January 1st of the following year. This is not based on order date, but ship date. If a tractor is ordered in August and is not going to ship until January, the tractor would be subject to the price increase for that model announced in September.

The price increase sheet is detailed by model and Empire has experienced price increases ranging from -1% to +8% over the past three years. In this time frame, Caterpillar has announced one mid-year price increase. It was announced approximately 90 days before taking effect and was rolled out as described above.

In regards to price list changes, Caterpillar modifies the price pages often. These adjustments affect base price, configuration item price, internal vendor change causing a reference number change, etc.

Listed below is the number of times Caterpillar made price adjustments between 01/01/2016 and 08/10/2016:

120M:	22 Price List changes
M316D:	15 Price List changes
D6K:	19 Price List changes
308E:	23 Price List changes
930:	36 Price List changes
12M2 AWD:	6 Price List changes
CB22:	11 Price List changes

Prior to 2006, most price increases followed the commodities markets of primarily oil and iron. Historically, this was a predictable 2%-3% per year. The most significant changes in pricing since 2006 have been the expense of manufacturers adding EPA emissions compliance packages. Some machines experience as much as +8% in 12 months.

We expect Caterpillar will return to a more stable range of price increases that more generally follow the U.S. inflation rate. The long range indicators/indices for predicting construction machinery will continue to be U.S. labor rates, and energy and steel. As one of the largest steel consumers in the world, Caterpillar blends long and short term contracts on steel and other commodities to help absorb shocks to these markets, in an effort to help its dealers and customers adjust. At the time of this writing, Empire does not anticipate significant changes that would affect the expected return to standard 2%-3% annual price increases.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response (only)

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response (only)

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

Dealer Response

References:

City of Phoenix
Contact: Bonnie Shockley, Equipment Control Specialist
2441 S. 22nd Ave., Phoenix, AZ 85009
602-534-2129
bonnie.shockley@phoenix.gov

Maricopa County
Contact: Gidget Vigil, Equipment Manager
3325 W Durango St. Phoenix, AZ 85009
602-506-4674
gidgetvigil@mail.maricopa.gov

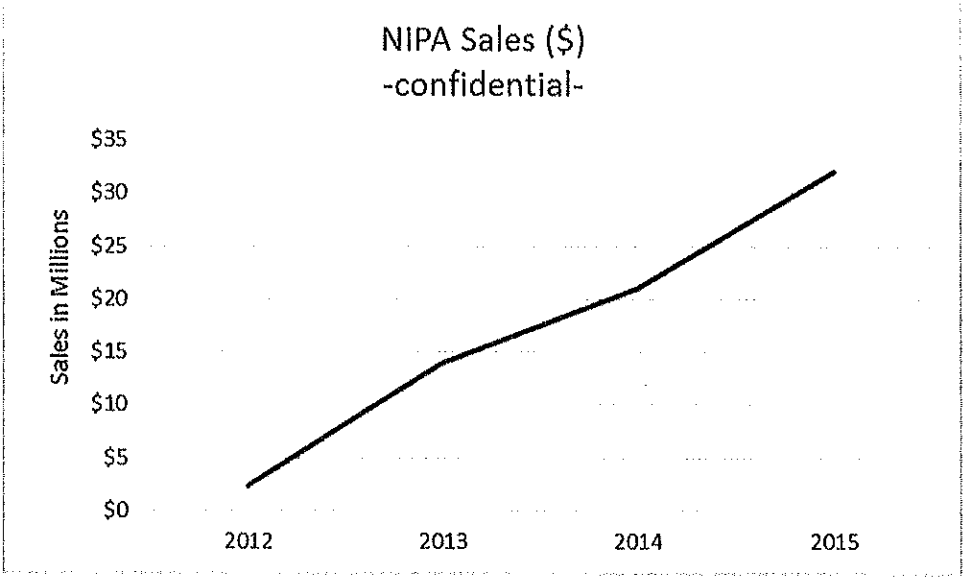
Cochise County
Contact: Ruben Miranda, Internal Services Administrator
1151 W Hereford Road. Bisbee, AZ 85603
520-432-8391
rmiranda@cochise.az.gov

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

Additional Services Information

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

Value Added Support Services

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency

- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response (only)

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

Account : CATERPILLAR INC.

D-U-N-S® Number: 00-507-0479 - CATERPILLAR INC.
Account Number: CAT1
Trade Names: CATERPILLAR
Endorsement/Billing Reference: Wilson_Alex_D@cat.com

D&B Address	
Address	100 Ne Adams St Peoria, IL, US - 61629
Phone	309 675-1000
Fax	309-675-1076
Location Type	Headquarters
Web	www.caterpillar.com

Account Address	
Address	100 NE ADAMS ST PEORIA, IL, US - 616290001
Phone	309-675-1000
Fax	309-675-1076

Assigned to: Credit Department
Account Created: 08/31/2016
Last View Date: 10/05/2016
Last Review Date: 10/05/2016
Last Import Date: 08/31/2016
Endorsement : Wilson_Alex_D@cat.com

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

Credit Limit	**Unavailable**	
Credit Limit - D&B Conservative	**1,000,000.00**	Based on profiles of other similar companies.
Credit Limit - D&B Aggressive	**1,000,000.00**	Based on profiles of other similar companies.
PAYDEX®	**70**	Paying 15 days past due
Commercial Credit Score Percentile	**39**	Moderate Risk of severe payment delinquency.
Financial Stress Score National Percentile	**67**	Moderate Risk of severe financial stress.
D&B Viability Rating		View More Details
Bankruptcy Found	**No**	
D&B Rating	**5A3**	5A indicates 50 million and over, Credit appraisal of 3 is fair

Account Review Reasons

Status: Credit Increase Recommended **Credit Increase Recommended:** An automated review triggered a recommended action of "Credit Increase Recommended" on 10/05/2016. D&B was your source of business information to make this decision.

The **"Low Risk 2-3.99"** rule triggered this review because of the following conditions:

Condition	Value
Cat Existing Scorecard Is Between 2.00 AND 3.99	3.85

Based on the "Credit Increase Recommended" rule the

credit terms are :

	Recommended	Latest Actual
Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	No instructions provided for this Review.	No instructions available.

The recommended credit terms were based on the following:

Condition	Value
Account ReviewRule	Credit Increase Recommended Rule

The following information was used to calculate the CLM:

Expression: (Caterpillar Input 3) * 5

▸ Previous 10 Credit Terms

Credit Terms prior to review on 10/05/2016

Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

Credit Terms prior to review on 08/31/2016

Credit Limit	50,000.00	Not Set
Payment Terms	Net 30	Not Set
Early Payment Discount	Not Set	Not Set
Analyst Instructions	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months

7
Days

Dollar-weighted average of **1128** payment

experiences reported from **239** Companies

Recent Derogatory Events

	Aug-16	Sep-16	Oct-16
Placed for Collection	-	-	500 on 1 acct
Bad Debt Written Off	-	-	-

D&B Viability Rating

1	**Viability Score: 1**
3	**Portfolio Comparison: 3**
A	**Data Depth Indicator: A**
4A	**Company Profile: A**

Financial Data	Trade Payments	Company Size	Years in Business
Available	Available (3+Trade)	Large	Established

Company Overview

This is a headquarters location

Branch(es) or Division(s) exist	Y
Chief Executive	DOUGLAS R OBERHELMAN, CHB-CEO
Stock Symbol	CAT
Year Started	1925
Employees	105700 (1176 Here)
SIC	3531 , 3519
Line of business	Mfg construction & mining equipment, diesel & natural gas engines, industrial gas turbines, & diesel-electric locomotives
NAICS	333120
History Status	CLEAR
Financial Condition	GOOD

Stock Performance

CAT : **89.50** ↑ 2.00 (2.28%)

Previous Close: 87.52

Volume: 4197372.00

Daily High: 89.88

Daily Low: 88.05

52-Week High: 89.20

52-Week Low: 56.37

P/E: 57.3718

Market Cap: 52,288,690,700

EPS: 1.56

Div/Yield: 3.45

FirstRain Company News

- **New Cat R1700K underground loader designed**
  2016-10-05T09:22:06 AKDT 9:22 AM-Mining
- **YieldBoost Caterpillar From 3.5% To 5.8%**
  2016-10-05T08:06:23 AKDT 8:06 AM-NASDAQ.com
- **Better Buy: Caterpillar Inc. vs. Illinois Tool**
  2016-10-05T07:50:24 AKDT 7:50 AM-FOX Business
- **Caterpillar Inc. (CAT) Stock Did Its Job. Cut**
  2016-10-05T04:07:36 AKDT 4:07 AM-Investor Place
- **Kim Hauer pursues new opportunity**
  2016-10-05T02:18:07 AKDT 2:18 AM-World Coal
- **Caterpillar : Exhaust Manifold for Caterpillar**
  2016-10-05T00:00:30 AKDT 12:00 AM-4-Traders
- **SAE International to Honor Caterpillar VP**
  2016-10-04T20:29:45 AKDT 8:29 PM-Houston
- **How Middle America became Trump country**
  2016-10-04T15:36:27 AKDT 3:36 PM-MSN CA
- **Caterpillar Inc. Files Forms 4**
  2016-10-04T15:09:06 AKDT 3:09 PM-PR Newswire
- **H.O. Penn Holds SITECH Demo Open House at**
  2016-10-04T11:55:54 AKDT 11:55 AM-Construction
- **Caterpillar Oil & Gas launches G3516J gas**
  2016-10-04T08:35:37 AKDT 8:35 AM-Oil Review
- **Caterpillar Factory Purchased by MN Company**
  2016-10-03T22:49:06 AKDT 10:49 PM-WTAQ
- **Caterpillar : CAT 794 AC MINING TRUCK**
  2016-10-03T08:05:31 AKDT 8:05 AM-4-Traders
- **Seeing Machines receives Caterpillar boost**
  2016-10-02T23:08:46 AKDT 11:08 PM-ProActive
- **Caterpillar, Inc. (NYSE:CAT) Is Expected To**
  2016-10-02T10:17:36 AKDT 10:17 AM-Realist

- Caterpillar : $313,154 Federal Contract
  2016-10-01T04:05:36 AKDT 4:05 AM-4-Traders
- Peoria business benefits from laid-off
  2016-09-30T07:54:26 AKDT 7:54 AM-Pekin
- Caterpillar: Did Cramer Call A Top?
  2016-09-30T06:21:47 AKDT 6:21 AM-Seeking Alpha
- Cat's exit no disaster after all
  2016-09-29T19:16:39 AKDT 7:16 PM-The Advocate
- Caterpillar (CAT) Announces Price Action of
  2016-09-29T13:18:54 AKDT 1:18 PM-
- Caterpillar Wins 2016 ANNY Excellence In
  2016-09-29T12:30:44 AKDT 12:30 PM-SeattlePi.com
- Caterpillar Uptrend Faces Major Obstacles
  2016-09-29T11:49:21 AKDT 11:49 AM-
- Caterpillar no longer a dog, rising 7% in two
  2016-09-29T09:02:13 AKDT 9:02 AM-Seeking Alpha
- Caterpillar Affirms Commitment to Egypt's
  2016-09-29T07:55:51 AKDT 7:55 AM-Caterpillar Inc.
- Jim Cramer -- It's Time to Stop Betting Against
  2016-09-29T06:31:21 AKDT 6:31 AM-The Street
- Caterpillar Inc. (CAT) Surged To A New High
  2016-09-29T03:31:45 AKDT 3:31 AM-RTTNews
- Congratulations to the Winners of San
  2016-09-28T20:53:39 AKDT 8:53 PM-Austmine
- Caterpillar Inc. (CAT) Shares Sold by
  2016-09-28T18:47:56 AKDT 6:47 PM-The Olympia
- Asphalt compaction seeing major technical
  2016-09-28T16:19:02 AKDT 4:19 PM-World
- Wall Street closed in the green again on OPEC
  2016-09-28T12:58:27 AKDT 12:58 PM-Forex Street
- Caterpillar Is Breaking Out to New Highs -- and
  2016-09-28T10:12:32 AKDT 10:12 AM-The Street
- Infocast's 4th Additive Innovation Summit
  2016-09-28T08:03:51 AKDT 8:03 AM-PRWeb
- How's Caterpillar Doing? Check These 2
  2016-09-28T07:13:08 AKDT 7:13 AM-The Street
- Caterpillar : 35TH ANNIVERSARY OF THE CAT
  2016-09-28T07:07:33 AKDT 7:07 AM-4-Traders
- Caterpillar : NEW CAT PROXIMITY
  2016-09-28T07:03:09 AKDT 7:03 AM-4-Traders
- 2 New Equity REITs In My 85 Stock Portfolio:
  2016-09-28T00:37:13 AKDT 12:37 AM-Seeking
- MCFA appoints Towlift as Pittsburgh dealer
  2016-09-27T09:43:34 AKDT 9:43 AM-Refrigerated &
- Excited About Caterpillar Inc.'s Latest Big Buy
  2016-09-27T03:37:21 AKDT 3:37 AM-FOX Business

- 2016-09-27T03:12:44 AKDT 3:12 AM-The Street

- **Caterpillar Goes Beyond the Iron at MINExpo**
  2016-09-26T13:06:21 AKDT 1:06 PM-CNBC

- **NowNS: International experience makes local**
  2016-09-26T11:04:45 AKDT 11:04 AM-The Chronicle

- **Caterpillar eyes a brighter future ahead of**
  2016-09-25T20:41:21 AKDT 8:41 PM-Mining

- **Caterpillar (world's No.1 heavy machinery**
  2016-09-25T18:06:38 AKDT 6:06 PM-NASDAQ.com

- **Caterpillar sees green shoots in mining, but**
  2016-09-24T16:43:38 AKDT 4:43 PM-MINING.com

- **Caterpillar Gives the Gift of Power to St. Luke's**
  2016-09-24T15:20:45 AKDT 3:20 PM-PR Newswire

- **American workers out, foreign workers in**
  2016-09-23T13:18:23 AKDT 1:18 PM-

- **Caterpillar Vice President Kim Hauer to Pursue**
  2016-09-23T07:55:18 AKDT 7:55 AM-Caterpillar Inc.

- **Nick in the AM: At least one media source**
  2016-09-23T05:51:23 AKDT 5:51 AM-The Peoria

- **From manufacturing to innovative design**
  2016-09-23T00:32:54 AKDT 12:32 AM-Engineers

- **QUT to Lead a Project with Caterpillar for**
  2016-09-22T18:53:23 AKDT 6:53 PM-Austmine

Powered by FirstRain

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	1	03/06/07
Suits	4	03/11/16
UCCs	722	08/09/16

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

Predictive Scores

Currency: Shown in USD unless otherwise indicated

D&B Viability Rating Summary

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

1	Viability Score	Lowest Risk:1	Highest Risk:9

Compared to All US Businesses within the D&B Database:

- Level of Risk: **Low Risk**
- Businesses ranked 1 have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 1: **0.3 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**

3	Portfolio Comparison	Lowest Risk:1	Highest Risk:9

Compared to All US Businesses within the same MODEL SEGMENT:

- Model Segment : **Available Financial Data**
- Level of Risk: **Low Risk**
- Businesses ranked 3 within this model segment have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 3 with this model segment: **15 %**
- Within this model segment, the average probability of becoming no longer viable: **0.6 %**

A	Data Depth Indicator	Predictive Data:A	Descriptive Data:G

Data Depth Indicator:

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Comprehensive Financial Attributes

A	Company Profile	Financial Data	Trade Payments	Company Size	Years in Business
		Available	**Available** (3+ Trade)	**Large**	**Established**

Company Profile Details:

- Financial Data: **Available**
- Trade Payments: **Available** (3+ Trade)
- Company Size: **Large** (Employees: 50+ or Sales: $500K+)
- Years in Business: **Established** (5+)

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Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Casualty Insurance Program*

Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.

If Caterpillar's net worth drops below $1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.

Please contact (309) 675-4645 if you have any questions.

CATERPILLAR®

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Property Insurance Program*

Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.

Caterpillar Inc. will honor its responsibilities assumed under any agreement.

Please contact (309) 675-8400 if you have any questions.

CATERPILLAR®

Effective with sales to the first user on or after July 1, 2016

CATERPILLAR LIMITED WARRANTY

Earthmoving, Construction, Material Handling, Forestry and Paving Machines

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

Note: New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

continued...

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.
NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000,THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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Effective with sales to the first user on or after January 1, 2014.

CATERPILLAR LIMITED WARRANTY

Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."
- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.

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C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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Re: Due November 4 -- Exemption request for business license

Tax-License Tax-License to: Schreifels_Ann_M 10/26/2016 03:43 PM
Cc: "Jeffrey Whiting"

Caterpillar: Confidential Green Retain Until: 11/25/2016
History: This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.
https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXylY2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJAl6F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels_Ann_M@cat.com> 10/14/2016 11:47 AM >>>
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels
Americas Marketing Supervisor
Governmental Sales & Business Processes
Global Construction & Infrastructure
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

City of Tucson

License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC
PO BOX 2985
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:
EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.

FOLD HERE

CITY OF TUCSON, ARIZONA
FINANCE DEPARTMENT
REVENUE DIVISION - LICENSE
Expiration Date: December 31, 2016

Non-Transferable

3006282

MUST BE DISPLAYED IN A CONSPICUOUS PLACE

Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson. Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By _____
Finance Director

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Machinery
7000 S. Nogales Highway
Tucson, AZ 85756-9640
Phone: 520-746-8200

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

TO: Jeffrey Whiting, Contract Officer
City of Tucson

FM: Ann Schreifels
Governmental Sales Manager

RE: Price Discounts and Price Pages

Caterpillar does not have a typical product catalog or price pages. Because our machines and equipment are relatively low volume products and often created to customer specifications, we don't have a static document to attach here. With more than 300 products that each have a detailed 20- 40-page price list, we also didn't feel it was in the best interest of the City's environmentally conscious policies.

The City of Tucson can request current price pages from Caterpillar Inc, or from Empire Machinery at any time.

Because our pricing model under this contract is a minimum discount off of list price, those discounts are attached here. Working with the local sales representative to configure the machine correctly and then applying the discount will result in the contract price indicated in this proposal.

Please feel free to reach out to me at 309-338-5976 or to Patty Redpath at 309-494-4578 if you are not able to reach a local Empire Machinery contact.

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

Rigid Frame Trucks

770	10.00%
773	10.00%

Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%

Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	

C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
(EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited	
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt
(Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List) 17%

G3516H, 60HZ, 1500 RPM, 3 Phase
(Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List) 17%

G3520H, 60 HZ
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List) 17%

G3520, 60 HZ, 2055, 1900, or 1600 eKW
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List) 17%

CG132, CG170, CG260 (custom) 15%

Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets.
Each quote is custom for the specific application.
However, members will receive a 15% discount off of the configured list price from each member's local dealer.

C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)
4000 kW (with Fan Rating) 24%

C175, 60 HZ, 3000 kW (EPA Tier 4)
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 19%

C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 26%
3100 kW (without Fan Rating) 26%

G30PGAN, 30kW

G80PGAN, 50kW, 60kW, 80kW

G150PGAN, 100kW, 125kW, 150kW

Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)

G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%

APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%

XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)
20 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)
30 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road))
(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)

XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)
60 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified)	
(Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply)	
60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
Plus all price list related options	20%
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

Sourced Goods & Support Service Provided	National IPA Member Pricing
Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.

Allied Products Discount Table	
Construction and Mining	**Minimum List/Card Discount**
Allmand (Light Towers)	18.00%
Broce Brooms	9.00%
JLG (Man lifts)	22.00%
Mega (Water tanks, Towers and Trailers)	8.00%
Genie (Man lifts and Telehandlers)	20.00%
Progressive Solar (Solar Power Light Plants)	10.00%
Multiquip Power	24.00%
Sullair Air Compressors	28.00%
Rockland (Buckets and Dozer Blades)	8.00%
Paladin (Couplers and Attachments)	8.00%
CE Attachments (Attachments)	12.00%
Dymax (Attachments)	8.00%
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	10.00%
Wain-Roy	11.00%
Agriculture	
Challenger Tractors	13.00%
Massey Ferguson Tractors	13.00%
Rome (Construction Grade Discs and Plows)	13.00%
Woods (Scrapers and Mowers)	13.00%
Gearmore (Attachments)	13.00%
Reynolds (Scrapers)	13.00%
TG Schmeiser (Box blades, Land Levelers)	13.00%
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	13.00%
On Road Industrial	
Fuso Trucks	7.50%
Mac Trailers	8.40%
Maintainer (Service Bodies)	6.00%
Murray Trailers (Heavy Haul)	2.00%
Trail King (Small to Heavy Haul)	7.00%
UTB (Service Bodies)	8.40%
Fleming Trailers	8.40%
Technology	
Spectra Precision (Survey Instruments)	12.00%
Trimble (2D and 3D Grading Systems)	12.00%
Accugrade (Caterpillar Grade Control)	12.00%
Seco (Surveying and Site Prep)	12.00%
Laserline (Laser Controls)	12.00%
Apache (Grade Control, GPS and Lasers)	12.00%
Level Best (Laser Grading Box)	10.00%
Unlisted and Future Allied Suppliers	
All unnamed supplies will have a minimum of 40% off the Standard Dealer Discount from the Manufacturer's List Price	
Example: Unnamed Manufacturer Dealer Discount Off List	10%
40% Off the Standard Dealer Discount	4%
Minimum Discount Offered under RFP #161534	4%

Dealer Related Parts, Service, Rentals and Accessories	
Dealer Related Parts, Service, Rentals, and Accessories	**Minimum List/Card Discount**
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response (only)

-Confidential-

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	

Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many

dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

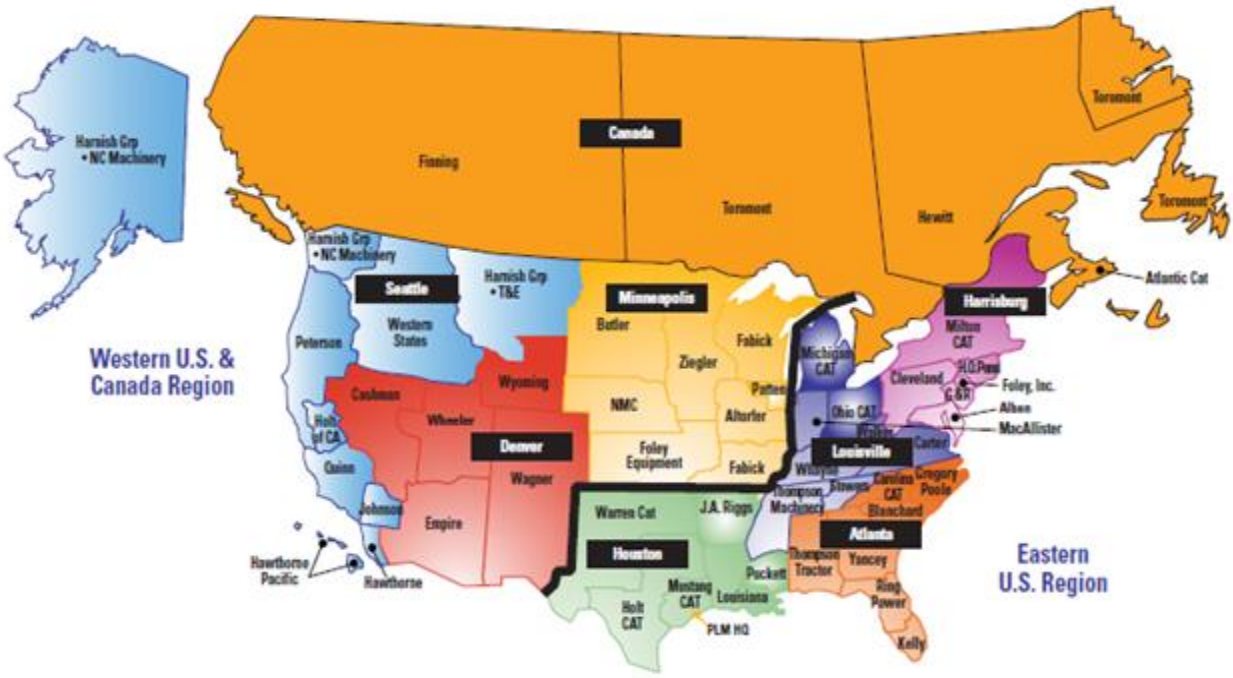

Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

Dealer Response

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	**On Road Industrial**
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

Number of unique machines by Manufacturer (Excludes Mining Products)	**Caterpillar**	**John Deere**	**Komatsu**	**Volvo**	**Case**	**Bobcat**
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers – Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
Breadth of Caterpillar machines covering Governmental Market	239	77	45	80	62	39

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- $93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

Manufacturer and Dealer	Website
Caterpillar	www.cat.com
Empire Southwest	www.empire-cat.com
North America Caterpillar Dealers	http://www.cat.com/en_US/support/dealer-locator.html
Construction and Mining	**Website**
Allmand (Light Towers)	www.allmand.com
Broce Brooms	www.brocebroom.com
JLG (Man lifts)	www.jlg.com
Mega (Water tanks, Towers and Trailers)	www.megacorpinc.com
Genie (Man lifts and Telehandlers)	www.genielift.com
Progressive Solar (Solar Power Light Plants)	www.progressivesolarsolutions
Multiquip Power	www.multiquip.com
Sullair Air Compressors	www.sullair.com
Rockland (Buckets and Dozer Blades)	www.rocklandmfg.com
Paladin (Couplers and Attachments)	www.paladin.com
CE Attachments (Attachments)	www.ceattachments.com
Dymax (Attachments)	www.dymaxinc.com
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	www.weilerproducts.com
Wain-Roy	www.woodsequipment.com
Agriculture	**Website**
Challenger Tractors	www.challenger-ag.com
Massey Ferguson Tractors	www.masseyferguson.com
Rome (Construction Grade Discs & Plows)	www.romeplow.com
Woods (Scrapers and Mowers)	www.woodsequipment.com
Gearmore (Attachments)	www.gearmore.com
Reynolds (Scrapers)	www.reynoldsinternational.com
TG Schmeiser (Box blades, land levelers)	www.tgschmeiser.com
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	www.wilcoxap.com
On Road Industrial	**Website**
Fuso Trucks	www.mitfuso.com
Mac Trailers	www.mactrailers.com
Maintainer (Service Bodies)	www.maintainer.com
Murray Trailers (Heavy Haul)	www.murrytrailer.com
Trail King (Small to Heavy Haul)	www.trailking.com/trailers
UTB (Service Bodies)	www.unitedtruckbodies.com
Fleming Trailers	www.flemingtrailers.com
Technology	**Website**
Spectra Precision (Survey Instruments)	www.spectraprecision.com
Trimble (2D and 3D Grading Systems)	www.trimble.com
Accugrade (Caterpillar Grade Control)	www.Caterpillar.com/en
Seco (Surveying and Site Prep)	www.surveying.com
Laserline (Laser Controls)	www.laserlinemfg.com
Apache (Grade Control, GPS and Lasers)	www.apache-laser.com
Level Best (Laser Grading Box)	www.level-best.com

6. Do you offer color choices for each product listed?

Caterpillar Response (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire/Caterpillar Warranty Offerings:

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- Caterpillar Standard Warranty - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- Caterpillar Extended Warranty – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- Powertrain Only – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- Powertrain and Hydraulics – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- Premier – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

General Warranty Information

Coverage - Inclusions, Exclusions

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category

** Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Differentials		✓	✓	✓
Hydraulic Systems		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		**Powertrain**	**Powertrain + Hydraulics**	**Premier**
Chassis/Implement Frames	**			✓
Weldment	**			✓

Allied Product Warranty:

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:

    i. Major Component Failures
    ii. Engineering Deficiencies
    iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

Image 2: US Dealer Locations

Dealer Response

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91st Ave.	85345
Phoenix	602-333-5600	801 N. 44th Ave.	85009
Phoenix	602-627-5700	840 N. 43rd Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365

Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

  PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

  - PM1 – Services the manufacturer recommends at 250 hours
  - PM2 – Services the manufacturer recommends at 500 hours
  - PM3 – Services the manufacturer recommends at 1,000 hours
  - PM4 – Services the manufacturer recommends at 2,000 hours
  - PM5 – Services the manufacturer recommends at 4,000 hours

  Empire and participating dealers can offer different options for these hour intervals including:

  - Parts only agreements
  - Parts and fluids only agreements
  - Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	x	x	x	x	x
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	x	x	x	x	x
Check all fluids levels such as Transmissions, Differentials,	x	x	x	x	x
Tandems, Hydraulic, Steering, Coolant. Change fuel filters and fuel /water separators,	x	x	x	x	x
clean fuel bowl screen (replace if neccessary)					
Change Primary Air Filters	x	x	x	x	x
Check Coolant Condition - Freeze point	x	x	x	x	x
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (can), ripper shanks)	x	x	x	x	x
Change cab A/C filters	x	x	x	x	x
Lubricate all grease points	x	x	x	x	x
Inspect and test all visible and safety systems	x	x	x	x	x
Change all filters this includes hydraulic filters, transmission		x	x	x	x
filters, differentials filters if applicable.					
Change rear differential oil (Backhoe Loaders oly on A-D Models)		x	x	x	x
Change front wheel oils in off highway trucks.		x	x	x	x
Change the Transmission oils, clean transmission screens and magnetic			x	x	x
Change swing drives oils on excavators , change			x	x	x
differential and finals oils on backhoes.			x	x	x
Change hydraulic oils on AG tractors, telehandlers, vibratory			x	x	x
compactors only, change chain case oils on skid steer loaders.			x	x	x
Change circle drive oil on motor graders			x	x	x
Change the differential and finals oils				x	x
Change tandem oil drive oils on motor graders				x	x
Change circle drive oils on motor graders accoding to OEM				x	x
Change hydraulic system oil.					x

- **Total Maintenance and Repair (TM&R):**

  In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

  TM&R's can be customized by the customer, including the following:

  - With/without travel
  - With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

  This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

  Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

  The technician will usually perform:

  - Running repairs
  - Preventative maintenance services

  Other onsite services could include:

  - Daily inspections
  - Cleanings
  - Operational checks

  The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

  Additional "man on site" Inclusions or exclusions in most cases include the following:

  - Housing (when applicable)
  - Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

  Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

  Inclusions and exclusions in most cases include:

  - With/Without daily cleanings.
  - With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly $3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.

ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
    a. Walk around inspection
    b. Daily service points/lubrication
    c. Cab and controls
    d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
    a. Operator's station

b. Engine
c. Electrical system
d. Power train
e. Implement and steering hydraulic systems
f. Auxiliary hydraulic lines
g. Thumbs
h. Buckets
i. Couplers

5. Post Test
6. Review Maintenance Section of Operation and Maintenance Manual
    a. Lubricants and fluids
    b. Towing
    c. Review PM checklist and procedures
        - 250 Hour
        - 500 Hour
        - 1000 Hour
        - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

Parts – Hours of Operation

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

  Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from www.empire-cat.com are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vison Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: www.empire-cat.com/salesserviceterms

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

Dealer Response

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response (only)

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

CONFIDENTIAL – Request confidential treatment –

SEE CONFIDENTIAL CITY OF TUCSON RESPONSE: CATERPILLAR AND EMPIRE MACHINERY

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Freight is calculated in three different manners, depending on model, for Caterpillar:

- Caterpillar Included in Price: On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.

- Caterpillar Managed Freight: On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.

- Empire Quoted: Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.

- Allied Products: Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

  Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

CONFIDENTIAL – Request confidential treatment –

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

Dealer Response

CONFIDENTIAL – Request confidential treatment –

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response (only)

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response (only)

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

Dealer Response

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on
http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

Dealer Response

For all support related to this contract, please contact:

Clinton Swapp
Sales Account Manager
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8213
Cell: 520-240-8213
Email: Clinton.Swapp@empire-cat.com

Ty Robertson
Product Support Sales Representative
7600 S. Nogales Hwy.
Tucson, AZ 85756
Office: 520-746-8226
Cell: 520-269-1171
Email: Ty.Robertson@empire-cat.com

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

Dealer Response

References:

City of Phoenix
Contact: Bonnie Shockley, Equipment Control Specialist
2441 S. 22nd Ave., Phoenix, AZ 85009
602-534-2129
bonnie.shockley@phoenix.gov

Maricopa County
Contact: Gidget Vigil, Equipment Manager
3325 W Durango St. Phoenix, AZ 85009
602-506-4674
gidgetvigil@mail.maricopa.gov

Cochise County
Contact: Ruben Miranda, Internal Services Administrator
1151 W Hereford Road. Bisbee, AZ 85603
520-432-8391
rmiranda@cochise.az.gov

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

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SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

Dealer Response

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

Additional Services Information

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

Value Added Support Services

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency
- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response (only)

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives

efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

PROPOSAL EVALUATION REQUIREMENTS

A. Method of Approach

1) National Program

1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

Caterpillar Response

-Confidential-

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

Caterpillar Response

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

CONSTRUCTION INDUSTRIES	
U.S. Facilities	Facilities Outside the U.S.
Arkansas: North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallur **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong
RESOURCE INDUSTRIES	
Illinois: Aurora, Decatur, East Peoria, Joliet **North Carolina:** Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Dennison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuña, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
ENERGY & TRANSPORTATION	
Alabama: Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China:** Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled $9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

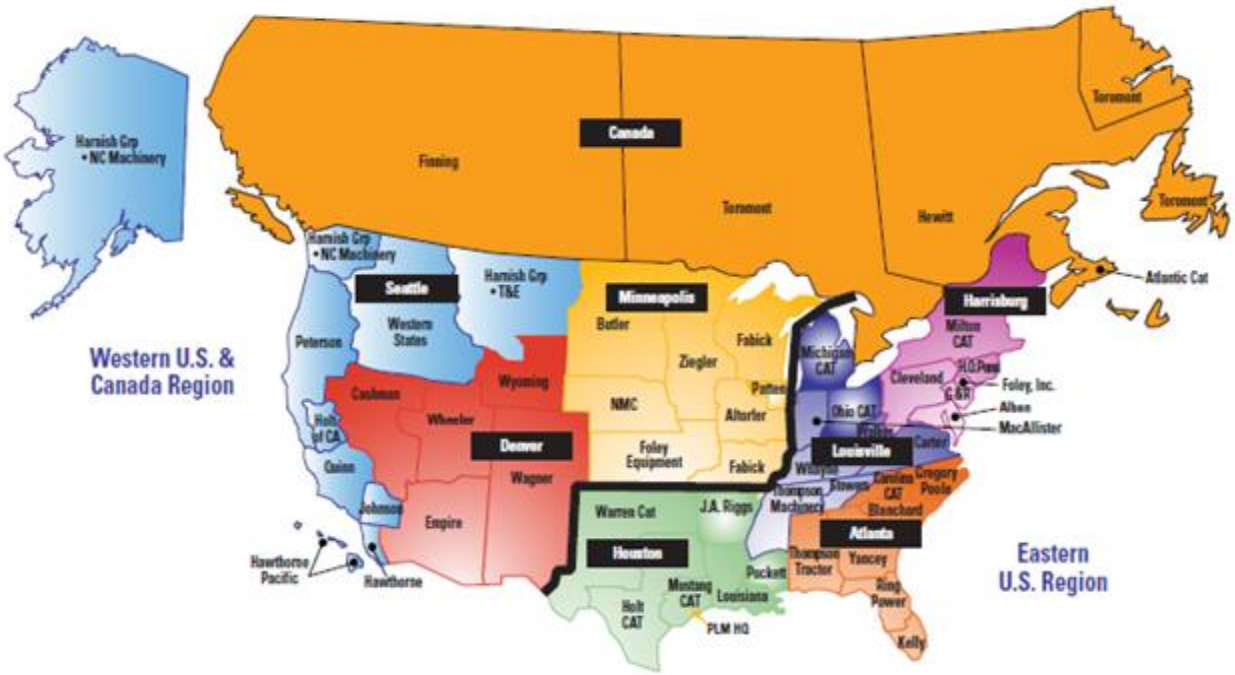

Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

Caterpillar Response

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled “Allied Products” for additional non-Cat manufactured/ branded lines of equipment offered by Cat dealers for purchase under this contract.

2. Identification and description of sub categories.

Caterpillar Response

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

http://www.cat.com/en_US/products/new/equipment.html

Recycling and Waste
Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

http://www.cat.com/en_US/products/new/by-industry/waste.html

Construction Equipment
As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/construction.html

Technology & Solutions

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

http://www.cat.com/en_US/support/operations/technology.html

Paving

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/by-industry/paving.html

Work Tools

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

http://www.cat.com/en_US/products/new/attachments.html

Other/Miscellaneous/Allied

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	**Technology**
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

Caterpillar Response

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over $1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

Caterpillar Response

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

Caterpillar Response

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: www.cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

Caterpillar Response

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

140M3 Motor Grader	Months	Hours
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

Caterpillar Response

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

   i. Major Component Failures
   ii. Engineering Deficiencies
   iii. Describe your firm's standard response time to address warranty failure issues.

Caterpillar Response

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

Caterpillar Response

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

Caterpillar Response

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

Caterpillar Response

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

f. Submit all information that will aid the City in evaluating your proposal

Caterpillar Response

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

http://www.caterpillar.com/en/company/sustainability.html

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html

http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html

http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72nd out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19th Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

Caterpillar Response

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

Caterpillar Response

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over $75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:

   i. How will equipment training be conducted?
   ii. Describe the training curriculum for the equipment operators.
   iii. Describe the training curriculum for the service technicians.
   iv. How will you accommodate various work shifts?
   v. What type of documentation is provided with the proposed training?
   vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
   vii. Is the training provided by the manufacturer, dealer or both?

Caterpillar Response

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: http://www.cat.com/en_US/support/operations/cat-training.html

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

5) Ordering and Invoices

a. Describe your order process.

Caterpillar Response

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

b. How do agencies work with your firm to determine appropriate equipment needs?

Caterpillar Response

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

c. Describe the equipment delivery process and your delivery commitment.

Caterpillar Response

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

d. What is your standard equipment delivery timeframes?

Caterpillar Response

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

e. How does your firm communicate order cut off dates to your customers?

Caterpillar Response

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

f. Identify and describe any exceptions or challenges.

Caterpillar Response

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

Caterpillar Response

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

Caterpillar Response

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response

Where appropriate, all titles will be provided with proof of registration with the state.

l. Will each product be delivered free of distributor advertising?

Caterpillar Response

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

6) Other

a. Describe any government rebate programs applicable.

Caterpillar Response

No specific governmental rebate programs are currently available.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2) Based on your distribution network, explain how freight is calculated.

Caterpillar Response

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

Caterpillar Response

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4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

Caterpillar Response

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

Caterpillar Response

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

Caterpillar Response

None available at this time.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _0_ %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card?__Yes _X*_No

a. If yes, can commercial payment(s) be made online? __Yes ___No
b. Will a third party be processing the commercial credit card payment(s)? __Yes __No
c. If yes, indicate the flat fee per transaction $____(as allowable, per Section 5.2.E of Visa Operating Regulations).
d. If "no" to above, will consideration be given to accept the card? _X*_Yes __No

Caterpillar Response

*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

9) Does your firm have a City of Tucson Business License? __X__Yes _X__ No

a. If yes, please provide a copy of your City of Tucson Business license.

Caterpillar Response

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

Caterpillar Response

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealer s have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

Caterpillar Response

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers

have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

Caterpillar Response

Nationally, the contract will be managed by:

Patty Redpath
Governmental Account Manager
100 NE Adams St.
Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

Caterpillar Response

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

Caterpillar Response (Only)

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6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

Caterpillar Response

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

National IPA Exhibit A – National IPA Response for National Cooperative Contract

3. SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of $47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

B. Total number and location of sales persons employed by your company.

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on http://www.cat.com/en_US/support/dealer-locator.html

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than $400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.

Image 1, Caterpillar Dealer Brach Operations

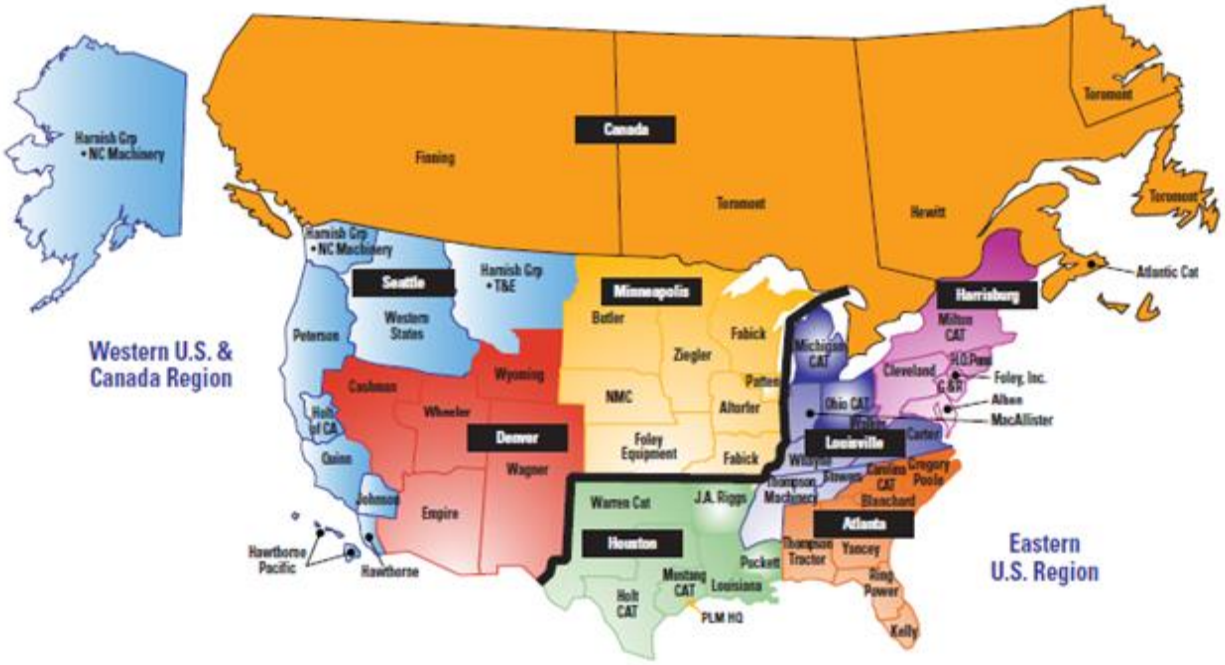


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – $55.6B
2014 – $55.1B
2015 - $47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
Construction Industries	**Arkansas:** North Little Rock **Illinois:** Aurora, Decatur, East Peoria **North Carolina:** Clayton, Sanford **Texas:** Victoria **Georgia:** Athens	**Belgium:** Gosselies **Brazil:** Campo Largo, Piracicaba **China:** Suzhou, Wujiang, Xuzhou, Qingzhou **France:** Grenoble, Echirolles **Hungary:** Godollo **India:** Thiruvallar **Indonesia:** Jakarta **Japan:** Akashi, Sagamihara **Poland:** Janow, Sosnowiec **Russia:** Tosno, Novosibirsk **United Kingdom:** Desford, Stockton **Thailand:** Rayong

Resource Industries	**Illinois:** Aurora, Decatur, East Peoria, Joliet **North Carolina**: Winston-Salem **Pennsylvania:** Houston **South Carolina:** Sumter **Tennessee:** Dyersburg **Texas:** Denison **Wisconsin:** South Milwaukee	**Australia:** Beresfield, Burnie **China:** Langfang, Tongzhou, Wuxi, Zhengzhou **Czech Republic:** Ostrava **France:** Arras **Germany:** Dortmund, Lunen **India:** Hosur, Thiruvallur **Indonesia:** Batam **Italy:** Jesi **Japan:** Sagamihara **Mexico:** Acuna, Monterrey, Reynosa, Torreon **Russia:** Tosno **Thailand:** Rayong **United Kingdom:** Peterlee
Energy & Transportation	**Alabama:** Albertville, Montgomery **California:** San Diego **Georgia:** Griffin **Illinois:** LaGrange, Mossville, Mapleton, Pontiac **Indiana:** Lafayette, Muncie **Kentucky:** Decoursey, Louisville, Mayfield **South Carolina:** Newberry **Texas:** Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	**Australia:** Revesby **Belgium:** Gosselies **Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas **China**: Tianjin, Wuxi **Czech Republic:** Zatec **Germany:** Kiel, Mannheim, Rostock **India:** Hosur, Aurangabad **Mexico:** San Luis Potosi, Tijuana **Republic of Singapore:** Singapore **Sweden:** Ockero Islands **Switzerland:** Riazzino **United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

Construction & Paving Equipment
Articulated Dump Trucks
Asphalt Cold Planers
Asphalt Rotary Mixer
Dozers / Tracked
Dozers / Wheeled
Excavators / Tracked
Excavators / Wheeled
Loaders / Tracked
Loaders / Wheeled
Motor Graders
Paver / Tracked
Paver / Wheeled
Asphalt Compactors - Vibratory
Asphalt Compactors – Pneumatic
Scrapers
Skid Steer Loaders / Wheeled
Compact Track Loaders
Multi-Terrain Loaders
Skip Loaders
Soil Compactors
Telehandlers

Landfill Equipment
Landfill Dozers
Landfill Compactors
Landfill Scrapers

Work Tools (requires host machine)
Buckets
Augers
Thumbs
Hammers
Trenchers
Couplers

Generators & Power Systems
Gas and Diesel Engines
20kW to 16 mW Single Engines
Prime Power
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:

i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.
Agree.

ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:

i. Creation and distribution of a co-branded press release to trade publications
Agreed.

ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
Agreed.

iii. Design, publication and distribution of co-branded marketing materials within first 90 days
Agreed.

iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
Agreed as calendars and budgets allow.

v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
Agreed as calendars and budgets allow.

vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
Agreed as budgets allow.

vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
Agreed.

viii. Dedicated National IPA internet web-based homepage on Supplier website with:
- National IPA standard logo;
- Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

Patty Redpath
Governmental Sales
100 NE Adams St, Peoria, IL 61629
Office: 309-494-4578
Redpath_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster
Americas North Sales Manager
309-675-5181
FOSTER_BRIAN_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set- up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$ .00 in year one
$ .00 in year two
$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.

CATERPILLAR®

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Department of Procurement
Contract Officer
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:
1) Questionnaire Responses to the City of Tucson;
2) Questionnaire Responses to National IPA;
3) Proposed Exceptions;
4) Empire Machinery Responses;
5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-338-5976

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

Caterpillar Inc.
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Signature of Person Authorized to Sign

Brian Foster
Printed Name

North American Sales Manager
Title

For clarification of this offer, contact:

Name: Patty Redpath

Title: Governmental Account Manager

Phone: 309-494-4578

Fax: 309-675-4301

E-mail: redpath_patty@cat.com

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-_____.

CITY OF TUCSON, a municipal corporation

Approved as to form this_____day of_____, 2016.

Awarded this_____day of_____, 2016.

As Tucson City Attorney and not personally

Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
As Director of Procurement and not personally

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16
Signature Date

Ann Schreifels Governmental Sales Manager
Print Name and Title

Caterpillar Inc
Company Name

100 NE Adams St.
Address

Peoria IL 61629
City State Zip

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting
Contract Officer
City of Tucson
255 W. Alameda, 6th Floor
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels
Governmental Sales Manager
Schreifels_ann_m@cat.com
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the ~~T~~training material ~~shall be presented~~ in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotaping~~e~~ part or all of the training provided at no additional cost to the agency.

6. REPAIRS. The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

   For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response.~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

INSTRUCTIONS TO OFFERORS

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. ~~the contract provisions contained in the City's Request for Proposal shall prevail.~~

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the O~~o~~fferor submits a formal written objection.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the applicable ~~Contractor~~ Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 7914566 or email at tax-license@tucsonaz.gov.

SPECIAL TERMS AND CONDITIONS

2. SUBCONTRACTORS: As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor~~ Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by~~,~~ arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of ~~caused in whole or part by~~ Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted t~~T~~he City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commeneed to remedy within thirty days of receipt of notice of such failure, ~~. T~~the City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will ~~endeavor to~~ notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

ATTACHMENT A

EXHIBIT A

1.2 Marketing, Sales and Administrative Support

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to~~of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under~~ this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and ~~the Supplier~~local authorized dealer (Contract Sales are reported to National IPA).

EXHIBIT B

NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by ~~the Supplier~~Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

MONTHLY REPORTING & FEES

[redacted]

[redacted]

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. On the 10th day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. ~~.~~

CATERPILLAR®

2015 EXECUTIVE SUMMARY
YEAR IN REVIEW AND SUSTAINABILITY REPORT

90 YEARS

WHAT WE'VE BUILT.

CATERPILLAR®

A MESSAGE TO SHAREHOLDERS

Caterpillar faced a tough year in 2015, but we have successfully managed through many economic cycles since our founding in 1925. We remain financially strong and because of the actions we're taking I believe we will, as we have in the past, emerge stronger and always able to compete very effectively around the world. We continue to manage what we can control today while also investing in our future.

What We've Built
Since our first days as a company, Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards. We add value for our customers by helping them achieve the lowest owning and operating costs through our sales and service network that reaches every corner of the globe.

Even in this environment, our market share for machines increased for the fifth year in a row. Our product quality continues to improve and is as strong as I've ever seen it. Our safety record improved again in 2015. As we further deploy Lean, we've already seen improvements in warranty and an up-to-95 percent reduction in internal defects per unit, and we anticipate substantial further improvements.

Where We're Headed and What We're Solving
Through Across the Table, we're strengthening our expectations of Cat dealers and the Caterpillar teams that support them. There are about a dozen specific projects underway – everything from expanded e-business to digital technology solutions connecting our machines and engines to our customers.

Digital transformation is a reality for our industry, and we're applying advanced analytics and digital-driven technologies – like Cat® Connect and MineStar™ – to improve worksite efficiency across our equipment and other brands, too. We also offer our customers Job Site Solutions, a true collaborative effort focused on improving job site efficiency. We're focused on using less fuel, increasing productivity and creating a safer work environment.

These are a few examples of how sustainability doesn't ever go out of style or focus at Caterpillar. Another is that our products – like distributed power systems, which improve energy access while emitting fewer greenhouse gases than traditional power grid systems – bring traditional, renewable and alternative energy options to urban, rural and remote communities across the world.

In 2015, we joined an effort to emphasize the vital role that restoration of natural infrastructure – forest, prairies, farmlands, wetlands and coastal landscapes – plays in sustainable global development. Additionally, we have been remanufacturing our products for more than 40 years, returning them to same-as-when-new condition, and conserving natural resources.

Caterpillar also supports the Caterpillar Foundation, which has invested more than $600 million since 1952 to transform lives and alleviate the root causes of poverty.

We were also honored to receive the "Vision for America" award from Keep America Beautiful in 2015 – a recognition for our sustainability commitment and significant progress toward aggressive sustainability goals.

Neither our accomplishments nor our goals are small or inconsequential. Given that we are Caterpillar, that shouldn't surprise anyone.

Doug Oberhelman
Chairman and CEO

WHERE WE STARTED.

The 21st century world you see today has been built with the help of Caterpillar machines and solutions. We've spent the past 90 years creating, building, problem-solving, innovating, testing, servicing and improving. In the process, we've built a global leader.

1925 — First year sales are **$13 million** for a product line of **5 tractors**.

1925 — **Holt Manufacturing Company** and the **C.L. Best Tractor Company** merge to form **Caterpillar**, reflecting the movement of the company's line of track-type tractors.

1929 — Our strong legacy of innovation begins with the introduction of our **first diesel tractor**.

About two months after "Black Tuesday," which some say signaled the start of the Great Depression, **Caterpillar Tractor Company stock** becomes available for public trading (NYSE: CAT).

1931 — Our manufacturing headquarters move from **California to Illinois** and we change the standard paint color of our machines from gray to yellow.

1931 — Cat® machines help start the construction of more than **70,000 miles** of U.S. highways.

1944 — We form our first overseas subsidiary – **Caterpillar Tractor Co. Ltd.** in England – the start of building plants outside the United States to be closer to customers.

1948 — Caterpillar machines go to work on **India's Bhakra Dam**.

1950 — Caterpillar engines supply power for **Apollo moon mission**.

1969 — Setting forth the company's beliefs to guide the organization in all aspects of its worldwide business activities, Caterpillar publishes a Worldwide **Code of Conduct**. Since then, the Code has been updated five times to reflect the company's culture and the ever-changing business environment.

1974 — **Business units reorganize** to become more accountable for results.

1986 — A **$1.8 billion** facility modernization program streamlines manufacturing processes and enhances profitability.

1990 — **Acquisitions** of Progress Rail, Electro-Motive Diesel, Johan Walter Berg AB, Bucyrus, MWM and Shandong SEM Machinery Co., Ltd.

1992 — Cat® engines with **ACERT™ Technology** are unveiled to dramatically reduced harmful pollutants and waste emissions.

2001 — Caterpillar introduces SoLoNox Technology for gas turbines.

2006 TO 2013 — Caterpillar introduces the **Cat® D7E** in 2008 with a first-of-its-kind electric drive system.

WHAT WE'RE SOLVING.

WHERE WE'RE HEADED.

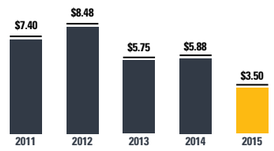
AT-A-GLANCE

FINANCIAL PERFORMANCE

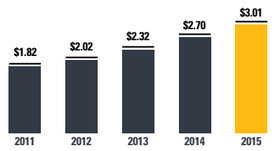
PRODUCT LINE

- Construction
- Mining Equipment
- Diesel & Natural Gas Engines
- Industrial Gas Turbines
- Diesel-Electric Locomotives

PROFIT PER SHARE
(DILUTED)



DIVIDENDS DECLARED
(PER SHARE)



END MARKETS INCLUDE:

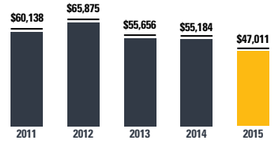
Building Construction
Roads and Highway Construction
Infrastructure Projects
Mining
Quarrying
Oil & Gas
Power Generation
Marine
Rail
Industrial

3Million+
Products at Work Around the World

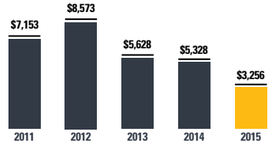
105,700
Employees

59%
Sales and Revenues Outside the United States

CONSOLIDATED SALES AND REVENUES
($ IN MILLIONS)

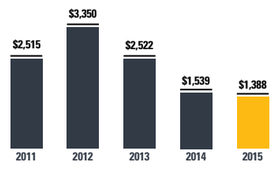


OPERATING PROFIT
($ IN MILLIONS)

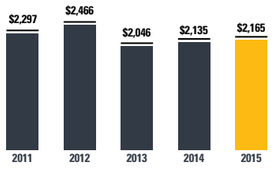


CONSOLIDATED SALES AND REVENUES BY SEGMENT
($ IN MILLIONS)

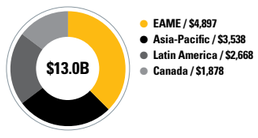
CAPITAL EXPENDITURES
(EXCLUDES EQUIPMENT LEASED TO OTHERS)
($ IN MILLIONS)



RESEARCH AND DEVELOPMENT
($ IN MILLIONS)



2015 EXPORTS FROM U.S. BY REGION
($ IN MILLIONS)



CATERPILLAR®

AT-A-GLANCE

2020 SUSTAINABILITY GOALS

Caterpillar has set aspirational, long-term goals for its operations and product stewardship. We believe these standards affirm our determination to lead our industry to a more sustainable future.

2020 GOALS FOR OPERATIONS

SAFETY
Reduce our recordable workplace injury rate to 0.6 and lost-time case rate due to injury to 0.15.

WATER
Reduce water consumption intensity by 50 percent from 2006.

ENERGY
Reduce energy intensity by 50 percent from 2006.

BYPRODUCT MATERIALS
Reduce byproduct materials intensity by 50 percent from 2006.

ENERGY
Use alternative/renewable sources to meet 20 percent of our energy needs.

SUSTAINABLE CONSTRUCTION
Design all new facility construction to meet Leadership in Energy and Environmental Design (LEED) or comparable green building criteria.

GHG EMISSIONS
Reduce greenhouse gas emissions intensity by 50 percent from 2006.

PRODUCT STEWARDSHIP

SAFETY
Provide leadership in the safety of people in, on and around our products.

PRODUCTS, SERVICES AND SOLUTIONS
Leverage technology and innovation to improve sustainability of our products, services and solutions for our customers.

SYSTEMS OPTIMIZATION
Increase managed fleet hours by 100 percent from 2013.

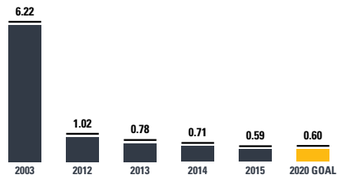
REMAN AND REBUILD
Increase remanufactured and rebuild business sales by 20 percent from 2013.

AT-A-GLANCE

SUSTAINABILITY GOALS & PROGRESS

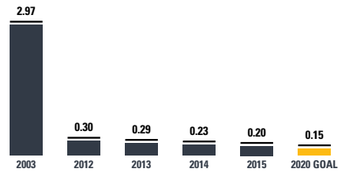
RECORDABLE INJURY FREQUENCY (RIF)

Recordable injuries per 200,000 hours worked



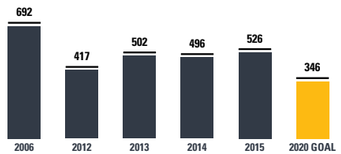
LOST-TIME CASE FREQUENCY RATE (LTCFR)

Work-related injuries resulting in lost time per 200,000 hours worked



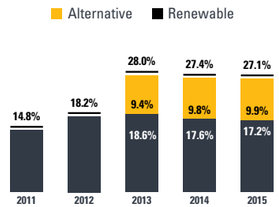
ENERGY INTENSITY

Absolute gigajoules energy use/million dollars of revenue



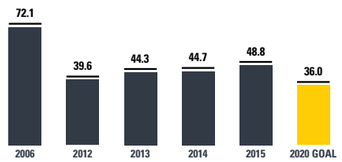
ALTERNATIVE/RENEWABLE ENERGY[1]

Sum of alternative and renewable electrical energy use/total electrical use x 100



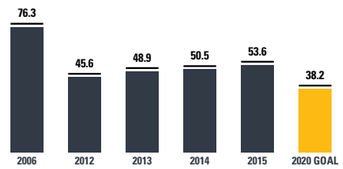
GHG EMISSIONS INTENSITY

Absolute metric tons of CO2e/million dollars of revenue



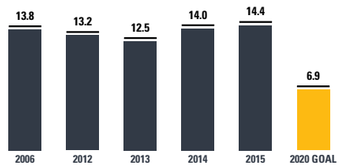
WATER CONSUMPTION INTENSITY[2,3]

Absolute thousand gallons of water/million dollars of revenue



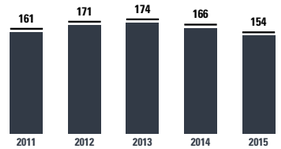
BYPRODUCT MATERIALS INTENSITY

Absolute metric tons of byproduct materials/million dollars of revenue



REMAN END-OF-LIFE "TAKE-BACK" BY WEIGHT[4]

Millions of pounds of end-of-life material received



1 Total includes purchased and on-site generated alternative and renewable energy, as well as calculating the percentage of renewable energy from grid-purchased electricity using data obtained from the International Energy Agency.
2 Data prior to 2015 has been restated due to data updates realized from improved accuracy.
3 Water consumption intensity does not include non-contact cooling water from foundry operations.
4 Data does not include Progress Rail, Electro-Motive or Solar Turbines.

WHERE WE'RE HEADED.

We're investing in the future and, as we always have, facing challenges head on and delivering the products and services that will keep Caterpillar the industry leader tomorrow, as it is today.

WHERE WE'RE HEADED

DATA AND INNOVATION

For 90 years, Caterpillar has delivered breakthrough innovation inside our machines and engines. Today, that innovation is increasingly happening outside the machine. We're going "beyond the yellow iron," harnessing the power of big data to offer our customers insights that decrease operating costs, increase uptime and maximize profitability. In the process, we're shaping a new era for Caterpillar in which we not only manufacture machines and engines, but also deliver value-added solutions that take our customer relationships to an entirely new level.

SIMULATION LEADS TO PRODUCT DESIGN OPTIMIZATION AND EFFICIENCY

The increased use of simulation in the development of everything from power systems to machine structures has truly allowed Caterpillar to improve overall product development efficiency, sharpening product quality and reducing time to market. Simulation reduces or eliminates the need for prototypes to be used in the design phase of development.

The large wheel loader team leverages the use of simulation in each new product development program. In fact, the first full phase of the Cat 994K product design, which is the largest wheel loader in Caterpillar history, was done virtually, and simulation touched every area of this new centerline machine at some point along the way.

CAT® COMMAND STEERS MINING IN A NEW DIRECTION

A fleet of gigantic Cat® 793 haul trucks rumbles along the dusty, red-sand haul roads of the Solomon mine in a vast, arid region of Western Australia. Working continuously, 24/7, the trucks maneuver through mine site traffic, back up into loading points and navigate to dump sites – all with minimal human intervention.

Iron is the reason Fortescue Metals Group (Fortescue) is there. At full operation, the new Solomon mine is projected to deliver 70 million tonnes of ore annually. It's a big job – and one that demands safety and maximized productivity. That's where Caterpillar's deep understanding of the mining industry and our customers' needs put us in the ideal position to offer semi-autonomous and autonomous solutions such as Cat® Command for Hauling. The realization of a longtime dream of the mining industry, Cat Command has improved safety and productivity.

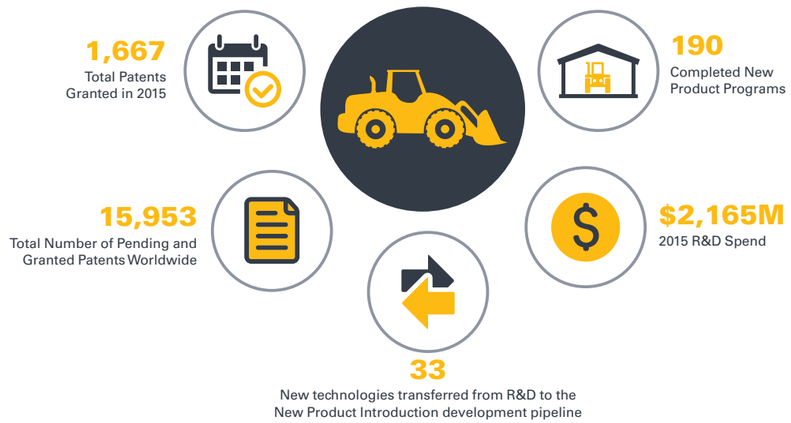
Trucks operating with Cat Command for Hauling use sophisticated onboard intelligence and advanced guidance technology, so a small number of people can run the whole project and centralize the control. For job sites such as underground mines, autonomous solutions are fast becoming a safety necessity.

Since its inception, Cat Command has gone through a progression of offerings. Semi-autonomous solutions such as Command for Dozing, for instance, allow one operator to oversee up to three semi-autonomous Cat® D11s – Caterpillar's largest dozers – by remote control. There's even an option where the operator has no line of sight to the dozers and uses cameras for feedback.

"Every mine takes a different journey to autonomy," explains Sean McGinnis, product development manager. "But that path always leads to a safer, more productive mine site. Cat Command reduces variations in the way the machine is operating, ensuring that it operates the same way, every time. It's like having the mine's best operator at the controls, but he or she is located safely away from any potential hazards. It's the best of both worlds: increased productivity combined with increased safety."

Today, the Cat Command concept continues to meet customer needs in ways that we couldn't anticipate five years ago. That's what makes innovation exciting and what energizes us to keep finding solutions that make a real difference.

INVESTING IN R&D



WHERE WE'RE HEADED

CUSTOMER SUPPORT

Our business strategy is a simple one: make our customers more successful. We work with our dealer network every day around the world to ensure that success – at construction sites and mining quarries and power plants. Our goal is to speed the delivery of customer support by being an agile organization positioned to respond efficiently and effectively to customer needs. Because when our customers win, we win.

POWER TO PRESERVE THE PAST

The beautiful grounds and stunning architecture of Thomas Jefferson's historic residence, Monticello, function today as an important U.S. landmark, world-class museum and academic think tank, attracting more than 400,000 annual visitors.

Located outside of Charlottesville, Virginia, Monticello also houses one of the country's oldest and largest collections of historic documents. To help preserve and protect those irreplaceable collections for future generations, Caterpillar donated a 500kW Cat® C15 generator set, with local Cat dealer Carter Machinery providing the technical support, commissioning and testing. This followed a previous donation of a 350 kW Cat® C15 diesel generator set that provides standby power for Monticello's Robert H. Smith International Center for Jefferson Studies.

The donations were part of the estate's "Mountaintop Project," a multiyear effort to authentically restore the house and grounds to their appearance during Jefferson's retirement. We are proud to see these valuable assets entrusted to the quality and reliability of Cat® products.

CATERPILLAR®

HOMESTEAD DAIRY TURNS PROBLEM INTO PROFIT

Based in Plymouth, Indiana, Homestead Dairy began as a modest family farm with only 110 cows. In 1979, brothers Floyd and Dan Houin purchased the farm from their dad and turned it into the massive dairy operation that it is today. The dairy now hosts 1,800 milking cows and 300 dry cows, while an additional 1,700 cows come in from three nearby facilities for milking. However, more cows means more manure, and the odor directly impacted nearby residents.

The Houins saw the possibility to turn a problem into a profit. They decided to build a biomass waste-to-energy facility that could convert the manure into electric power. Floyd knew that Homestead Dairy's equipment would need to run 24/7 with minimal downtime, so dependability was the deciding factor in choosing Caterpillar to supply the power. In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.

Homestead Dairy partnered with local Cat® dealer, Michigan Cat, to customize a power generation system for Homestead Green Energy, the energy-producing business within the dairy – two Cat® G3512A generator sets and ancillary equipment.

In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.

Homestead Green Energy has been in constant operation since October 2013, and the Cat® generator sets are essential to the waste-to-energy process. The manure is collected in pools and piped 1,700 feet to a pair of mixing tanks that empty into two anaerobic digesters. Once inside the tanks, the waste is heated and treated with microbes that produce methane gas, which is used to fuel the gas generators. Generator exhaust heat and jacket water heat are used to warm up the digesters as part of the fermentation process.

Beyond odor reduction and the financial return from producing electricity, Homestead Dairy uses the dewatered solids from the digesters as clean bedding for the cows. Additionally, the liquid nutrient byproduct is held in lagoons and used to fertilize the farm fields.

"By turning this abundant substance into an income stream, we've made the dairy more profitable," said Ryan Rogers, plant operator for Homestead Green Energy. "It also helps increase nutrient value, which is great for the environment. The crops absorb the manure better, and odor reduction for the community is a huge benefit."

The Homestead Green Energy installation demonstrates the economic viability of smaller-scale, waste-to-energy operations to create wins for business, the community and the environment.

WHERE WE'RE HEADED

EFFICIENCY

In an insistent and urgent world, winning organizations make the most of every minute, resource and opportunity. Caterpillar is going after that win by leveraging Lean, Engineered Value Chains and building strong Foundational Capabilities throughout our value chain to fulfill our Customer Service Promise, maximize Operating Profit After Capital Charge (OPACC) and create a competitive advantage. We're becoming a more disciplined, less complex organization that is committed to finding smarter and faster ways to work across the enterprise. This translates into a powerful competitive advantage that helps Caterpillar improve market position and sustain long-term success.

LEAN BENEFITS

CATERPILLAR®

Stabilizing the Business

Enhancing Product Quality

Improving Velocity

Driving Value for Our Shareholders

RESOURCE INDUSTRIES
OFF-HIGHWAY TRUCK
45%
Reduction in field assembly time

ENERGY & TRANSPORTATION
MID-SIZE ENGINES
18%
Increase in throughput

CONSTRUCTION INDUSTRIES
MOTOR GRADER
65%
Inventory reduction (days on hand)

Since 2013, we have been committed to Lean to drive process and quality improvements at Caterpillar. Lean challenges all employees to get closer to the customer so they can deliver products and services based on the customers' true expectations. Our Lean journey goes beyond manufacturing to include all functional areas that execute business processes on a daily basis, including engineering, marketing, purchasing, accounting and human resources.

CATERPILLAR®

A GLOBAL SUPPLY NETWORK THAT DELIVERS UNDER PRESSURE

Nearly 40 percent of U.S. trade to and from Asia passes through West Coast ports in California. Keeping the flow of goods through these ports moving swiftly and efficiently is a priority for logistics and procurement networks across countless companies, including Caterpillar.

When a three-month labor dispute at one of these ports resulted in significant terminal congestion, the expertise of Caterpillar's logistics team translated into millions of dollars in savings, as well as ensuring that our supply flow remained resilient.

When business operations eventually returned to normal, many companies were left dealing with severe financial impact. While Caterpillar experienced added costs and some slowing in our materials flow, these were a fraction of the impact on other companies. That's how we know our Global Supply Network can deliver under pressure – not merely reacting to fluctuations in logistics, but truly taking charge of and managing our supply network.

Our staying power throughout the slowdown was due, in very large part, to the collaboration and flexibility of our Global Supply Network. Using a winning combination of procurement and logistics data and innovative thinking, a clearer inventory picture emerged to help streamline and divert shipments.

"We were able to see not only the best ports, but also the best terminals in those ports," explained Global Supply Network Director of Logistics Scott Shepherd, "so we could react faster and accurately reroute shipments. This allowed us to move material more quickly, while limiting added costs and overall supply disruption."

AN INDUSTRY LEADER WITH WORLD CLASS RESULTS

Caterpillar continues to improve upon historical best safety performance, and we are an industry leader with world-class results. Beginning in 2003, we implemented an enterprise-wide initiative to focus on safety called Vision Zero. Today, we're proud that our Recordable Injury Frequency has improved 91%, but there is more work to do. Breakthrough safety performance is continuing with our Lean Transformation by focusing on standard work, which means more folks are going safely home, every day.

WHERE WE'RE HEADED

PEOPLE

Best quality. Best reliability. Best endurance. The same attributes that define our products define our people – more than 105,000 of them around the world. For 90 years, Caterpillar people have been building the machines that have built our world. We're confident that Caterpillar's long-term future is secure thanks to our global team's drive to perform at a superior level. It's a commitment that extends beyond the workplace where Caterpillar employees contribute their time and talents to making the world around us a better one.

REAL CAT FOLKS

To showcase the rich diversity, passion for life and strong work ethic present in our Caterpillar family, we began the Real Cat Folks project. Inspired by Humans of New York, the project highlights that Caterpillar employees are real people – with real families, real pasts, real dreams and real stories. Visit caterpillar.com/RealCatFolks to see dozens of published profiles, and check back weekly for updates.

"I grew up on a cotton field on the coast and came to Suzhou for school. Suzhou is a beautiful city with the combination of modern industry and ancient history. I like to spend my spare time playing soccer and climbing mountains in the neighborhood. I've always wanted to learn to play guitar and want to play for my son in the future. He's 14 months old, and my biggest wish is to watch him grow up happily."

— YOUXIANG ZHANG, CHINA

"Caterpillar gave me a chance after being unemployed for five years. I never thought they'd hire me because of my age. When my youngest was having a rough time, I told her to fill out an application. The next thing I knew, she was hired on full time after three months of being an agency worker. Today she's a team lead, going strong and learning as much as she can. I'm very proud of her."

— HARRY, UNITED STATES

CATERPILLAR®

MARKING MILESTONES AT BOTH ENDS OF A CATERPILLAR CAREER

In 2015, two Caterpillar employees marked career milestones in two very different journeys. Their stories illustrate the satisfaction that comes at the end of a long career and the exhilaration that comes from being given the first chance to give your all.

In early 2015, Ed Flesburg retired after 60 satisfying years of service with Caterpillar. As a 6 Sigma Black Belt within the Global Supply Network Division (GSND), and over the course of his notable career, Ed achieved much success and delivered many outstanding results for the company.

Ed began his career in 1955, as a chip wheeler in East Peoria, Illinois. After returning from deployment to Korea, he spent the next 51 years in many different roles with the company, from janitor to drafting, designing and engineering.

Throughout his tenure, Ed achieved four company patents to his name, developed 14 major design changes, resolved 11 major design problems and generated more than $55 million in cost reductions. In addition, he pioneered the development of the heat transfer coolant category, where his experience and expertise was priceless.

Ed's manager, James Dryden, sums up Ed's outstanding tenure: "Famous basketball coach John Wooden once said 'Who can ask more of a man than giving all within his span? Giving all, it seems to me, is not so far from victory.' I cannot think of a better quote to describe Ed's work ethic and outstanding accomplishments to make Caterpillar the successful company it is today."

As Ed was accepting well wishes for the future from his grateful team, thousands of miles away 19-year-old Farooq Kahn was looking forward to the future for the first time in a long time. Farooq is training as an industrial mechanic at Caterpillar Mining in Lünen, Germany. His arrival at Caterpillar marks a milestone in a remarkable journey.

Farooq escaped from his home country of Afghanistan when he was only 15 years old, leaving his parents and siblings and all he knew behind him. It took him five months to arrive in Germany. He spoke not one word of German, had a very dangerous escape behind him and was completely on his own.

After his graduation from German elementary school, Farooq sent over 70 applications to companies, but only Caterpillar in Lünen was willing to give him a chance. At the time his German language skills were limited, and, as a refugee, he only had a temporary residence permit.

According to a study conducted in Germany, only 15 percent of companies are ready to hire young people with foreign roots. Caterpillar in Lünen has been a part of this small group of companies for years, but Farooq, now successfully integrated into the company, was the first refugee hired.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.

"We strongly believe it to be part of our social responsibility to give young people like Farooq the possibility to enjoy a good education."

Farooq's aim is to successfully complete his industrial mechanic training and then possibly continue his studies. His instructor is very enthusiastic about his curiosity, ambition and commitment. "All I want is to build a new life for me here," said Farooq.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.

WHAT WE'RE SOLVING.

Caterpillar continues to help make sustainable progress possible by offering solutions to ongoing challenges in our world today.

SAFE WORKPLACE SOLUTION

REVITALIZING A CULTURE OF SAFETY

As we work to reduce our enterprise Recordable Injury Frequency (RIF), there are countless large and small steps we have taken, as demonstrated by our progress to date. But even the most dedicated facilities sometimes reach a "safety plateau," where further improvements become more difficult to achieve. When our Mapleton, Illinois, Cast Metals Organization facility found their safety numbers plateauing at the end of 2012, they deployed facility-wide initiatives to break through to the next level of safety excellence.

The safety team, aided by the commitment of each of the nearly 600 employees on site and the Caterpillar Safety Services Zero Incident Performance (ZIP™) Process, undertook a cultural shift in how they address safety, thinking of the program as 'creating the presence of safety' rather than 'the absence of injuries.' Part of this shift involved making the concept of safety personal. An acronym like RIF is not easy to relate to daily work, but seeing and discussing how each injury affects real people in their work and personal life truly drives home the importance of safety. The safety team encouraged this viewpoint by dedicating all-employee meetings to recent on-site injuries and dialogues about how to make safety proactive instead of reactive. In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.

In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.

Many of the safety improvements that Mapleton has implemented to break through its safety plateau have been generated by the employees themselves using a "Green Card" program to document and communicate when employees identify, and proactively fix, a safety risk. In 2015, Mapleton employees submitted nearly 5,000 Green Cards representing potential hazards or conditions that they worked on independently or with management to address, and believed could be improved. The facility also uses a "Star Green Card" system to allow department heads to further recognize employees who have gone above and beyond to fix a potential safety risk. The facility has implemented a full-time Safety Champion position for each department, empowering employees to apply their specific knowledge of shop floor and safety practices to work with department heads to enact health and safety initiatives.

Because safety communication has been fundamental to the success of Mapleton's efforts, the safety team created a safety improvement video, which is screened throughout the facility and updated each month to reflect the process and facility safety improvements that have been implemented. Often these videos highlight innovative solutions developed and implemented by the employees. Facility Manager Gary Bevilacqua attributes the success of the videos to the fact that it is a communication method that allows a different type of dialogue. "People are starting to talk about safety more openly and listening to the messages on the videos," he said. "It's generating awareness and more individuals are coming forward with new ideas and aren't afraid to discuss them with their teams."

CATERPILLAR®

WHAT WE'RE SOLVING

RENEWABLE ENERGY SOLUTION

BRINGING RENEWABLE ENERGY TO ANYWHERE IN THE WORLD

Renewable energy technologies are showing great promise to change how energy is produced around the globe, while addressing basic human needs. In 2015, Caterpillar launched a number of initiatives that will provide reliable, cost-effective and sustainable energy wherever it is needed.

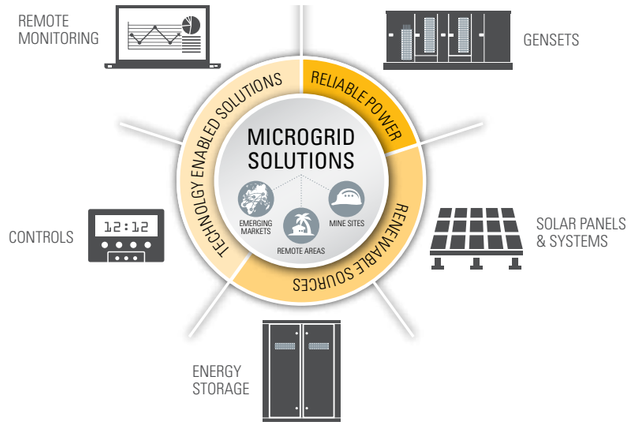
For example, microgrid technologies that couple renewable energy generation with traditional generators and energy storage systems can be deployed to places where the grid is weak, or does not reach. In 2015, Caterpillar entered a strategic alliance with solar industry leader First Solar to develop and distribute Cat branded photovoltaic modules for incorporation into microgrid systems that can be utilized anywhere from remote villages to mining operations. Caterpillar will distribute this innovative technology through our global network of dealers, providing value to our customers by integrating solar energy systems with Caterpillar's trusted expertise in distributed power generation technologies.

Caterpillar is also leveraging the advanced thin film solar panel technology for our traditional commercial and industrial customers' energy needs in more developed markets such as the United States and China. The thin film solar panel technology has higher energy capture characteristics than traditional solar panels, yielding increased annual energy production for our customers. Integration of these products with traditional standby generator sets allows customers to leverage the benefits of renewable energy even if the grid goes down, providing an even higher level of energy independence.

Another important technology that is rapidly progressing is energy storage systems, which allow customers to capture surplus renewable energy and store it for later use. Caterpillar, leveraging our bi-directional inverter technology developed for mining trucks and hybrid tractors, offers a full range of energy storage technologies, ranging from ultracapacitors for short duration storage to long duration metal- air energy storage products. Recognizing the benefit that energy storage technology can offer our customers, in 2015 Caterpillar invested in Fluidic Energy, the makers of metal-air energy storage technologies. We chose Fluidic Energy for this endeavor because the company's technology offers potentially significant advantages in terms of energy storage cost, depth of discharge, cycle life and safety over some traditional energy storage products.

Leading by example, Caterpillar is first deploying world-class microgrid technologies at some of its own facilities. Many Caterpillar operations resemble the commercial/industrial operations of our customers, so microgrid installations at Caterpillar facilities provide a hands-on educational and training experience for customers and dealers while simultaneously providing cost and emission reductions for the company. A prime example is the Caterpillar Tucson Proving Ground facility located in Arizona. Caterpillar performs validation testing of its mining equipment at this site, which comprises an office building, shop areas and large open-air test areas. Existing Cat® C15 diesel generator sets operate continuously to provide approximately 400kW of electricity to the site, consuming approximately 250,000 gallons of diesel fuel per year. Extending the local utility grid to this remote location is cost-prohibitive, but microgrid technology is now a cost-effective complement to diesel generators alone. We are installing 500kW of solar panels, 500kW of energy storage and a microgrid controller to seamlessly integrate these sources with the existing diesel generators. The system will carry the site load during daylight hours, enabling the diesel generators to reduce power output and shut down. Fuel consumption and exhaust emissions are expected to be reduced by 33 percent, and generator maintenance is expected to be reduced by 25 percent, with the resulting cost reductions providing an attractive return on the investment in the microgrid. Real-time performance of the system will be monitored remotely and will be available for viewing online by select Cat® dealers.

Moving forward, we intend to deploy similar microgrid systems, solar panels and energy storage systems to customers throughout the world – whether in remote villages, mining sites, islands, military installations, telecommunications facilities, or commercial/industrial facilities. By expanding Caterpillar's broad power generation portfolio and solutions, we are reducing customer costs and site emissions, while expanding access to electricity to those in the greatest need. Our goal is simple – to provide our customers and the communities where they work and live a brighter future no matter where they are in the world.



WHAT WE'RE SOLVING

MATERIAL RECOVERY SOLUTION

MATERIAL RECOVERY

Caterpillar encourages circular economy principles through our remanufacturing and rebuild businesses. This starts with durable products, many designed to be rebuilt multiple times. Through our remanufacturing and rebuild programs, components and machines are overhauled, rather than simply repaired or replaced. Reuse of parts, still within factory specifications, reduces waste and minimizes the need for additional raw materials necessary to produce new parts. This system is where Caterpillar is making some of its greatest contributions to sustainable development – keeping non-renewable resources in circulation for multiple life cycles.

For more than 40 years, Caterpillar's remanufactured products have provided same-as-when-new performance, reliability and warranty at fraction-of-new costs, as well as availability that gives customers more options at repair and overhaul time.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers a competitive advantage.

An excellent example of how our reman programs deliver value to customers can be found in the island nation of Dominica. There, almost all energy is produced using a combination of gas, diesel and fuel-oil generators. Rimco, the Cat® dealer in the Eastern Caribbean, has put a priority on offering remanufactured parts and components to the local electricity companies and customers. Remanufactured parts are more affordable, helping to manage operating costs, and are more readily available on the market, allowing faster turnaround time in the event of emergency repairs.

For instance, a local energy company uses 11 Cat® generators – primarily Cat® 3516, Cat® 3608 and Cat® 3612 engines – to supply the majority of the island's electricity. During 2015, two of the main generators needed emergency replacement parts, reducing the backup power available and increasing the risk to a disruption in energy supply to the island. Rimco provided remanufactured parts to the energy company, ensuring they could keep the power flowing without interruption.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers like Rimco a competitive advantage and has helped the 35-year-old company meet the needs of its customers across the Eastern Caribbean efficiently and affordably.

CATERPILLAR®

WHAT WE'RE SOLVING

SANITATION IMPROVEMENT SOLUTION

SUPPORTING GLOBAL SANITATION IMPROVEMENTS

When we seek to meet basic human needs around the world, particularly those of women and girls, sanitation is a high-impact area where we can focus our efforts. In 2015, the Caterpillar Foundation continued our support of The Global Poverty Project (GPP) with an investment to support universal access to sanitation. The grant will help GPP advocate for policies around the world that enable entrepreneurship, especially for women, by removing barriers caused by poor and inequitable access to sanitation – such as places to hand wash or use the toilet – and lack of access to basic education. GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises. Combined, these measures would return an estimated $220 billion to the global economy annually.

GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises.

In 2015, the United Nations adopted the Sustainable Development Goals (The Global Goals), a series of 17 goals with 169 targets to be achieved by 2030. Included in these goals were two key aspects of our policy partnership with GPP: the recognition of the need to ensure access to adequate sanitation and hygiene for all, and a commitment to end open defecation, especially for women, girls and those in vulnerable situations. GPP will continue to work on other aspects of our sanitation-policy partnership, including securing a $10 million-per-year increase in Water, Sanitation and Hygiene (WASH) aid from the United States government, and urging four new governments or companies to allocate new, additional financial resources to sanitation efforts.

WHAT WE'RE SOLVING

NATURAL INFRASTRUCTURE SOLUTION

SHINING A LIGHT ON THE CLIMATE BENEFITS OF NATURAL INFRASTRUCTURE

Cat® products are used to support infrastructure projects around the world, including natural infrastructure projects such as the restoration of forests, wetlands and other landscapes. We believe that Caterpillar's expertise across industries puts us in a prime position to drive the global discussion on the importance of natural infrastructure and its restoration. Not only is sustainability one of our Core Values, but over our 90-year history we have also built relationships across a wide range of infrastructure businesses that will be critical to restoring the world's natural landscapes. Already, Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Around the world, governments, industries and individuals are talking about climate change, the threats it poses to our livelihoods and the best ways to address it. The majority of the conversation has focused on the role energy plays in our global carbon footprint. Natural infrastructure – forests, prairies, agricultural lands, coastal landscapes, wetlands and other landscapes – also plays a vital role in managing carbon and supporting global sustainability. In 2015, to complement our existing initiatives focused on reduction of greenhouse gases, Caterpillar spearheaded an effort to raise awareness of the benefits of natural infrastructure.

Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Natural infrastructure sequesters billions of tons of carbon for productive use in plants and soils. Scientists say that more carbon resides in soil than in the atmosphere and all plant life combined; there are 2,500 billion tons of carbon in soil, compared with 800 billion tons in the atmosphere and 560 billion tons in plant and animal life. The food, fiber and lumber produced from natural infrastructure provide our nourishment and much of the raw materials for clothing and housing. With the earth's population expected to grow from 7 billion to more than 9 billion in the next few decades, ensuring the health and productivity of our natural infrastructure will be integral to meet the growing need for food and other basic human needs.

Land and Water Resources for Food and Agriculture (SOLAW), found 25 percent of the world's lands are now considered "highly degraded" as a result of poor management practices. This means that an area roughly the size of North America may suffer from deforestation, desertification, severe erosion and wetland contamination. As a result, communities that depend on these lands may experience less productive farmland, poorer water quality and lower storm resilience. According to Ohio State University's Carbon Management and Sequestration Center, restoring soils of degraded and desertified ecosystems has the potential to provide an additional 1 billion to 3 billion tons of in-soil carbon storage capacity annually, equivalent to approximately 3.5 billion to 11 billion tons of CO_2 emissions.

In November 2015, Caterpillar hosted the first major national summit in the United States of diverse stakeholders who have a part to play in natural infrastructure restoration. The summit brought together leaders from engineering, construction, finance, governments, academia and nongovernmental organizations to establish a coordinated effort across these industries to develop and deploy sustainable development solutions. Participants delved into the scientific and business cases for natural infrastructure restoration and brainstormed policies, business models and financing solutions needed to expand the world's natural infrastructure restoration efforts.

Following the summit, Caterpillar has published a comprehensive white paper detailing the summit discussions. The paper highlights the recommendations that businesses and governments may consider to increase the effectiveness of efforts to restore natural infrastructure and keep pace with our need for the critical services, including carbon sequestration and resources, that natural ecosystems provide. Through the use of our products for natural infrastructure restoration projects and continuing to increase awareness, this is another way that Caterpillar can continue to build a more sustainable world.

WHAT WE'RE SOLVING

SUSTAINABILITY VISION, MISSION, STRATEGY & PRINCIPLES

VISION

Our vision is a world in which all people's basic needs – such as shelter, clean water, sanitation, food and reliable power – are fulfilled in a sustainable way and to be a company that improves the quality of the environment and the communities where we live and work.

MISSION

Our mission is to enable economic growth through infrastructure and energy development, and to provide solutions that support communities and protect the planet.

STRATEGY

Our strategy is to provide work environments, products, services and solutions that make safe, productive and efficient use of resources as we strive to achieve our vision. We apply innovation and technology to improve the sustainability performance of Caterpillar's products, services, solutions and operations. We believe sustainable progress is made possible by developing better systems that maximize life cycle benefits, while also minimizing the economic, social and environmental costs of ownership, as reflected in our sustainability principles. We will execute our strategy by working to meet our aspirational sustainability goals.

SUSTAINABILITY PRINCIPLES

Sustainability is part of who we are and what we do every single day. We recognize that progress involves a balance of environmental stewardship, social responsibility and economic growth.

Caterpillar Sustainability Principles drive our commitment to make sustainable progress possible.

Prevent Waste (Improve Safety, Efficiency and Productivity):

By increasing the safety, efficiency and productivity of processes and products, we reduce cost and minimize the use of materials, energy, water and land. We provide a safe work environment and the tools and training employees need to work safely. We provide customers with products, services and solutions that improve the sustainability of their operations.

Improve Quality (Team, Community, Environment and Operations):

We focus on improving quality for our company, customers, communities, environment and the quality of life for our employees. We use Lean and 6 Sigma to improve our operations and products. Our employees and their families experience a better quality of life when the quality of our company, communities and the environment is maintained. We attract and develop the best teams.

Develop Better Systems (Innovate):

We leverage innovation and technology to maximize efficiency and productivity. We remanufacture, rebuild and recycle to conserve resources for multiple life cycles. We develop products that contribute to communities through infrastructure development and energy access. We develop better systems throughout the value chain, "engineering the whole chain, not just the links," in order to maximize life cycle benefits.

OFFICERS

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D. James Umpleby III
Denise Johnson – effective 2016

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Lance W. High

Corporate Secretary
Christopher M. Reitz

Assistant Secretary
Patrick G. Holcombe

Assistant Secretary
Joni J. Funk

*Appointed in 2015
**Retired in 2015

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LEGAL STATEMENTS

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Forward-Looking Statements Certain statements in this 2015 Sustainability Report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets, limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential, resulting in increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events, including natural disasters; and (xxix) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 16, 2016, for the year ended December 31, 2015.

To learn more about Caterpillar in 2015 and our sustainability journey, please visit the full 2015 Year in Review and Sustainability Reports at http://reports.caterpillar.com/

Caterpillar Inc.
100 NE Adams Street
Peoria, Illinois 61629 USA
1 (309) 675-1000

CATERPILLAR®

Re: Due November 4 -- Exemption request for business license

Tax-License Tax-License to: Schreifels_Ann_M 10/26/2016 03:43 PM
Cc: "Jeffrey Whiting"

Caterpillar: Confidential Green Retain Until: 11/25/2016
History: This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.
https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXylY2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJAl6F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels_Ann_M@cat.com> 10/14/2016 11:47 AM >>>
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels
Americas Marketing Supervisor
Governmental Sales & Business Processes
Global Construction & Infrastructure
100 NE Adams St. | Peoria, IL | USA | 61629
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Casualty Insurance Program*

Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.

If Caterpillar's net worth drops below $1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.

Please contact (309) 675-4645 if you have any questions.

CATERPILLAR®

Certificate of Insurance

Statement of Insurance

From: *Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

Re: *Verification of Property Insurance Program*

Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.

Caterpillar Inc. will honor its responsibilities assumed under any agreement.

Please contact (309) 675-8400 if you have any questions.

CATERPILLAR®

Effective with sales to the first user on or after July 1, 2016

CATERPILLAR LIMITED WARRANTY

Earthmoving, Construction, Material Handling, Forestry and Paving Machines

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

Note: New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

continued…

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.
NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000,THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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Effective with sales to the first user on or after January 1, 2014.

CATERPILLAR LIMITED WARRANTY

Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."
- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side....)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.

NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

- **I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR**
- **II. PRODUCTS THAT COST AUD 40,000 OR LESS,**

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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City of Tucson

License Certificate

Business Name and Tucson Mailing Address:

EMPIRE SOUTHWEST LLC
PO BOX 2985
PHOENIX AZ 85062-2985

License Number: 3006282

Type: General Freight Trucking, Local

Issue Date: December 31, 2015

Expiration Date: December 31, 2016

Owner:
EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.

FOLD HERE

CITY OF TUCSON, ARIZONA
FINANCE DEPARTMENT
REVENUE DIVISION - LICENSE
Expiration Date: December 31, 2016

Non-Transferable

3006282

MUST BE DISPLAYED IN A CONSPICUOUS PLACE

Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson. Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By _____
Finance Director

Caterpillar Inc.
100 NE Adams Street
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Southwest, LLC
P.O. Box 2985
Phoenix, AZ 85062-2985

Any questions regarding payments should be directed to your account manager or to accounts.receivable@empire-cat.com.

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)
Pavers	
AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%
Rollers	
CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

***Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.**

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

Reclaimers

RM300	14.00%
RM500	14.00%

Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

Site Prep Tractor

586C	20.00%

Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

Articulated Trucks	
725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%
Rigid Frame Trucks	
770	10.00%
773	10.00%
Landfill Compactors	
816	14.00%
826	14.00%
836	14.00%
Wheel Dozers and Soil Compactors	
814	15.00%
815	15.00%
824	15.00%
825	15.00%
Wheel Loaders	
903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%
Track Loaders	
953	20.00%
963	23.00%
973	23.00%
Worktools	15.00%
Caterpillar Safety Services	15.00%

Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	Participant Discount
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)*	
D13	50%
D20	50%
D25	50%
D30	50%
60 HZ, 40 - 175 kW *(Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)*	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%
60 HZ, 40 - 60 kW *(Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)*	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
60 HZ, 40 - 100 kW *(Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)*	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
60 HZ, 125 - 175 kW *(Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)*	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
60 HZ, 200 kW *(Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)*	
D200-2 (3 phase)	35%
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
C13PGAN, 350kW & 400kW	37%
C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	

C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
(EPA & CARB Tier 4 Final Emissions Certified)	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
(EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited	
(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt
(Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List) 17%

G3516H, 60HZ, 1500 RPM, 3 Phase
(Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List) 17%

G3520H, 60 HZ
(Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List) 17%

G3520, 60 HZ, 2055, 1900, or 1600 eKW
(Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List) 17%

CG132, CG170, CG260 (custom) 15%

Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets.
Each quote is custom for the specific application.
However, members will receive a 15% discount off of the configured list price from each member's local dealer.

C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)
4000 kW (with Fan Rating) 24%

C175, 60 HZ, 3000 kW (EPA Tier 4)
(Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 19%

C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)
(Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)
3000 kW (with Fan Rating) 26%
3100 kW (without Fan Rating) 26%

G30PGAN, 30kW

G80PGAN, 50kW, 60kW, 80kW

G150PGAN, 100kW, 125kW, 150kW

Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW
(Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)

G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%

APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List) 17%

XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List)
20 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List)
30 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road))
(Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)

XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad))
(Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List)
60 kW* (3 or 1 phase) 45%
*There are several voltage options available

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	
455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road))	
(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified)	
(Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
*Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a **12% discount** off of the configured list price from each member's local dealer.*	
UPS (Uninterruptible Power Supply)	
60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
Plus all price list related options	20%
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Contol Panel (Reference the "CATSCPN" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

Sourced Goods & Support Service Provided	National IPA Member Pricing
Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT

REQUEST FOR PROPOSAL NO. 161534

Heavy Equipment, Parts, Accessories, Supplies and Related Services

AMENDMENT NO. ONE (1)

The referenced document has been modified as per the attached Amendment No. One (1).

Please sign this Amendment where designated and return the executed copy with the submission of your proposal. This amendment is hereby made part of the referenced RFP as though fully set forth therein. Any questions regarding this amendment should be addressed to Jeffrey Whiting, Contract Officer at (520) 837-4123 or Jeffrey.Whiting@tucsonaz.gov.

JW/lr

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON
DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534
RFP AMENDMENT NO. ONE (1)
PAGE NO. 1 OF 1
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

Heavy Equipment, Parts, Accessories, Supplies and Related Services

ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1st Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Signature Date

Print Name and Title

Company Name

Address

City State Zip

CITY OF TUCSON
REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER:	**161534**
PROPOSAL DUE DATE:	**October 27, 2016 AT 4:00 P.M. LOCAL AZ TIME**
PROPOSAL SUBMITTAL LOCATION:	**Department of Procurement** **255 W. Alameda, 6th Floor, Tucson, AZ 85701**
MATERIAL OR SERVICE:	**HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES**
PRE-PROPOSAL CONFERENCE DATE:	**October 4, 2016**
TIME:	**10:00 A.M. LOCAL AZ TIME**
LOCATION:	**City Hall, 1ST Floor Conference Room** **255 W. Alameda, Tucson, AZ 85701**
CONTRACT OFFICER:	**Jeffrey Whiting**
TELEPHONE NUMBER:	**(520) 837-4123** **Jeffrey.Whiting@tucsonaz.gov**

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: http://www.tucsonprocurement.com/ by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit www.tucsonprocurement.com, click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

******ALERT******

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at http://www.tucsonprocurement.com/Bidders_Page.aspx and click on SBE or DBE.

JW/lr

PUBLISH DATE: September 27, 2016

INTRODUCTION

The City of Tucson (herein referred to as the City) is requesting proposals from qualified and experienced firms to provide **HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES.** The City requires a contractor who provides a diverse and extensive supply of equipment for purchase and/or rental to various locations in the Tucson metropolitan area.

Heavy equipment will include, but not be limited to, the following equipment categories: Landfill, Construction, and Material Handling. The City has approximately 150 pieces of heavy equipment that falls under the heavy equipment category.

Requirements and qualifications are defined in detail in the Scope of Services Section of this Request for Proposal (RFP). The City seeks a firm that can supply the specified services, supplies, parts, equipment and materials.

NATIONAL CONTRACT REQUIREMENTS

The City, as the Principal Procurement Agency, as defined in Attachment A, has partnered with the National Intergovernmental Purchasing Alliance Company ("National IPA") to make the resultant contract (also known as the "Master Agreement" in materials distributed by National IPA) from this solicitation available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The City is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Attachment A contains additional information on National IPA and the cooperative purchasing agreement.

National IPA is the public sector arm of Provista, a multi-industry supply chain improvement company providing group organization and business solutions in various markets nationwide. We partner with sister company, Vizient (formally, Novation), to leverage over $100 billion in annual supply spend to command the best prices on products and services. With corporate, pricing and sales commitments from the Supplier, National IPA provides marketing and administrative support for the Supplier that directly promotes the Supplier's products and services to Participating Public Agencies though multiple channels, each designed to promote specific products and services to Public Agencies on a national basis. Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and competed. The Supplier benefits from a contract that allows Participating Public Agencies to directly purchase goods and services without the Supplier's need to respond to additional competitive solicitations. As such, the Supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide Supplier and respond to the National IPA documents Attachment A.

The City anticipates spending approximately $8.5 million for Heavy Equipment over the full potential Master Agreement term (5 years). For Fiscal Year 17, the City anticipates purchasing an articulating haul truck and a water wagon. While no minimum volume is guaranteed to the Supplier, the estimated annual volume of Heavy Equipment purchased under the Master Agreement through National IPA is approximately $25,000,000. This projection is based on the current annual volumes among the City of Tucson, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and National IPA.

TENTATIVE SCHEDULE OF EVENTS

To the extent achievable, the following schedule shall govern the review, evaluation and award of the contract. The dates are estimates only and the City reserves the right to modify the dates below as necessary.

Activity	**Estimated Finish Date of Activity**
RFP Published	September 27, 2016
Pre-proposal conference	October 4, 2016
Proposal due date	October 27, 2016
Anticipated Vendor Interview / Demonstration	November 28 – December 2, 2016
Anticipated Final negotiation completed	December 19, 2016
Contract award & issuance of purchase order	January 9, 2017

SCOPE OF WORK

A. GENERAL REQUIREMENTS

1. QUALIFIED FIRMS: Offerors should meet the minimum qualifications:

a. Have a strong national presence in the heavy equipment industry.
b. Have a distribution model capable of delivering heavy equipment nationwide.
c. Have a demonstrated sales presence.
d. Be able to meet the minimum requirements of the cooperative purchasing program detailed herein.
e. Be able to provide the full range of products, equipment, parts, materials and services to meet the demands of the City and all agencies that opt to participate in the cooperative purchasing program with the City.

2. PRODUCTION REPORTS: The Contractor or associated dealer must have the ability to furnish the agency ordering equipment and National IPA with MONTHLY progress reports confirming status of delivery dates as agreed upon. These reports shall include, but not be limited to, the following:

a. Copy of Contractor's order to the factory.
b. Copy of factory acknowledgment of order indicating scheduled date of production and shipment from factory.
c. Factory generated computer status reports.
d. Notification to the City of any changes in production or shipping dates.
e. Any special information the Contractor shall have that would affect the timely delivery of the vehicles ordered in accordance with original delivery date promise.

In lieu of written reports submitted to Operations/Fleet Services, the Contractor may provide access to an Internet based on-line order tracking system. Any on-line system provided must provide the information required above. The Contractor must provide all access codes necessary to view this information.

3. DELIVERY and DELIVERY DOCUMENTATION: The following documents are due upon delivery of the completed vehicles to the City:

a. Invoice
b. Warranty document
c. Level 1 Inspection
d. Required manuals
e. RD108-Title

Upon contract award, the Contractor will be required to supply a delivery ticket specifying the purchase order number of each vehicle.

Delivery to the City of Tucson: All deliveries shall be made Monday through Friday from 8:00 a.m. to 3:00 p.m. The Contractor shall be required to give the General Services Department/Fleet Services Division a minimum of 24-hour notification prior to delivery with the anticipated time of delivery and quantity of units to be delivered.

4. VEHICLE INSPECTION: The purchasing agency will assist the Contractor or the authorized dealer in arranging for inspection of each piece of equipment purchased. Each vehicle delivered shall be subject to a complete inspection by the General Services Department/Fleet Services Division staff prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. If delivered equipment is returned to the

Contractor prior to acceptance for any reason, all corrections shall be made without any inconvenience to the City.

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Training shall be presented in a quality suitable for videotaping. The City reserves the right to videotape part or all of the training provided at no additional cost to the agency.

6. **REPAIRS:** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. Transport of the vehicle will not be delayed more than one working day from date of notification.

7. **WARRANTIES:** Offeror shall warrant that all equipment and parts furnished in their offer are newly manufactured and free from defects in material and workmanship from the date the City places the equipment into service. Warranty shall also guarantee accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the vendor's liability as stated herein.

Total Maintenance and Repair (TMR's) must be agreed upon and presented to the City prior to the purchase of equipment and/or rebuilds.

8. **VENDOR SERVICE AND MAINTENANCE:** Contractor will provide and maintain a factory authorized parts and service facility within a reasonable distance to the purchasing location.

For the City, the parts and service facility must be within a 125-mile radius of the City of Tucson Price Service Center (4004 S. Park Avenue, 85714). If warranty service is not provided within the Tucson metro area, the Contractor shall be responsible for all costs, including fuel and labor, of transporting vehicle(s) between the City's Price Service Center and the Contractor's service center. The method of transportation must be mutually agreed to by the Contractor and the City prior to transport.

For service calls, the Contractor must provide a response within 60 minutes.

Additional Requirement for City of Tucson Landfill: A service technician must be on-site each morning, Monday-Friday (except holidays) to service and maintain the City of Tucson landfill equipment located at 5300 E. Los Reales Road, Tucson, AZ.

9. **VEHICLE RECALL NOTICES:** In the event of any recall notice, technical service bulletin, or other important notification affecting a vehicle purchased from this contract, a notice shall be sent to the purchasing agency's representative. For the City of Tucson, all notices shall be sent to General Services, Fleet Services Division, 4004 S. Park Avenue, Building 1, Tucson, AZ 85714.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

1. **EQUIPMENT:** A complete and comprehensive line of new and used Heavy Equipment to support various needs of agencies is requested. The categories include, but are not limited to, the following:

Landfill Equipment:
- Landfill Dozers
- Landfill Compactors
- Landfill Scraper

Material Handling
- Fork Lift
- Crane / Wheeled
- Crane / Track

Construction Equipment
- Air Compressor
- Articulated Dump Truck
- Asphalt Cold Planer
- Asphalt Rotary Mixer
- Bucket Truck
- Cement Mixer
- Chip Spreader
- Crack Sealer
- Dozers **/** Tracked
- Dozers / Wheeled
- Dump Trucks
- Excavators / Tracked
- Excavators / Wheeled
- Ice Resurfacer
- Loaders / Backhoe / Wheeled
- Loaders / Tracked
- Loaders / Wheeled
- Motor Graders
- Patcher Truck
- Paver / Tracked
- Paver / Wheeled
- Rollers / Drum / Vibrate
- Rollers / wheeled / Pneumatic
- Rollers / Drum / Wheeled
- Scrapers
- Skid Steer Loaders
- Soil Compactors
- Sweeper / Scrubber
- Sweeper / Street
- Sweeper / walkway
- Telehandlers
- Trailer / Tilt
- Trailer / Flatbed
- Trailer / Drop Neck
- Trailer / Utility
- Trencher
- Water Truck
- Water Wagon

2. CURRENT EQUIPMENT AND PRODUCTS: All equipment and products being offered in response to this solicitation shall be in current and ongoing production; shall be formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.

3. PRICING: Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. SERVICES: The City is seeking the inclusion of value-add services. These services may be provided by the authorized manufacturer or dealer and sample categories include, but are not limited to:

a. **Repair Services:** The ability to provide repair services through authorized manufacturer's facilities or dealers. Repair services may include, but not be limited to, hourly rate for repairs in shop, hourly rate for repairs in field, weld repairs, machining work, etc.

b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

c. **Warranties:** The ability to provide a full range of extended warranties.

d. **Lease/Financing Options:** The ability to provide financing options. Identify direct or third party financing or both.

e. **Trade-In or Buyback Options:** The ability to trade-in used equipment or obtain a guaranteed buy back price at the time of purchase.

f. **Rental:** The ability to rent heavy equipment through the manufacturer or dealer.

g. **Incorporation of New Business Enterprises:** The ability to incorporate certain business enterprises (as requested by the City or Participating Agencies) into your distribution, and sales channels.

h. **Green/Sustainability Program:**
1. Policies: Efforts and policies pertaining to green and sustainability.
2. Products: Impact on product offerings.
3. Distribution: Impact in distribution.
4. Certifications: The industry recognized certifications and standards obtained.

i. **Training & Education:** The ability to provide on-site and/or online training and educational programs/seminars.

j. **Customer Support Services:** The policies on replacements, returns, restocking charges, after hours service, after sales support, out of stock, order tracing, technical feedback, quality assurance for orders and drop shipments.

k. **Other Services/Options:** Other value-add services not included in above categories.

INSTRUCTIONS TO OFFERORS

1. **DEFINITION OF KEY WORDS USED IN THE SOLICITATION:**
For purposes of this solicitation and subsequent contract, the following definitions shall apply:
City: The City of Tucson, Arizona
Contract: The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.
Contractor/Consultant: The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.
Contract Representative: The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.
Director of Procurement: The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.
May: Indicates something that is not mandatory but permissible.
Offeror: The individual, partnership, or corporation who submits a proposal in response to a solicitation.
Shall, Will, Must: Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.
Should: Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror.

There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

6. PREPARATION OF PROPOSAL:

A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.
C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.
D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
F. Periods of time, stated as a number of days, shall be in calendar days.
G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

7. PAYMENT DISCOUNTS: Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.

8. TAXES: The City of Tucson is exempt from federal excise tax, including the federal transportation tax.

9. PROPOSAL/SUBMITTAL FORMAT: An original and 6 copies (7 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2003 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.

10. EXCEPTIONS TO CONTRACT PROVISIONS: A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with

modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.

11. PUBLIC RECORD: All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.

12. CONFIDENTIAL INFORMATION: The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

13. CERTIFICATION: By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:

A. The submission of the offer did not involve collusion or other anti-competitive practices.
B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.

14. WHERE TO SUBMIT PROPOSALS: In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.

15. LATE PROPOSALS: Late proposals will be rejected.

16. OFFER AND ACCEPTANCE PERIOD: In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.

17. WITHDRAWAL OF PROPOSAL: At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.

18. DISCUSSIONS: The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.

19. CONTRACT NEGOTIATIONS: Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any

property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

20. VENDOR APPLICATION: Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at http://www.tucsonprocurement.com/ by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.

21. CITY OF TUCSON BUSINESS LICENSE: It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at http://www.tucsonaz.gov/etax. For questions contact the City's Business License Section at (520) 791-4566 or email at tax-license@tucsonaz.gov.

22. UPON NOTICE OF INTENT TO AWARD: The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.

23. AWARD OF CONTRACT: Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:
(1) waive any immaterial defect or informality; or
(2) reject any or all proposals, or portions thereof; or
(3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

24. PROPOSAL RESULTS: The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at http://www.tucsonprocurement.com/ upon issuance of a Notice of Intent to Award or upon final contract execution.

25. PROTESTS: A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

A. The name, address, and telephone number of the protestant;
B. The signature of the protestant or its representative;
C. Identification of the Request for Proposal or Contract number;
D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
E. The form of relief requested.

PROPOSAL EVALUATION REQUIREMENTS

I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)

A. Method of Approach

B. Price Proposal

C. Qualifications & Experience

II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA: The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

A. Method of Approach

1) National Program

a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

2) Distribution Network

a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

d. Describe your dealer network and their role in providing products, services, etc. under this contract.

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.
2. Identification and description of sub categories.
3. Identify accessories, parts, services, etc. that are available through the manufacturer.
4. Identify accessories, parts, services, etc. that are available through the authorized dealer.
5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

6. Do you offer color choices for each product listed?

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:
   1. types of warranties available (by category or equipment)
   2. description of your warranty claims procedures.
   3. description of your policy addressing warranty issues related to:
      i. Major Component Failures
      ii. Engineering Deficiencies
      iii. Describe your firm's standard response time to address warranty failure issues.

c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

f. Submit all information that will aid the City in evaluating your proposal

4) Service

a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

   1. Provide detailed information explaining your service capabilities.

   2. Provided detailed information explaining the service capabilities of your authorized dealers.

   3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

   4. Describe your training programs, addressing, at a minimum, the following:
      i. How will equipment training be conducted?
      ii. Describe the training curriculum for the equipment operators.
      iii. Describe the training curriculum for the service technicians.
      iv. How will you accommodate various work shifts?
      v. What type of documentation is provided with the proposed training?
      vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
      vii. Is the training provided by the manufacturer, dealer or both?

5) Ordering and Invoices
   a. Describe your order process.

   b. How do agencies work with your firm to determine appropriate equipment needs?

   c. Describe the equipment delivery process and your delivery commitment.

   d. What is your standard equipment delivery timeframes?

   e. How does your firm communicate order cut off dates to your customers?

   f. Identify and describe any exceptions or challenges.

   g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

   h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

   i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

   j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

   k. Titles- will equipment be provided with proof of registration with the state?

   l. Will each product be delivered free of distributor advertising?

6) Other
   a. Describe any government rebate programs applicable.

B. Price Proposal

1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

   The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

2) Based on your distribution network, explain how freight is calculated.

3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by _____%, if payment is made within _____ days. These payment terms shall apply to all purchases and to all payment methods.

8) Will payment be accepted via commercial credit card? _____Yes _____No
   a. If yes, can commercial payment(s) be made online? _____Yes _____No
   b. Will a third party be processing the commercial credit card payment(s)? ___Yes ____No
   c. If yes, indicate the flat fee per transaction $_____ (as allowable, per Section 5.2.E of Visa Operating Regulations).
   d. If "no" to above, will consideration be given to accept the card? _____Yes _____No

9) Does your firm have a City of Tucson Business License? _____Yes _____No
   a. If yes, please provide a copy of your City of Tucson Business license.

C. Qualifications & Experience

1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

2) Describe your dealer network and their role in providing products and services under this contract.

3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

5) Please submit any additional information that you feel is applicable to your qualifications and experience.

6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

III. GENERAL

A. Shortlist:

The City reserves the right to shortlist the offerors based on the stated criteria. However, the City may determine that shortlisting is not necessary.

B. Interviews:

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

C. Additional Investigations:

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

D. Prior Experience:

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

E. Multiple Awards:

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

SPECIAL TERMS AND CONDITIONS

1. **FEDERAL, STATE AND LOCAL TAXES, LICENSES AND PERMITS**: The Supplier shall comply with all Federal, State, and local licenses and permits required for the operation of the business conducted by the Supplier as applicable to this Contract. The Supplier shall, at no expense to the City, National IPA, or other Participating Public Agencies, procure and keep in force during the entire period of the Agreement all such permits and licenses.

2. **SUBCONTRACTORS:** No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

3. **FOB DESTINATION FREIGHT PREPAID:** Prices shall be FOB Destination Freight Prepaid to the delivery location designated. Contractor shall retain title and control of all goods until they are delivered and the Contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will assist the Contractor in arranging for inspection.

4. **INSURANCE:** The Contractor agrees to:

A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.

B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
I. Commercial General Liability:	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	$1,000,000
General Aggregate (including Per Project)	$2,000,000
Products & Completed Operations Aggregate	$2,000,000
Personal and Advertising Injury	$1,000,000
Blanket Contractual Liability	$1,000,000
II. Commercial Automobile Liability	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	$1,000,000

III. Workers' Compensation (applicable to the State of Arizona)*[1]	
Per Occurrence	Statutory
Employer's Liability	$1,000,000
Disease Each Employee	$1,000,000
Disease Policy Limit	$1,000,000
IV. Garage Liability & Garage Keepers Liability - In addition to I, II, III	
Garage Liability	$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	$ 500,000
Each Occurrence	$1,000,000

*[1] Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

D. ADDITIONAL INSURANCE REQUIREMENTS: Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

E. NOTICE OF COVERAGE MODIFICATIONS: Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

F. ACCEPTABILITY OF INSURERS: Contractors insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

G. VERIFICATION OF COVERAGE: Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

H. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

I. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance.

5. **PAYMENTS:** All payments made by the City of Tucson for goods or services will be made to the vendor named on the Offer and Acceptance form. If you do not wish payment to be made to that address, you must submit an attached sheet indicating the proper mailing address with this bid.

6. **RIGHT TO TERMINATE FOR CHANGE IN OWNERSHIP OR MATERIAL RESTRUCTURE OF THE CONTRACTOR:** In addition to the Termination of Contract clause in the Standard Terms and Conditions section of this solicitation and resulting contract, the City reserves the right to cancel the whole or part of this contract within 60 days written notice of the completion of any material change of ownership in the Contractor's company, including its sale, merger, consolidation or dissolution.

7. **TERM AND RENEWAL**: The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.

Any job orders, project agreements or maintenance agreements executed against this Master Agreement during the effective term may survive beyond the expiration of the Master Agreement as established and agreed to by both parties.

8. **PRICE ADJUSTMENT:** The City will review fully documented requests for price adjustment after any Contract has been in effect for one (1) year. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested price adjustment or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the Contract extension.

9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the Contractor as a condition of their intended purchase transaction. If the Contractor chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

10. **COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement or registered with National IPA are eligible to participate in any subsequent Contract. See http://www.tucsonprocurement.com/coop_partners.aspx and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.

2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.

3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.

4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.

5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.

6. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.

7. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.

8. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.

9. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.

10. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
    A. Amend the contract or enter into supplemental verbal or written agreements;
    B. Grant time extensions or contract renewals;
    C. Otherwise modify the scope or terms and provisions of the contract.

    This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.

12. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

13. **DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.

14. **EQUAL PAY:** The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et.seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).

15. **EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.

16. **FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

    If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

17. **FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

    If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

18. **GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

19. **HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

20. **INDEMNIFICATION**: To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers,

directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

21. **INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

    The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

22. **INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

23. **INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

24. **LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

25. **LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

26. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

27. **NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

28. **OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

29. **PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

    Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

30. **PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.

31. **PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.

32. **RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.

33. **RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.

34. **RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.

35. **RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.

36. **SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.

37. **SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.

38. **SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

39. **SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.

40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

41. TITLE AND RISK OF LOSS: The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.

42. WARRANTIES: Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:
The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

_____
Company Name

_____
Address

_____
City State Zip

_____
Signature of Person Authorized to Sign

_____
Printed Name

_____
Title

Name: _____

Title: _____

Phone: _____

Fax: _____

E-mail: _____

ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-_____.

CITY OF TUCSON, a municipal corporation

Approved as to form this _____ day of _____ , 2016.

Awarded this _____ day of _____ , 2016.

_____
As Tucson City Attorney and not personally

_____
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM
As Director of Procurement and not personally

ATTACHMENTS

ATTACHMENT A: National IPA Exhibits

Attachment A

Requirements for National Cooperative Contract
To be Administered by
National Intergovernmental Purchasing Alliance Company

The following documents are used in evaluating and administering national cooperative contracts and are included for Supplier's review and response.

National IPA Exhibit A – NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT

National IPA Exhibit B – NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE

National IPA Exhibit C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT, EXAMPLE

National IPA Exhibit D – NATIONAL IPA PRINCIPAL PROCUREMENT AGENCY CERTIFICATE, EXAMPLE

National IPA Exhibit E – NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

National IPA Exhibit F – NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

1.0 Scope of National Cooperative Contract

1.1 Requirement

The City of Tucson (hereinafter defined and referred to as "Principal Procurement Agency"), on behalf of itself and the National Intergovernmental Purchasing Alliance Company ("National IPA"), is requesting proposals for Heavy Equipment, Parts, Accessories, Supplies and Related Services. The intent of this Request for Proposal is that any contract between Principal Procurement Agency and Supplier resulting from this Request for Proposal (hereinafter defined and referred to as the "Master Agreement") be made available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The Principal Procurement Agency has executed a Principal Procurement Agency Certificate with National IPA (an example of which is included as Exhibit D) and has agreed to pursue the Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Registration with National IPA as a Participating Public Agency is accomplished by Public Agencies entering into a Master Intergovernmental Cooperative Purchasing Agreement, an example of which is attached as Exhibit C. The terms and pricing established in the resulting Master Agreement between the Supplier and the Principal Procurement Agency will be the same as that available to Participating Public Agencies through National IPA.

All transactions, purchase orders, invoices, payments etc., will occur directly between the Supplier and each Participating Public Agency individually, and neither National IPA, any Principal Procurement Agency nor any Participating Public Agency, including their respective agents, directors, employees or representatives, shall be liable to Supplier for any acts, liabilities, damages, etc., incurred by any other Participating Public Agency.

This Exhibit A defines the expectations for qualifying Suppliers based on National IPA's requirements to market the resulting Master Agreement nationally to Public Agencies. Each section in this Exhibit A refers to the capabilities, requirements, obligations, and prohibitions of competing Suppliers on a national level in order to serve Participating Public Agencies through National IPA.

These requirements are incorporated into and are considered an integral part of this RFP. National IPA reserves the right to determine whether or not to make the Master Agreement awarded by the Principal Procurement Agency available to Participating Public Agencies.

1.2 Marketing, Sales and Administrative Support

During the term of the Master Agreement National IPA intends to provide marketing, sales and administrative support for Supplier pursuant to this section 1.2 that directly promotes the Supplier's products and services to Participating Public

Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis.

The National IPA marketing team will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

A. Marketing collateral (print, electronic, email, presentations)
B. Website development and support
C. Trade shows/conferences/meetings
D. Advertising
E. Social Media
F. Sales Team Support

The National IPA sales teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

A. Individual sales calls
B. Joint sales calls
C. Communications/customer service
D. Training sessions for Public Agency teams
E. Training sessions for Supplier teams

The National IPA contracting teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies prospective Public Agencies through:

A. Serving as the subject matter expert for questions regarding joint powers authority and state statutes and regulations for cooperative purchasing
B. Training sessions for Public Agency teams
C. Training sessions for Supplier teams
D. Regular business reviews to monitor program success
E. General contract administration

Suppliers are required to pay an administrative fee of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Master Agreement or in the National Intergovernmental Purchasing Alliance Company Administration Agreement between Supplier and National IPA (the "National IPA Administration Agreement")

1.3 Estimated Volume

The dollar volume purchased under the Master Agreement is estimated to be approximately $25,000,000 annually. While no minimum volume is guaranteed to Supplier, the estimated annual volume is projected based on the current annual volumes among the Principal Procurement Agency, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public

Agencies through a coordinated marketing approach between Supplier and National IPA.

1.4 Award Basis

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier (Contract Sales are reported to National IPA).

1.5 Objectives of Cooperative Program

This RFP is intended to achieve the following objectives regarding availability through National IPA's cooperative program:

A. Provide a comprehensive competitively solicited and awarded national agreement offering the Products covered by this solicitation to Participating Public Agencies;
B. Establish the Master Agreement as the Supplier's primary go to market strategy to Public Agencies nationwide;
C. Achieve cost savings for Supplier and Public Agencies through a single solicitation process that will reduce the Supplier's need to respond to multiple solicitations and Public Agencies need to conduct their own solicitation process;
D. Combine the aggregate purchasing volumes of Participating Public Agencies to achieve cost effective pricing.

2.0 REPRESENTATIONS AND COVENANTS

As a condition to Supplier entering into the Master Agreement, which would be available to all Public Agencies, Supplier must make certain representations, warranties and covenants to both the Principal Procurement Agency and National IPA designed to ensure the success of the Master Agreement for all Participating Public Agencies as well as the Supplier.

2.1 Corporate Commitment

Supplier commits that (1) the Master Agreement has received all necessary corporate authorizations and support of the Supplier's executive management, (2) the Master Agreement is Supplier's primary "go to market" strategy for Public Agencies, (3) the Master Agreement will be promoted to all Public Agencies, including any existing customers, and Supplier will transition existing customers, upon their request, to the Master Agreement, and (4) that the Supplier has read and agrees to the terms and

conditions of the Administration Agreement with National IPA and will execute such agreement concurrent with and as a condition of its execution of the Master Agreement with the Principal Procurement Agency. Supplier will identify an executive corporate sponsor and a separate national account manager within the RFP response that will be responsible for the overall management of the Master Agreement.

2.2 Pricing Commitment

Supplier commits the not-to-exceed pricing provided under the Master Agreement pricing is its lowest available (net to buyer) to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, that the Supplier will match such lower pricing to that Participating Public Agency under the Master Agreement.

2.3 Sales Commitment

Supplier commits to aggressively market the Master Agreement as its go to market strategy in this defined sector and that its sales force will be trained, engaged and committed to offering the Master Agreement to Public Agencies through National IPA nationwide. Supplier commits that all Master Agreement sales will be accurately and timely reported to National IPA in accordance with the National IPA Administration Agreement. Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Public Agencies under the Master Agreement in a consistent or better manner compared to sales to Public Agencies if the Supplier were not awarded the Master Agreement.

3.0 SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

3.1 Company

A. Brief history and description of your company.
B. Total number and location of sales persons employed by your company.
C. Number and location of support centers (if applicable).
D. Annual sales for the three previous fiscal years.
E. Submit your FEIN and Dunn & Bradstreet report.

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.
B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.
C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.
D. State any return and restocking policy and fees, if applicable, associated with returns.
E. Describe the full line of products and services offered by your company.

3.3 Marketing and Sales

A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
   i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days
   ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Pubic Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
   i. Creation and distribution of a co-branded press release to trade publications
   ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
   iii. Design, publication and distribution of co-branded marketing materials within first 90 days
   iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
   v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
   vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
   vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
   viii. Dedicated National IPA internet web-based homepage on Supplier website with:
      - National IPA standard logo;
      - Copy of original Request for Proposal;
      - Copy of contract and amendments between Principal Procurement Agency and Supplier;
      - Summary of Products and pricing;
      - Marketing Materials
      - Electronic link to National IPA's website including the online registration page;
      - A dedicated toll free number and email address for National IPA

C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and

national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
   i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
   ii. Best government pricing
   iii. No cost to participate
   iv. Non-exclusive contract

F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
   i. Key features of Master Agreement
   ii. Working knowledge of the solicitation process
   iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
   iv. Knowledge of benefits of the use of cooperative contracts

G. Provide contact information for the person(s), who will be responsible for:
   i. Marketing
   ii. Sales
   iii. Sales Support
   iv. Financial Reporting
   v. Contracts

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

$_____.00 in year one
$_____.00 in year two
$_____.00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
    i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
    ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
    iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
    iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY ADMINISTRATION AGREEMENT

This ADMINISTRATION AGREEMENT (the "Agreement") is made this ___ day of _____ 20___, between National Intergovernmental Purchasing Alliance Company ("National IPA"), and _____ (herein "Supplier").

RECITALS

WHEREAS, the _____ (herein "Principal Procurement Agency") has entered into a Master Agreement effective _____, Agreement No_____, by and between the Principal Procurement Agency and Supplier, (as may be amended from time to time in accordance with the terms thereof, the "Master Agreement"), as attached hereto as Exhibit A and incorporated herein by reference as though fully set forth herein, for the purchase of _____ (herein "Product");

WHEREAS, said Master Agreement provides that any or all public agencies, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), that register (either via registration on the National IPA website or execution of a Master Intergovernmental Cooperative Purchasing Agreement, attached hereto as Exhibit B) (hereinafter referred to as a "Participating Public Agency") may purchase Product at prices stated in the Master Agreement;

WHEREAS, Participating Public Agencies may access the Master Agreement which is offered through National IPA to Public Agencies;

WHEREAS, National IPA serves as the contract administrator of the Master Agreement on behalf of Principal Procurement Agency;

WHEREAS, Principal Procurement Agency desires National IPA to proceed with administration of the Master Agreement; and

WHEREAS, National IPA and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies and to set forth certain terms and conditions governing the relationship between National IPA and Supplier.

NOW, THEREFORE, in consideration of the payments to be made hereunder and the mutual covenants contained in this Agreement, National IPA and Supplier hereby agree as follows:

DEFINITIONS

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Master Agreement.

EXAMPLE

TERMS AND CONDITIONS

2. The Master Agreement and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement. Supplier acknowledges and agrees that the covenants and agreements of Supplier set forth in the solicitation and Supplier's response thereto resulting in the Master Agreement are incorporated herein and are an integral part hereof.

3. National IPA shall be afforded all of the rights, privileges and indemnifications afforded to Principal Procurement Agency by or from Supplier under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to National IPA, its agents, employees, directors, and representatives under this Agreement including, but not limited to, the Supplier's obligation to provide appropriate insurance.

4. National IPA shall perform all of its duties, responsibilities and obligations as contract administrator of the Master Agreement on behalf of Principal Procurement Agency as set forth herein, and Supplier hereby acknowledges and agrees that all duties, responsibilities and obligations will be undertaken by National IPA solely in its capacity as the contract administrator under the Master Agreement.

5. With respect to any purchases by Principal Procurement Agency or any Participating Public Agency pursuant to the Master Agreement, National IPA: (i) shall not be construed as a dealer, re-marketer, representative, partner or agent of any type of the Supplier, Principal Procurement Agency or any Participating Public Agency; (ii) shall not be obligated, liable or responsible for any order for Product made by Principal Procurement Agency or any Participating Public Agency or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Product; and (iii) shall not be obligated, liable or responsible for any failure by Principal Procurement Agency or any Participating Public Agency to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase under the Master Agreement. National IPA makes no representation or guaranty with respect to any minimum purchases by Principal Procurement Agency or any Participating Public Agency or any employee thereof under this Agreement or the Master Agreement.

TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

NATIONAL PROMOTION

7. National IPA and Supplier shall publicize and promote the availability of the Master Agreement's products and services to Public Agencies and such agencies' employees. Supplier's failure to maintain its covenants and commitments contained in this Agreement or any action of the Supplier which gives rise to a right by Principal Procurement Agency to terminate the Master Agreement shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of this Agreement at

EXAMPLE

National IPA's sole discretion. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate on the date of the termination or expiration of the Master Agreement.

8. Supplier shall require each Public Agency to register its participation in the National IPA program by either registering on the National IPA website, www.nationalipa.org, or executing a Master Intergovernmental Cooperative Purchasing Agreement prior to processing the Participating Public Agency's first sales order.

9. Upon request, Supplier shall make available to interested Public Agencies a copy of the Master Agreement and such price lists or quotes as may be necessary for such Public Agencies to evaluate potential purchases. In addition, Supplier shall provide such marketing and administrative support as set forth in the solicitation resulting in the Master Agreement, including assisting in development of marketing materials as reasonably requested by Principal Procurement Agency and National IPA. Supplier and National IPA shall provide each respective party with its logo ("Logo") and the standard terms of use for its general use in marketing the Master Agreement. Both parties shall obtain written approval from the other party prior to use of such party's Logo. Notwithstanding, the parties understand and agree that except as provided herein neither party shall have any right, title or interest in the other party's Logo. Upon termination of this Agreement, each party shall immediately cease use of the other party's Logo.

MONTHLY REPORTING & FEES

10. Supplier shall pay National IPA an administrative fee in the amount of __% of the total purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of products and/or services to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10th day of the following month. Such reports shall be accompanied by an administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

12. Supplier shall maintain an accounting of all purchases made by Participating Public Agencies under the Master Agreement. National IPA, or its designee, in National IPA's sole discretion, reserves the right to compare Participating Public Agency records with monthly reports submitted by Supplier for a period of four (4) years from the date National IPA receives such monthly report. National IPA may engage a third party to conduct an independent audit of

EXAMPLE

Supplier's monthly reports. In the event of such an audit, Supplier shall provide all materials reasonably requested relating to such audit by National IPA at the location designated by National IPA. In the event an underreporting of Contract Sales and a resulting underpayment of administrative fees is revealed, National IPA will notify the Supplier in writing. Supplier will have thirty (30) days from the date of such notice to resolve the discrepancy to National IPA's reasonable satisfaction, including payment of any administrative fees due and owing, together with interest thereon in accordance with Section 11, and reimbursement of National IPA's costs and expenses related to such audit.

GENERAL PROVISIONS

13. This Agreement, the Master Agreement and the exhibits referenced herein supersede any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereto and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained or incorporated herein shall be valid or binding. In the event of any conflict between the provisions of this Agreement and the Master Agreement, as between National IPA and Supplier, the provisions of this Agreement shall prevail.

14. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement or to recover any administrative fee and accrued interest, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA.

16. All written communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery on receipt to the addresses as set forth below.

A. National Intergovernmental Purchasing Alliance Company

National IPA
Attn: President
2555 Meridian Blvd
Suite 300
Franklin, TN 37067

B. Supplier

17. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever, and this Agreement will be construed by limiting or invalidating such provision to the minimum extent necessary to make such provision valid, legal and enforceable.

EXAMPLE

18. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties hereto, and no provision of this Agreement may be discharged or waived, except by a writing signed by the parties. A waiver of any particular provision will not be deemed a waiver of any other provision, nor will a waiver given on one occasion be deemed to apply to any other occasion.

19. This Agreement shall inure to the benefit of and shall be binding upon National IPA, the Supplier and any respective successor and assign thereto; subject, however, to the limitations contained herein.

20. This Agreement will be construed under and governed by the laws of the state of Delaware, excluding its conflicts of law provisions.

Authorized Signature, Supplier	NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY
_____	_____
Signature	Signature
_____	Ward H. Brown
Name	Name
_____	Chief Operating Officer
Title	Title
_____	_____
Date	Date

EXAMPLE

MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT

This Master Intergovernmental Cooperative Purchasing Agreement (the "**Agreement**") is entered into by and between those certain government agencies that execute a Principal Procurement Agency Certificate ("**Principal Procurement Agencies**") with National Intergovernmental Purchasing Alliance Company ("**National IPA**") to be appended and made a part hereof and such other public agencies ("**Participating Public Agencies**") who register to participate in the cooperative purchasing programs administered by National IPA and its affiliates and subsidiaries (collectively the "**National IPA Parties**") by either registering on a National IPA Party website (such as www.nationalipa.org), or by executing a copy of this Agreement.

RECITALS

WHEREAS, after a competitive solicitation and selection process by Principal Procurement Agencies, a number of suppliers have entered into "**Master Agreements**" (herein so called) to provide a variety of goods, products and services ("**Products**") to the applicable Principal Procurement Agency and the Participating Public Agencies;

WHEREAS, Master Agreements are made available by Principal Procurement Agencies through the National IPA Parties and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Principal Procurement Agency, subject to any applicable federal and/or local purchasing ordinances and the laws of the State of purchase;

WHEREAS, in addition to Master Agreements, the National IPA Parties may from time to time offer Participating Public Agencies the opportunity to acquire Products through other group purchasing agreements;

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.

2. That the procurement of Products by Participating Public Agencies subject to this Agreement shall be conducted in accordance with and subject to the relevant federal, state and local statutes, ordinances, rules and regulations that govern Participating Public Agency's procurement practices.

3. That the cooperative use of Master Agreements and other group purchasing agreements shall be in accordance with the terms and conditions of such agreements, except as modification of those terms and conditions is otherwise allowed or required by applicable federal, state or local law.

4. That the Principal Procurement Agencies will make available, upon reasonable request and subject to convenience, Master Agreement information which may assist in improving the procurement of Products by the Participating Public Agencies.

5. That the Participating Public Agency agrees that the National IPA Parties may provide access to group purchasing organization ("**GPO**") agreements directly or

EXAMPLE

indirectly by enrolling the Participating Public Agency in another GPO's purchasing program, including but not limited to Vizient Supply, LLC, Provista, Inc. and other National IPA affiliates and subsidiaries; provided that the purchase of Products through a National IPA Party or any other GPO shall be at the Participating Public Agency's sole discretion.

6. That the Participating Public Agencies (each a "**Procuring Party**") that procure Products through any Master Agreement or GPO Product supply agreement (each a "**GPO Contract**") will make timely payments to the distributor, manufacturer or other vendor (collectively, "**Supplier**") for Products received in accordance with the terms and conditions of the Master Agreement or GPO Contract, as applicable. Payment for Products and inspections and acceptance of Products ordered by the Procuring Party shall be the exclusive obligation of such Procuring Party. Disputes between Procuring Party and any Supplier shall be resolved in accordance with the law and venue rules of the State of purchase unless otherwise agreed to by the Procuring Party and Supplier.

7. The Procuring Party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar products or services.

8. The Procuring Party shall be responsible for the ordering of Products under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a Procuring Party, and the Procuring Party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the Procuring Party. Without limiting the generality of the foregoing, the National IPA Parties make no representations or warranties regarding any Product, Master Agreement or GPO Contract, and shall have no liability for any act or omission by a Supplier or other party under a Master Agreement or GPO Contract.

9. This Agreement shall remain in effect until termination by a party giving 30 days written notice to the other party. The provisions of paragraphs 6, 7 and 8 hereof shall survive any such termination.

10. This Agreement shall take effect upon (i) execution of the Principal Procurement Agency Certificate or (ii) the registration on a National IPA Party website or the execution of this Agreement by a Participating Public Agency, as applicable.

EXAMPLE

PRINCIPAL PROCUREMENT AGENCY CERTIFICATE

In its capacity as Principal Procurement Agency for National IPA, NAME OF PPA agrees to pursue Master Agreements for Products as specified in the attached exhibits to this Principal Procurement Agency Certificate.

I hereby acknowledge, in my capacity as _____ of and on behalf of NAME OF PPA ("Principal Procurement Agency"), that I have read and hereby agree to the general terms and conditions set forth in the attached Master Intergovernmental Cooperative Purchasing Agreement regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Principal Procurement Agencies to Participating Public Agencies nationwide through National Intergovernmental Purchasing Alliance Company ("National IPA") pursuant to the terms of the Administrative Agreement by and between National IPA and the applicable supplier.

I understand that the purchase of one or more Products under the provisions of the Master Intergovernmental Cooperative Purchasing Agreement is at the sole and complete discretion of the Participating Public Agency.

Authorized Signature, Principal Procurement Agency

_____
Signature

_____
Name

_____
Title

_____
Date

EXAMPLE

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS

EXHIBIT C - NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

(to be submitted electronically in Microsoft Excel format)

National IPA Contract Sales Monthly Report

Supplier Name:

Contract Sales Report Month:

Contract ID:

Participating Agency Name	Address	City	State	Zip Code	Participating Agency # {Assigned by National IPA and provided to Supplier}	Transaction Date (Date of Sale)	Contract Sales for Month ($)	Admin Fee %	Admin Fee $
						Report Totals			
						Cumulative Contract Sales			

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS
EXHIBIT F- NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

Pursuant to certain state notice provisions, including but not limited to Oregon Revised Statutes Chapter 279A.220, the following public agencies and political subdivisions of the referenced public agencies are eligible to register with National IPA and access the Master Agreement contract award made pursuant to this solicitation, and are hereby given notice of the foregoing request for proposals for purposes of complying with the procedural requirements of said statutes:

Nationwide:

State of Alabama*	State of Hawaii	State of Massachusetts	State of New Mexico	State of South Dakota
State of Alaska	State of Idaho	State of Michigan	State of New York	State of Tennessee
State of Arizona	State of Illinois	State of Minnesota	State of North Carolina	State of Texas
State of Arkansas	State of Indiana	State of Mississippi	State of North Dakota	State of Utah
State of California	State of Iowa	State of Missouri	State of Ohio	State of Vermont
State of Colorado	State of Kansas	State of Montana	State of Oklahoma*	State of Virginia
State of Connecticut	State of Kentucky	State of Nebraska	State of Oregon	State of Washington
State of Delaware	State of Louisiana	State of Nevada	State of Pennsylvania	State of West Virginia
State of Florida	State of Maine	State of New Hampshire	State of Rhode Island	State of Wisconsin
State of Georgia	State of Maryland	State of New Jersey	State of South Carolina	State of Wyoming
District of Columbia				

Lists of political subdivisions and local governments in the above referenced states / districts may be found at http://www.usa.gov/Agencies/State_and_Territories.shtml and https://www.usa.gov/local-governments.

*Some public agencies and political subdivisions of these states may be restricted by state statutes that limit competition among cooperative purchasing organizations by only allowing use of purchasing cooperatives sponsored by certain National Associations.

Certain Public Agencies and Political Subdivisions:

CITIES, TOWNS, VILLAGES AND BOROUGHS INCLUDING BUT NOT LIMITED TO:

BAKER CITY GOLF COURSE, OR
CITY OF ADAIR VILLAGE, OR
CITY OF ASHLAND, OR
CITY OF AUMSVILLE, OR
CITY OF AURORA, OR
CITY OF BAKER, OR
CITY OF BATON ROUGE, LA
CITY OF BEAVERTON, OR
CITY OF BEND, OR
CITY OF BOARDMAN, OR
CITY OF BONANAZA, OR
CITY OF BOSSIER CITY, LA
CITY OF BROOKINGS, OR
CITY OF BURNS, OR
CITY OF CANBY, OR
CITY OF CANYONVILLE, OR
CITY OF CLATSKANIE, OR
CITY OF COBURG, OR
CITY OF CONDON, OR
CITY OF COQUILLE, OR
CITY OF CORVALLI, OR
CITY OF CORVALLIS PARKS AND RECREATION DEPARTMENT, OR
CITY OF COTTAGE GROVE, OR
CITY OF DONALD, OR
CITY OF EUGENE, OR
CITY OF FOREST GROVE, OR
CITY OF GOLD HILL, OR
CITY OF GRANTS PASS, OR
CITY OF GRESHAM, OR
CITY OF HILLSBORO, OR
CITY OF INDEPENDENCE, OR
CITY AND COUNTY OF HONOLULU, HI
CITY OF KENNER, LA
CITY OF LA GRANDE, OR
CITY OF LAFAYETTE, LA
CITY OF LAKE CHARLES, OR
CITY OF LEBANON, OR
CITY OF MCMINNVILLE, OR
CITY OF MEDFORD, OR
CITY OF METAIRIE, LA
CITY OF MILL CITY, OR
CITY OF MILWAUKIE, OR
CITY OF MONROE, LA
CITY OF MOSIER, OR
CITY OF NEW ORLEANS, LA
CITY OF NORTH PLAINS, OR
CITY OF OREGON CITY, OR
CITY OF PILOT ROCK, OR
CITY OF PORTLAND, OR
CITY OF POWERS, OR
CITY OF PRINEVILLE, OR
CITY OF REDMOND, OR
CITY OF REEDSPORT, OR
CITY OF RIDDLE, OR
CITY OF ROGUE RIVER, OR
CITY OF ROSEBURG, OR
CITY OF SALEM, OR
CITY OF SANDY, OR
CITY OF SCAPPOOSE, OR
CITY OF SHADY COVE, OR
CITY OF SHERWOOD, OR
CITY OF SHREVEPORT, LA
CITY OF SILVERTON, OR
CITY OF SPRINGFIELD, OR
CITY OF ST. HELENS, OR
CITY OF ST. PAUL, OR
CITY OF SULPHUR, LA
CITY OF TIGARD, OR
CITY OF TROUTDALE, OR

CITY OF TUALATIN, OR
CITY OF WALKER, LA
CITY OF WARRENTON, OR
CITY OF WEST LINN, OR
CITY OF WILSONVILLE, OR
CITY OF WINSTON, OR
CITY OF WOODBURN, OR
LEAGUE OF OREGON CITES
THE CITY OF HAPPY VALLEY OREGON
ALPINE, UT
ALTA, UT
ALTAMONT, UT
ALTON, UT
AMALGA, UT
AMERICAN FORK CITY, UT
ANNABELLA, UT
ANTIMONY, UT
APPLE VALLEY, UT
AURORA, UT
BALLARD, UT
BEAR RIVER CITY, UT
BEAVER, UT
BICKNELL, UT
BIG WATER, UT
BLANDING, UT
BLUFFDALE, UT
BOULDER, UT
CITY OF BOUNTIFUL, UT
BRIAN HEAD, UT
BRIGHAM CITY CORPORATION, UT
BRYCE CANYON CITY, UT
CANNONVILLE, UT
CASTLE DALE, UT
CASTLE VALLEY, UT
CITY OF CEDAR CITY, UT
CEDAR FORT, UT
CITY OF CEDAR HILLS, UT
CENTERFIELD, UT
CENTERVILLE CITY CORPORATION, UT
CENTRAL VALLEY, UT
CHARLESTON, UT
CIRCLEVILLE, UT
CLARKSTON, UT
CLAWSON, UT
CLEARFIELD, UT
CLEVELAND, UT
CLINTON CITY CORPORATION, UT
COALVILLE, UT
CORINNE, UT
CORNISH, UT
COTTONWOOD HEIGHTS, UT
DANIEL, UT
DELTA, UT
DEWEYVILLE, UT
DRAPER CITY, UT
DUCHESNE, UT
EAGLE MOUNTAIN, UT
EAST CARBON, UT
ELK RIDGE, UT
ELMO, UT
ELSINORE, UT
ELWOOD, UT
EMERY, UT
ENOCH, UT
ENTERPRISE, UT
EPHRAIM, UT
ESCALANTE, UT
EUREKA, UT
FAIRFIELD, UT
FAIRVIEW, UT
FARMINGTON, UT
FARR WEST, UT
FAYETTE, UT
FERRON, UT
FIELDING, UT
FILLMORE, UT
FOUNTAIN GREEN, UT
FRANCIS, UT
FRUIT HEIGHTS, UT
GARDEN CITY, UT
GARLAND, UT
GENOLA, UT
GLENDALE, UT
GLENWOOD, UT
GOSHEN, UT
GRANTSVILLE, UT
GREEN RIVER, UT
GUNNISON, UT
HANKSVILLE, UT
HARRISVILLE, UT
HATCH, UT
HEBER CITY CORPORATION, UT
HELPER, UT
HENEFER, UT
HENRIEVILLE, UT
HERRIMAN, UT
HIDEOUT, UT
HIGHLAND, UT
HILDALE, UT
HINCKLEY, UT
HOLDEN, UT
HOLLADAY, UT
HONEYVILLE, UT
HOOPER, UT
HOWELL, UT
HUNTINGTON, UT
HUNTSVILLE, UT
CITY OF HURRICANE, UT
HYDE PARK, UT
HYRUM, UT
INDEPENDENCE, UT
IVINS, UT
JOSEPH, UT
JUNCTION, UT
KAMAS, UT
KANAB, UT
KANARRAVILLE, UT
KANOSH, UT
KAYSVILLE, UT
KINGSTON, UT
KOOSHAREM, UT
LAKETOWN, UT
LA VERKIN, UT
LAYTON, UT
LEAMINGTON, UT
LEEDS, UT
LEHI CITY CORPORATION, UT
LEVAN, UT
LEWISTON, UT
LINDON, UT
LOA, UT
LOGAN CITY, UT
LYMAN, UT
LYNNDYL, UT

MANILA, UT
MANTI, UT
MANTUA, UT
MAPLETON, UT
MARRIOTT-SLATERVILLE, UT
MARYSVALE, UT
MAYFIELD, UT
MEADOW, UT
MENDON, UT
MIDVALE CITY INC., UT
MIDWAY, UT
MILFORD, UT
MILLVILLE, UT
MINERSVILLE, UT
MOAB, UT
MONA, UT
MONROE, UT
CITY OF MONTICELLO, UT
MORGAN, UT
MORONI, UT
MOUNT PLEASANT, UT
MURRAY CITY CORPORATION, UT
MYTON, UT
NAPLES, UT
NEPHI, UT
NEW HARMONY, UT
NEWTON, UT
NIBLEY, UT
NORTH LOGAN, UT
NORTH OGDEN, UT
NORTH SALT LAKE CITY, UT
OAK CITY, UT
OAKLEY, UT
OGDEN CITY CORPORATION, UT
OPHIR, UT
ORANGEVILLE, UT
ORDERVILLE, UT
OREM, UT
PANGUITCH, UT
PARADISE, UT
PARAGONAH, UT
PARK CITY, UT
PAROWAN, UT
PAYSON, UT
PERRY, UT
PLAIN CITY, UT
PLEASANT GROVE CITY, UT
PLEASANT VIEW, UT
PLYMOUTH, UT
PORTAGE, UT
PRICE, UT
PROVIDENCE, UT
PROVO, UT
RANDOLPH, UT
REDMOND, UT
RICHFIELD, UT
RICHMOND, UT
RIVERDALE, UT
RIVER HEIGHTS, UT
RIVERTON CITY, UT
ROCKVILLE, UT
ROCKY RIDGE, UT
ROOSEVELT CITY CORPORATION, UT
ROY, UT
RUSH VALLEY, UT
CITY OF ST. GEORGE, UT
SALEM, UT
SALINA, UT
SALT LAKE CITY CORPORATION, UT
SANDY, UT
SANTA CLARA, UT
SANTAQUIN, UT
SARATOGA SPRINGS, UT
SCIPIO, UT
SCOFIELD, UT
SIGURD, UT
SMITHFIELD, UT
SNOWVILLE, UT
CITY OF SOUTH JORDAN, UT
SOUTH OGDEN, UT
CITY OF SOUTH SALT LAKE, UT
SOUTH WEBER, UT
SPANISH FORK, UT
SPRING CITY, UT
SPRINGDALE, UT
SPRINGVILLE, UT
STERLING, UT
STOCKTON, UT
SUNNYSIDE, UT
SUNSET CITY CORP, UT
SYRACUSE, UT
TABIONA, UT
CITY OF TAYLORSVILLE, UT
TOOELE CITY CORPORATION, UT
TOQUERVILLE, UT
TORREY, UT
TREMONTON CITY, UT
TRENTON, UT
TROPIC, UT
UINTAH, UT
VERNAL CITY, UT
VERNON, UT
VINEYARD, UT
VIRGIN, UT
WALES, UT
WALLSBURG, UT
WASHINGTON CITY, UT
WASHINGTON TERRACE, UT
WELLINGTON, UT
WELLSVILLE, UT
WENDOVER, UT
WEST BOUNTIFUL, UT
WEST HAVEN, UT
WEST JORDAN, UT
WEST POINT, UT
WEST VALLEY CITY, UT
WILLARD, UT
WOODLAND HILLS, UT
WOODRUFF, UT
WOODS CROSS, UT

COUNTIES AND PARISHES INCLUDING BUT NOT LIMITED TO:

ASCENSION PARISH, LA
ASCENSION PARISH, LA, CLEAR OF COURT
CADDO PARISH, LA
CALCASIEU PARISH, LA
CALCASIEU PARISH SHERIFF'S OFFICE, LA
CITY AND COUNTY OF HONOLULU, HI
CLACKAMAS COUNTY, OR
CLACKAMAS COUNTY DEPT OF TRANSPORTATION, OR
CLATSOP COUNTY, OR
COLUMBIA COUNTY, OR

COOS COUNTY, OR
COOS COUNTY HIGHWAY DEPARTMENT, OR
COUNTY OF HAWAII, OR
CROOK COUNTY, OR
CROOK COUNTY ROAD DEPARTMENT, OR
CURRY COUNTY, OR
DESCHUTES COUNTY, OR
DOUGLAS COUNTY, OR
EAST BATON ROUGE PARISH, LA
GILLIAM COUNTY, OR
GRANT COUNTY, OR
HARNEY COUNTY, OR
HARNEY COUNTY SHERIFFS OFFICE, OR
HAWAII COUNTY, HI
HOOD RIVER COUNTY, OR
JACKSON COUNTY, OR
JEFFERSON COUNTY, OR
JEFFERSON PARISH, LA
JOSEPHINE COUNTY GOVERNMENT, OR
LAFAYETTE CONSOLIDATED GOVERNMENT, LA
LAFAYETTE PARISH, LA
LAFAYETTE PARISH CONVENTION & VISITORS COMMISSION
LAFOURCHE PARISH, LA
KAUAI COUNTY, HI
KLAMATH COUNTY, OR
LAKE COUNTY, OR
LANE COUNTY, OR
LINCOLN COUNTY, OR
LINN COUNTY, OR
LIVINGSTON PARISH, LA
MALHEUR COUNTY, OR
MAUI COUNTY, HI
MARION COUNTY, SALEM, OR
MORROW COUNTY, OR
MULTNOMAH COUNTY, OR
MULTNOMAH COUNTY BUSINESS AND COMMUNITY SERVICES, OR
MULTNOMAH COUNTY SHERIFFS OFFICE, OR
MULTNOMAH LAW LIBRARY, OR
ORLEANS PARISH, LA
PLAQUEMINES PARISH, LA
POLK COUNTY, OR
RAPIDES PARISH, LA
SAINT CHARLES PARISH, LA
SAINT CHARLES PARISH PUBLIC SCHOOLS, LA
SAINT LANDRY PARISH, LA
SAINT TAMMANY PARISH, LA
SHERMAN COUNTY, OR
TERREBONNE PARISH, LA
TILLAMOOK COUNTY, OR
TILLAMOOK COUNTY SHERIFF'S OFFICE, OR
TILLAMOOK COUNTY GENERAL HOSPITAL, OR
UMATILLA COUNTY, OR
UNION COUNTY, OR
WALLOWA COUNTY, OR
WASCO COUNTY, OR
WASHINGTON COUNTY, OR
WEST BATON ROUGE PARISH, LA
WHEELER COUNTY, OR
YAMHILL COUNTY, OR
COUNTY OF BOX ELDER, UT
COUNTY OF CACHE, UT
COUNTY OF RICH, UT
COUNTY OF WEBER, UT
COUNTY OF MORGAN, UT
COUNTY OF DAVIS, UT
COUNTY OF SUMMIT, UT
COUNTY OF DAGGETT, UT
COUNTY OF SALT LAKE, UT
COUNTY OF TOOELE, UT
COUNTY OF UTAH, UT
COUNTY OF WASATCH, UT
COUNTY OF DUCHESNE, UT
COUNTY OF UINTAH, UT
COUNTY OF CARBON, UT
COUNTY OF SANPETE, UT
COUNTY OF JUAB, UT
COUNTY OF MILLARD, UT
COUNTY OF SEVIER, UT
COUNTY OF EMERY, UT
COUNTY OF GRAND, UT
COUNTY OF BEVER, UT
COUNTY OF PIUTE, UT
COUNTY OF WAYNE, UT
COUNTY OF SAN JUAN, UT
COUNTY OF GARFIELD, UT
COUNTY OF KANE, UT
COUNTY OF IRON, UT
COUNTY OF WASHINGTON, UT

OTHER AGENCIES INCLUDING ASSOCIATIONS, BOARDS, DISTRICTS, COMMISSIONS, COUNCILS, PUBLIC CORPORATIONS, PUBLIC DEVELOPMENT AUTHORITIES, RESERVATIONS AND UTILITIES INCLUDING BUT NOT LIMITED TO:

BANKS FIRE DISTRICT, OR
BATON ROUGE WATER COMPANY
BEND METRO PARK AND RECREATION DISTRICT
BIENVILLE PARISH FIRE PROTECTION DISTRICT 6, LA
BOARDMAN PARK AND RECREATION DISTRICT
CENTRAL CITY ECONOMIC OPPORTUNITY CORP, LA
CENTRAL OREGON INTERGOVERNMENTAL COUNCIL
CITY OF BOGALUSA SCHOOL BOARD, LA
CLACKAMAS RIVER WATER
CLATSKANIE PEOPLE'S UTILITY DISTRICT
CLEAN WATER SERVICES
CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION
COOS FOREST PROTECTIVE ASSOCIATION
CHEHALEM PARK AND RECREATION DISTRICT
DAVID CROCKETT STEAM FIRE COMPANY #1, LA
EUGENE WATER AND ELECTRIC BOARD
HONOLULU INTERNATIONAL AIRPORT
HOODLAND FIRE DISTRICT #74
HOUSING AUTHORITY OF PORTLAND
ILLINOIS VALLEY FIRE DISTRICT
LAFAYETTE AIRPORT COMMISSION, LA
LAFOURCHE PARISH HEALTH UNIT – DHH-OPH REGION 3
LOUISIANA PUBLIC SERVICE COMMISSION, LA
LOUISIANA WATER WORKS
MEDFORD WATER COMMISSION
MELHEUR COUNTY JAIL, OR
METRO REGIONAL GOVERNMENT
METRO REGIONAL PARKS
METROPOLITAN EXPOSITION RECREATION COMMISSION
METROPOLITAN SERVICE DISTRICT (METRO)
MULTNOMAH EDUCATION SERVICE DISTRICT
NEW ORLEANS REDEVELOPMENT AUTHORITY, LA
NORTHEAST OREGON HOUSING AUTHORITY, OR

PORT OF BRANDON, OR
PORT OF MORGAN CITY, LA
PORTLAND DEVELOPMENT COMMISSION, OR
PORTLAND FIRE AND RESCUE
PORTLAND HOUSING CENTER, OR
OREGON COAST COMMUNITY ACTION
OREGON HOUSING AND COMMUNITY SERVICES
OREGON LEGISLATIVE ADMINISTRATION
ROGUE VALLEY SEWER, OR
SAINT LANDRY PARISH TOURIST COMMISSION
SAINT MARY PARISH REC DISTRICT 2
SAINT MARY PARISH REC DISTRICT 3
SAINT TAMMANY FIRE DISTRICT 4, LA
SALEM MASS TRANSIT DISTRICT
SEWERAGE AND WATER BOARD OF NEW ORLEANS, LA
SOUTH LAFOURCHE LEVEE DISTRICT, LA
TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON
TUALATIN HILLS PARK & RECREATION DISTRICT
TUALATIN VALLEY FIRE & RESCUE
TUALATIN VALLEY WATER DISTRICT
WILLAMALANE PARK AND RECREATION DISTRICT
WILLAMETTE HUMANE SOCIETY

K-12 INCLUDING BUT NOT LIMITED TO:

ACADIA PARISH SCHOOL BOARD
BEAVERTON SCHOOL DISTRICT
BEND-LA PINE SCHOOL DISTRICT
BOGALUSA HIGH SCHOOL, LA
BOSSIER PARISH SCHOOL BOARD
BROOKING HARBOR SCHOOL DISTRICT
CADDO PARISH SCHOOL DISTRICT
CALCASIEU PARISH SCHOOL DISTRICT
CANBY SCHOOL DISTRICT
CANYONVILLE CHRISTIAN ACADEMY
CASCADE SCHOOL DISTRICT
CASCADES ACADEMY OF CENTRAL OREGON
CENTENNIAL SCHOOL DISTRICT
CENTRAL CATHOLIC HIGH SCHOOL
CENTRAL POINT SCHOOL DISTRICT NO.6
CENTRAL SCHOOL DISTRICT 13J
COOS BAY SCHOOL DISTRICT NO.9
CORVALLIS SCHOOL DISTRICT 509J
COUNTY OF YAMHILL SCHOOL DISTRICT 29
CULVER SCHOOL DISTRICT
DALLAS SCHOOL DISTRICT NO.2
DAVID DOUGLAS SCHOOL DISTRICT
DAYTON SCHOOL DISTRICT NO.8
DE LA SALLE N CATHOLIC HS
DESCHUTES COUNTY SCHOOL DISTRICT NO.6
DOUGLAS EDUCATIONAL DISTRICT SERVICE
DUFUR SCHOOL DISTRICT NO.29
EAST BATON ROUGE PARISH SCHOOL DISTRICT
ESTACADA SCHOOL DISTRICT NO.10B
FOREST GROVE SCHOOL DISTRICT
GEORGE MIDDLE SCHOOL
GLADSTONE SCHOOL DISTRICT
GRANTS PASS SCHOOL DISTRICT 7
GREATER ALBANY PUBLIC SCHOOL DISTRICT
GRESHAM BARLOW JOINT SCHOOL DISTRICT
HEAD START OF LANE COUNTY
HIGH DESERT EDUCATION SERVICE DISTRICT
HILLSBORO SCHOOL DISTRICT
HOOD RIVER COUNTY SCHOOL DISTRICT
JACKSON CO SCHOOL DIST NO.9
JEFFERSON COUNTY SCHOOL DISTRICT 509-J
JEFFERSON PARISH SCHOOL DISTRICT
JEFFERSON SCHOOL DISTRICT
JUNCTION CITY SCHOOLS, OR
KLAMATH COUNTY SCHOOL DISTRICT
KLAMATH FALLS CITY SCHOOLS
LAFAYETTE PARISH SCHOOL DISTRICT
LAKE OSWEGO SCHOOL DISTRICT 7J
LANE COUNTY SCHOOL DISTRICT 4J
LINCOLN COUNTY SCHOOL DISTRICT
LINN CO. SCHOOL DIST. 95C
LIVINGSTON PARISH SCHOOL DISTRICT
LOST RIVER JR/SR HIGH SCHOOL
LOWELL SCHOOL DISTRICT NO.71
MARION COUNTY SCHOOL DISTRICT
MARION COUNTY SCHOOL DISTRICT 103
MARIST HIGH SCHOOL, OR
MCMINNVILLE SCHOOL DISTRICT NOAO
MEDFORD SCHOOL DISTRICT 549C
MITCH CHARTER SCHOOL
MONROE SCHOOL DISTRICT NO.1J
MORROW COUNTY SCHOOL DIST, OR
MULTNOMAH EDUCATION SERVICE DISTRICT
MULTISENSORY LEARNING ACADEMY
MYRTLE PINT SCHOOL DISTRICT 41
NEAH-KAH-NIE DISTRICT NO.56
NEWBERG PUBLIC SCHOOLS
NESTUCCA VALLEY SCHOOL DISTRICT NO.101
NOBEL LEARNING COMMUNITIES
NORTH BEND SCHOOL DISTRICT 13
NORTH CLACKAMAS SCHOOL DISTRICT
NORTH DOUGLAS SCHOOL DISTRICT
NORTH WASCO CITY SCHOOL DISTRICT 21
NORTHWEST REGIONAL EDUCATION SERVICE DISTRICT
ONTARIO MIDDLE SCHOOL
OREGON TRAIL SCHOOL DISTRICT NOA6
ORLEANS PARISH SCHOOL DISTRICT
PHOENIX-TALENT SCHOOL DISTRICT NOA
PLEASANT HILL SCHOOL DISTRICT
PORTLAND JEWISH ACADEMY
PORTLAND PUBLIC SCHOOLS
RAPIDES PARISH SCHOOL DISTRICT
REDMOND SCHOOL DISTRICT
REYNOLDS SCHOOL DISTRICT
ROGUE RIVER SCHOOL DISTRICT
ROSEBURG PUBLIC SCHOOLS
SCAPPOOSE SCHOOL DISTRICT 1J
SAINT TAMMANY PARISH SCHOOL BOARD, LA
SEASIDE SCHOOL DISTRICT 10
SHERWOOD SCHOOL DISTRICT 88J
SILVER FALLS SCHOOL DISTRICT 4J
SOUTH LANE SCHOOL DISTRICT 45J3
SOUTHERN OREGON EDUCATION SERVICE DISTRICT
SPRINGFIELD PUBLIC SCHOOLS
SUTHERLIN SCHOOL DISTRICT
SWEET HOME SCHOOL DISTRICT NO.55
TERREBONNE PARISH SCHOOL DISTRICT
THE CATLIN GABEL SCHOOL
TIGARD-TUALATIN SCHOOL DISTRICT
UMATILLA MORROW ESD
WEST LINN WILSONVILLE SCHOOL DISTRICT
WILLAMETTE EDUCATION SERVICE DISTRICT
WOODBURN SCHOOL DISTRICT
YONCALLA SCHOOL DISTRICT

ACADEMY FOR MATH ENGINEERING & SCIENCE (AMES) , UT
ALIANZA ACADEMY , UT
ALPINE DISTRICT , UT
AMERICAN LEADERSHIP ACADEMY , UT
AMERICAN PREPARATORY ACADEMY , UT
BAER CANYON HIGH SCHOOL FOR SPORTS & MEDICAL SCIENCES , UT
BEAR RIVER CHARTER SCHOOL , UT
BEAVER SCHOOL DISTRICT , UT
BEEHIVE SCIENCE & TECHNOLOGY ACADEMY (BSTA) , UT
BOX ELDER SCHOOL DISTRICT , UT
CBA CENTER , UT
CACHE SCHOOL DISTRICT , UT
CANYON RIM ACADEMY , UT
CANYONS DISTRICT , UT
CARBON SCHOOL DISTRICT , UT
CHANNING HALL , UT
CHARTER SCHOOL LEWIS ACADEMY , UT
CITY ACADEMY , UT
DAGGETT SCHOOL DISTRICT , UT
DAVINCI ACADEMY , UT
DAVIS DISTRICT , UT
DUAL IMMERSION ACADEMY , UT
DUCHESNE SCHOOL DISTRICT , UT
EARLY LIGHT ACADEMY AT DAYBREAK , UT
EAST HOLLYWOOD HIGH , UT
EDITH BOWEN LABORATORY SCHOOL , UT
EMERSON ALCOTT ACADEMY , UT
EMERY SCHOOL DISTRICT , UT
ENTHEOS ACADEMY , UT
EXCELSIOR ACADEMY , UT
FAST FORWARD HIGH , UT
FREEDOM ACADEMY , UT
GARFIELD SCHOOL DISTRICT , UT
GATEWAY PREPARATORY ACADEMY , UT
GEORGE WASHINGTON ACADEMY , UT
GOOD FOUNDATION ACADEMY , UT
GRAND SCHOOL DISTRICT , UT
GRANITE DISTRICT , UT
GUADALUPE SCHOOL , UT
HAWTHORN ACADEMY , UT
INTECH COLLEGIATE HIGH SCHOOL , UT
IRON SCHOOL DISTRICT , UT
ITINERIS EARLY COLLEGE HIGH , UT
JOHN HANCOCK CHARTER SCHOOL , UT
JORDAN DISTRICT , UT
JUAB SCHOOL DISTRICT , UT
KANE SCHOOL DISTRICT , UT
KARL G MAESER PREPARATORY ACADEMY , UT
LAKEVIEW ACADEMY , UT
LEGACY PREPARATORY ACADEMY , UT
LIBERTY ACADEMY , UT
LINCOLN ACADEMY , UT
LOGAN SCHOOL DISTRICT , UT
MARIA MONTESSORI ACADEMY , UT
MERIT COLLEGE PREPARATORY ACADEMY , UT
MILLARD SCHOOL DISTRICT , UT
MOAB CHARTER SCHOOL , UT
MONTICELLO ACADEMY , UT
MORGAN SCHOOL DISTRICT , UT
MOUNTAINVILLE ACADEMY , UT
MURRAY SCHOOL DISTRICT , UT
NAVIGATOR POINTE ACADEMY , UT
NEBO SCHOOL DISTRICT , UT
NO UT ACAD FOR MATH ENGINEERING & SCIENCE (NUAMES) , UT
NOAH WEBSTER ACADEMY , UT
NORTH DAVIS PREPARATORY ACADEMY , UT
NORTH SANPETE SCHOOL DISTRICT , UT
NORTH STAR ACADEMY , UT
NORTH SUMMIT SCHOOL DISTRICT , UT
ODYSSEY CHARTER SCHOOL , UT
OGDEN PREPARATORY ACADEMY , UT
OGDEN SCHOOL DISTRICT , UT
OPEN CLASSROOM , UT
OPEN HIGH SCHOOL OF UTAH , UT
OQUIRRH MOUNTAIN CHARTER SCHOOL , UT
PARADIGM HIGH SCHOOL , UT
PARK CITY SCHOOL DISTRICT , UT
PINNACLE CANYON ACADEMY , UT
PIUTE SCHOOL DISTRICT , UT
PROVIDENCE HALL , UT
PROVO SCHOOL DISTRICT , UT
QUAIL RUN PRIMARY SCHOOL , UT
QUEST ACADEMY , UT
RANCHES ACADEMY , UT
REAGAN ACADEMY , UT
RENAISSANCE ACADEMY , UT
RICH SCHOOL DISTRICT , UT
ROCKWELL CHARTER HIGH SCHOOL , UT
SALT LAKE ARTS ACADEMY , UT
SALT LAKE CENTER FOR SCIENCE EDUCATION, UT
SALT LAKE SCHOOL DISTRICT , UT
SALT LAKE SCHOOL FOR THE PERFORMING ARTS, UT
SAN JUAN SCHOOL DISTRICT , UT
SEVIER SCHOOL DISTRICT , UT
SOLDIER HOLLOW CHARTER SCHOOL , UT
SOUTH SANPETE SCHOOL DISTRICT , UT
SOUTH SUMMIT SCHOOL DISTRICT , UT
SPECTRUM ACADEMY , UT
SUCCESS ACADEMY , UT
SUCCESS SCHOOL , UT
SUMMIT ACADEMY , UT
SUMMIT ACADEMY HIGH SCHOOL , UT
SYRACUSE ARTS ACADEMY , UT
THOMAS EDISON - NORTH , UT
TIMPANOGOS ACADEMY , UT
TINTIC SCHOOL DISTRICT , UT
TOOELE SCHOOL DISTRICT , UT
TUACAHN HIGH SCHOOL FOR THE PERFORMING ARTS , UT
UINTAH RIVER HIGH , UT
UINTAH SCHOOL DISTRICT , UT
UTAH CONNECTIONS ACADEMY , UT
UTAH COUNTY ACADEMY OF SCIENCE , UT
UTAH ELECTRONIC HIGH SCHOOL , UT
UTAH SCHOOLS FOR DEAF & BLIND , UT
UTAH STATE OFFICE OF EDUCATION , UT
UTAH VIRTUAL ACADEMY , UT
VENTURE ACADEMY , UT
VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY , UT
WALDEN SCHOOL OF LIBERAL ARTS , UT
WASATCH PEAK ACADEMY , UT
WASATCH SCHOOL DISTRICT , UT
WASHINGTON SCHOOL DISTRICT , UT
WAYNE SCHOOL DISTRICT , UT
WEBER SCHOOL DISTRICT , UT
WEILENMANN SCHOOL OF DISCOVERY , UT

HIGHER EDUCATION

ARGOSY UNIVERSITY
BATON ROUGE COMMUNITY COLLEGE, LA
BIRTHINGWAY COLLEGE OF MIDWIFERY
BLUE MOUNTAIN COMMUNITY COLLEGE
BRIGHAM YOUNG UNIVERSITY - HAWAII
CENTRAL OREGON COMMUNITY COLLEGE
CENTENARY COLLEGE OF LOUISIANA
CHEMEKETA COMMUNITY COLLEGE
CLACKAMAS COMMUNITY COLLEGE
COLLEGE OF THE MARSHALL ISLANDS
COLUMBIA GORGE COMMUNITY COLLEGE
CONCORDIA UNIVERSITY
GEORGE FOX UNIVERSITY
KLAMATH COMMUNITY COLLEGE DISTRICT
LANE COMMUNITY COLLEGE
LEWIS AND CLARK COLLEGE
LINFIELD COLLEGE
LINN-BENTON COMMUNITY COLLEGE
LOUISIANA COLLEGE, LA
LOUISIANA STATE UNIVERSITY
LOUISIANA STATE UNIVERSITY HEALTH SERVICES
MARYLHURST UNIVERSITY
MT. HOOD COMMUNITY COLLEGE
MULTNOMAH BIBLE COLLEGE
NATIONAL COLLEGE OF NATURAL MEDICINE
NORTHWEST CHRISTIAN COLLEGE
OREGON HEALTH AND SCIENCE UNIVERSITY
OREGON INSTITUTE OF TECHNOLOGY
OREGON STATE UNIVERSITY
OREGON UNIVERSITY SYSTEM
PACIFIC UNIVERSITY
PIONEER PACIFIC COLLEGE
PORTLAND COMMUNITY COLLEGE
PORTLAND STATE UNIVERSITY
REED COLLEGE
RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII
ROGUE COMMUNITY COLLEGE
SOUTHEASTERN LOUISIANA UNIVERSITY
SOUTHERN OREGON UNIVERSITY (OREGON UNIVERSITY SYSTEM)
SOUTHWESTERN OREGON COMMUNITY COLLEGE
TULANE UNIVERSITY
TILLAMOOK BAY COMMUNITY COLLEGE
UMPQUA COMMUNITY COLLEGE
UNIVERSITY OF HAWAII BOARD OF REGENTS
UNIVERSITY OF HAWAII-HONOLULU COMMUNITY COLLEGE
UNIVERSITY OF OREGON-GRADUATE SCHOOL
UNIVERSITY OF PORTLAND
UNIVERSITY OF NEW ORLEANS
WESTERN OREGON UNIVERSITY
WESTERN STATES CHIROPRACTIC COLLEGE
WILLAMETTE UNIVERSITY
XAVIER UNIVERSITY
UTAH SYSTEM OF HIGHER EDUCATION, UT
UNIVERSITY OF UTAH, UT
UTAH STATE UNIVERSITY, UT
WEBER STATE UNIVERSITY, UT
SOUTHERN UTAH UNIVERSITY, UT
SNOW COLLEGE, UT
DIXIE STATE COLLEGE, UT
COLLEGE OF EASTERN UTAH, UT
UTAH VALLEY UNIVERSITY, UT
SALT LAKE COMMUNITY COLLEGE, UT
UTAH COLLEGE OF APPLIED TECHNOLOGY, UT

STATE AGENCIES

ADMIN. SERVICES OFFICE
BOARD OF MEDICAL EXAMINERS
HAWAII CHILD SUPPORT ENFORCEMENT AGENCY
HAWAII DEPARTMENT OF TRANSPORTATION
HAWAII HEALTH SYSTEMS CORPORATION
OFFICE OF MEDICAL ASSISTANCE PROGRAMS
OFFICE OF THE STATE TREASURER
OREGON BOARD OF ARCHITECTS
OREGON CHILD DEVELOPMENT COALITION
OREGON DEPARTMENT OF EDUCATION
OREGON DEPARTMENT OF FORESTRY
OREGON DEPT OF TRANSPORTATION
OREGON DEPT. OF EDUCATION
OREGON LOTTERY
OREGON OFFICE OF ENERGY
OREGON STATE BOARD OF NURSING
OREGON STATE DEPT OF CORRECTIONS
OREGON STATE POLICE
OREGON TOURISM COMMISSION
OREGON TRAVEL INFORMATION COUNCIL
SANTIAM CANYON COMMUNICATION CENTER
SEIU LOCAL 503, OPEU
SOH- JUDICIARY CONTRACTS AND PURCH
STATE DEPARTMENT OF DEFENSE, STATE OF HAWAII
STATE OF HAWAII
STATE OF HAWAII, DEPT. OF EDUCATION
STATE OF LOUISIANA
STATE OF LOUISIANA DEPT. OF EDUCATION
STATE OF LOUISIANA, 26TH JUDICIAL DISTRICT ATTORNEY
STATE OF UTAH

CONTRACT AMENDMENT

CITY OF TUCSON BUSINESS SERVICES DEPARTMENT
255 W. ALAMEDA, 6th FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726-7210
PHONE: (520) 837-4134 / FAX: (520) 791-4735
Cynthia.Thompson@tucsonaz.gov
ISSUE DATE: October 20, 2020

CONTRACT NO:161534-01
CONTRACT AMENDMENT NO.: FIVE (5)

CT
SENIOR CONTRACT OFFICER: CYNTHIA THOMPSON, CPPB

HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

ITEM ONE (1): RENEWAL

Pursuant to Paragraph 7 (Term and Renewal) of the Special Terms and conditions section, the City is hereby exercising its option to renew the contract for the period of **May 1, 2021 through April 30, 2022.**

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR: CATERPILLAR, INC.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF AND UNDERSTANDING OF THE ABOVE AMENDMENT

Patrick Kearns 11-2-2020
Signature of person authorized to sign Date

Patrick Kearns, North America Industry Mgr.
Name and Title (typed or printed legibly)

Caterpillar Inc.
Company Name

100 NE Adams St.
Address

Kearns_Patrick@cat.com
Email Address

Peoria IL 61629
City State Zip

Contact information for Sales/Account Representative for daily business operations:

Tirena Pavelka
Name and Title (typed or printed legibly)

(309) 494-4578
Phone Number

Pavelka_tirena_L@cat.com
Email Address

CITY OF TUCSON:

THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS 2nd DAY OF November, 2020, AT TUCSON, ARIZONA.

Dan Longanecker for
as Director of Business Services and not personally

CAT

7. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Genevieve Pearthree, Planning Development Manager
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Final Plat Ponderosa Parkway LLC requests Final Plat approval for Ponderosa Parkway Condominiums Unit 2—a 78-unit residential condominium subdivision at 1650 E. Ponderosa Parkway on 11.97 acres in the High Density Residential (HR) Zone.

STAFF RECOMMENDED ACTION:

Staff recommends the City Council approve the Final Plat and authorize the Mayor to sign the plat and City Subdivider Agreement when notified by staff that the documents are ready for recording.

Executive Summary:

This is a request for Final Plat approval for a 78-unit residential condominium subdivision known as Ponderosa Parkway Condominiums Unit 2. The site is in the High Density Residential (HR) Zone and has a Resource Protection Overlay (RPO). Unit 2 consists of 78 residential units distributed across six buildings. It is the second phase of a larger three-phase condominium subdivision—Ponderosa Parkway Condominiums—consisting of 169 residential total units distributed across 13 three-story buildings (13 units per building). The overall project is providing a total of 16 attainable housing units per the Development Agreement. The applicant has not provided a phasing plan for how these units will be provided.

Financial Impact:

No financial liabilities are anticipated by the approval of this Final Plat.

Policy Impact:

There are no policy impacts affiliated with this Final Plat.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

PBB Key Community Priorities/Objectives

Robust Resilient Economy - Grow and strengthen a more equitable and resilient economy.

Flagstaff Regional Plan

- Goal ED.8 Promote the continued physical and economic viability of the region's commercial districts by focusing investment on existing and new activity centers.

- Policy E.1.4 Promote cost-effective, energy-efficient technologies and design in all new buildings for residential construction.
- Policy LU.2.2. Design new development to coordinate with existing and future development, in an effort to preserve viewsheds, strengthen connectivity, and establish compatible and mutually supportive land uses.
- Policy LU.5.1. Encourage development patterns within the designated growth boundaries to sustain efficient infrastructure projects and maintenance.
- Policy LU.5.2. Promote infill development over peripheral expansion to conserve environmental resources, spur economic investments, and reduce the cost of providing infrastructure and services.
- Policy LU.5.3. Promote compact development appropriate to and within the context of each area type: urban, suburban, and rural.
- Policy LU.10.5. Consider vacant and underutilized parcels within the City's existing urban neighborhoods as excellent locations for contextual redevelopment that adds housing, shopping, employment, entertainment, and recreational options for nearby residents and transit patrons.
- LU.18.4. Encourage developers to provide activity centers and corridors with housing of various types and price points, especially attached and multifamily housing.
- Policy OS.1.5 Integrate open space qualities into the built environment.
- Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary
- Policy WR.5.1 Preserve and restore existing natural watercourse corridors, including the 100-year floodplain, escarpments, wildlife corridors, natural vegetation, and other natural features using methods that result in a clear legal obligation to preserve corridors in perpetuity, where feasible.

Has There Been Previous Council Decision on This:

- The City Council approved a Large-Scale Zoning Map Amendment on September 3, 2019, (Ordinance No. 2019-27) to change the zoning designation from RR (Rural Residential) to HR (High Density Residential).
- The City Council approved Ordinance No. 2019-29 on September 3, 2019, to formally accept all easements on the site received in 2010, and to include maintenance, access, exclusivity, and overall purpose of the easements.
- The City Council approved the Ponderosa Parkway Condominiums Unit 1 Final Plat on November 3, 2020.
- The City Council approved the Ponderosa Parkway Condominiums Preliminary Plat on July 7, 2020 (on June 10, 2020 the Planning and Zoning Commission voted 5-0 in favor of forwarding the Preliminary Plat to the City Council with a recommendation of approval).

Options and Alternatives:

1. Approve the Final Plat with no conditions.
2. Approve the Final Plat with conditions.
3. Deny the Final Plat based on non-compliance with the Zoning Code, the Subdivision Code, and/or the Engineering Design Standards and Specifications for New Infrastructure.

Background/History:

On February May 28, 2019, the Inter-Division Staff approved a Site Plan for 169 new residential units distributed across 13 three-story buildings pending a successful Zoning Map Amendment from RR (Rural Residential) to HR (High Density Residential), which the City Council approved on September 3, 2019. Staff approved Civil Engineering Plans in June 2020; the applicant also has approved permits for on-site grading and retaining walls, and public improvements. Building permits are currently under review.

The City Council approved the Preliminary Plat for the entire development—Ponderosa Parkway Condominiums—on July 7, 2020. However, the applicant has opted to phase the development. The City Council approved the Ponderosa Parkway Condominiums Unit 1 Final Plat on November 3, 2020.

The focus of this Final Plat request is the second of three phases: Ponderosa Parkway Condominiums Unit 2, which consists of 78 residential units in six three-story buildings (13 units per building). Staff approved this Final Plat on March 22, 2021.

The residential units range from studio to three-bedroom units and are approximately 500 to 1,300 square feet. The applicant has elected to construct the buildings to meet the Residential Sustainability Building Standards in Section 10-30.70.040 of the City of Flagstaff Zoning Code. This type of construction provided the applicant with up to a 25% density bonus (the HR Zone density range is 10-22 units per acre but the maximum is 13 units per acre in a Suburban Activity Center designated in the Flagstaff Regional Plan). Thus, the applicant would be allowed to increase density from 156 to 195 units; the applicant elected to build 169 units total.

The applicant has also committed to providing 16 “Attainable Housing Units” across the entire 169-unit development. These units will be disbursed throughout the development to the greatest extent feasible (with no exterior difference between the attainable and market-rate units). The units will be sold at or below 100% of the Area Median Income (“AMI”) affordability level.

The project will make several improvements on the site and in the adjacent right of way in response to requirements identified by public systems analyses conducted at Site Plan. They include a new right-turn lane in the middle of the three driveways that will provide access to the site off Ponderosa Parkway, four (4) LID (Low Impact Development) basins to capture and meter out stormwater, and new 12-inch water and sewer lines along Ponderosa Parkway.

Key Considerations:

Staff approval of the Site Plan in 2019 and the Civil Engineering Plans in 2020 signifies the project complies with Title 10: Zoning Code and Title 13: Engineering Design Standards and Specifications for New Infrastructure. Thus, the developer was permitted to apply for additional grading permits, which have since been approved. Building permits are currently under review.

However, the applicant has opted to create a condominium plat to separate ownership of each unit from ownership of the land beneath. In this case, ownership is of the airspace within each unit and the limited common elements (porches, decks) associated with each unit. Shared areas inside each building and the spaces between the floor plates and walls are considered “common elements.” Tract “A” contains all areas outside of the buildings and the limited common elements. It is dedicated as a common element to the owner association and as a public utility easement for service to the condominiums. It includes tree and slope resources, amenities, private access easements, and drainage and detention basins. Staff approval of the Final Plat on March 22, 2021, signifies the project complies with Title 11, General Plans and Subdivisions.

Community Benefits and Considerations:

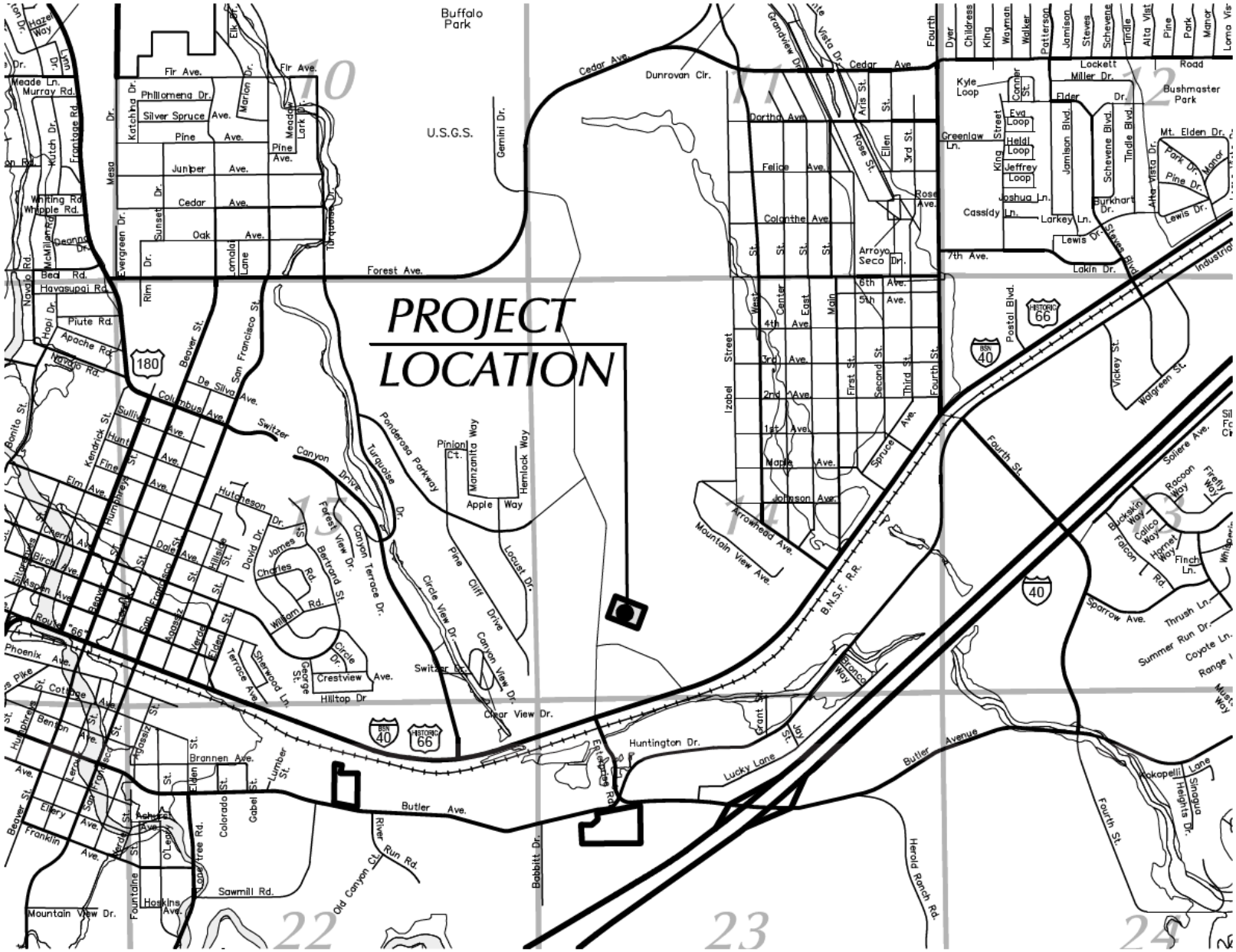
The community benefits that this project brings are encapsulated in the Regional Plan goals that it meets, such as promoting economic development, providing a diversity of house types at a variety of price points, and integrating open space characteristics into development.

Community Involvement:

Inform. No public hearings or public outreach are required by either the Zoning Code or the Subdivision Code as part of the Preliminary Subdivision Plat review process.

Attachments: Vicinity Map
City Subdivider Agreement

Final Plat
Application
Presentation



VICINITY MAP

N.T.S.

NOT TO SCALE

CITY / SUBDIVIDER AGREEMENT
CITY OF FLAGSTAFF, ARIZONA

This Agreement is entered into by and between the CITY OF FLAGSTAFF, a municipal corporation duly created and existing under the laws of the State Arizona, hereinafter referred to as CITY; and _____ Ponderosa Parkway, LLC _____ Subdivider, hereinafter referred to as SUBDIVIDER.

W I T N E S S E TH

WHEREAS, _____ Ponderosa Parkway, LLC _____ (Subdivider) desires to subdivide property within the City of Flagstaff, Arizona known as _____ Ponderosa Parkway Condominiums ___ ; and

WHEREAS, CITY is agreeable to accepting said subdivision as proposed; providing that the subdivider constructs the subdivision in accordance with City standards and as set forth in the approved preliminary plat, and while fulfilling the obligations set forth below, which the subdivider hereby assumes; and

WHEREAS, building permit(s) is (are) required and will be issued following execution of this agreement;

NOW, THEREFORE, in consideration of the subdivision and the mutual covenants of the parties hereinafter expressed, the parties hereto agree as follows:

1. SUBDIVIDER agrees to construct all improvements in conformance with the CITY'S Subdivision Regulations and the "General Construction, Standards and Specifications" of the CITY, and to employ a responsible supervisor.

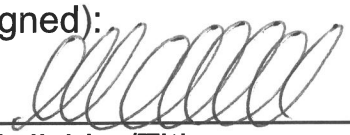
2. SUBDIVIDER further agrees to dedicate all streets and rights-of-way to the CITY for public use and to offer all public improvements to the CITY for acceptance into the CITY system.

3. The CITY agrees to accept the Subdivision as platted and to accept ownership of public improvements upon their completion and approval by the CITY.

4. In the event that the CITY should be required to institute any action for the enforcement of this agreement, SUBDIVIDER, shall be required to pay a reasonable attorney's fee in addition to all other costs assessed in any such action.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed on their own behalf and by the duly authorized officials and officers on the day and year herein written.

(Signed):



Subdivider/Title

Chris Kemmerly/Manager

Subdivider/Title

STATE OF ARIZONA)
) ss
County of Coconino)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20__ by _____.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

_____
Notary Public

My Commission expires:

Dated this _____ day of _____ 20_____ in Flagstaff, Coconino County, Arizona.

By: _____
Mayor

ATTEST:

_____
City Clerk

FINAL PLAT
PONDEROSA PARKWAY CONDOMINIUMS
UNIT 2

A SUBDIVISION OF TRACT "B" INSTRUMENT 3898678
LOCATED IN THE SW 1/4 OF SECTION 14,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA

DEDICATION:

STATE OF ARIZONA }SS.
COUNTY OF COCONINO }

KNOW ALL MEN BY THESE PRESENTS: PONDEROSA PARKWAY, L.L.C., HEREBY PUBLISHES THIS PLAT AS AND FOR THE PLAT OF PONDEROSA PARKWAY CONDOMINIUMS – UNIT 2, A SUBDIVISION OF TRACT B INSTRUMENT 3898678, RECORDS OF COCONINO COUNTY, LOCATED IN THE SW 1/4 OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 7 EAST, G. & S.R.M., FLAGSTAFF, COCONINO COUNTY, ARIZONA, AS SHOWN PLATTED HEREON, AND HEREBY DECLARES THAT SAID PLAT SETS FORTH THE LOCATIONS AND GIVES THE DIMENSIONS AND MEASUREMENTS OF THE UNITS CONSTITUTING SAME AND THAT EACH UNIT SHALL BE KNOWN BY THE NUMBER OR NAME GIVEN TO EACH RESPECTIVELY ON SAID PLAT AND HEREBY DEDICATES THE TRACTS AND EASEMENTS AS SHOWN ON SAID PLAT FOR THE PURPOSES SHOWN.

GRANTOR HEREBY DEDICATES TO THE CITY OF FLAGSTAFF IN FEE SIMPLE PUBLIC RIGHT OF WAY SHOWN HEREON FOR PUBLIC USE. ABUTTING PROPERTY OWNER SHALL MAINTAIN THE SIDEWALK AND LANDSCAPING WITHIN THE RIGHT OF WAY BETWEEN THE STREET CURB AND THE ABUTTING PROPERTY IN COMPLIANCE WITH FLAGSTAFF CITY CODE.

TRACT "D" IS HEREBY RESERVED BY PONDEROSA PARKWAY, L.L.C. FOR FUTURE DEVELOPMENT.

IN WITNESS WHEREOF: PONDEROSA PARKWAY, L.L.C., HAS CAUSED ITS NAME TO BE SIGNED AND THE SAME TO BE ATTESTED BY THE SIGNATURE OF ITS REPRESENTATIVE, THEREUNTO AUTHORIZED.

DONE AT _____, ARIZONA, THIS _____ DAY OF _____ 20____.

BY: _____
CHRISTOPHER KEMMERLY (MANAGING MANAGER)

ACKNOWLEDGMENT:

STATE OF ARIZONA }SS.
COUNTY OF COCONINO }

ON THIS THE _____ DAY OF _____ 20____, BEFORE ME, THE UNDERSIGNED PERSONALLY APPEARED, CHRISTOPHER KEMMERLY, MANAGING MEMBER OF PONDEROSA PARKWAY, L.L.C., WHO ACKNOWLEDGED BY SELF TO REPRESENT PONDEROSA PARKWAY, L.L.C., AND THAT HE/SHE AS SUCH, BEING AUTHORIZED SO TO DO, EXECUTED THE FOREGOING INSTRUMENT FOR THE PURPOSE THEREIN CONTAINED.

IN WITNESS WHEREOF: I HEREUNTO SET FORTH MY HAND AND OFFICIAL SEAL.

_____
NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

OCCUPANCY:

NO CERTIFICATE OF OCCUPANCY FOR ANY RESIDENCE MAY BE ISSUED NOR MAY ANY RESIDENCE ERECTED IN THIS TRACT BE OCCUPIED UNTIL THE REQUIRED WATER, SEWER, AND ALL OTHER ESSENTIAL UTILITIES ARE INSTALLED AND AN ALL–WEATHER ACCESS ROADWAY TO THE RESIDENCE IS CONSTRUCTED AND APPROVED OR ACCEPTED BY THE CITY ENGINEER.

NOTES:

EXCEPT FOR CONSTRUCTION AND IMPROVEMENTS BY GOVERNMENTAL ENTITIES AND CERTIFIED PUBLIC UTILITIES, CONSTRUCTION AND IMPROVEMENTS WITHIN UTILITY EASEMENTS SHALL BE LIMITED TO ONLY THE FOLLOWING:
A. REMOVABLE WOOD, WIRE, OR SECTION–TYPE FENCING
B. CONSTRUCTION, STRUCTURES, OR BUILDINGS EXPRESSLY APPROVED IN WRITING BY ALL PUBLIC UTILITIES WHICH USE OR SHALL USE THE UTILITY EASEMENT.

CONSTRUCTION OF LANDSCAPING WITHIN CLEAR VIEW ZONES IS RESTRICTED PER THE CITY OF FLAGSTAFF ENGINEERING DESIGN & CONSTRUCTION STANDARDS & SPECIFICATIONS FOR NEW INFRASTRUCTURE (2012 EDITION) – SECTION 13–10–006–0002, INTERSECTION SIGHT TRIANGLES, CLEAR VIEW ZONES.

NO FENCING, RE–GRADING, DISTURBANCE OF NATURAL GROUND, PLACEMENT OF FILL OR ANY OTHER OBSTRUCTIONS ARE PERMITTED WITHIN THE DRAINAGE EASEMENTS.

FIRE APPARATUS ACCESS ROADS SHALL BE PROVIDED ON SITE WHEN ANY PORTION OF THE FACILITY OR BUILDING IS BEYOND 150 FEET FROM APPROVED FIRE APPARATUS ACCESS ROADWAYS AS MEASURED BY AN APPROVED ROUTE AROUND THE EXTERIOR OF THE BUILDING OR FACILITY. ALTERNATIVE FIRE PROTECTION MEASURES MAY BE SUBSTITUTED FOR MEETING THIS REQUIREMENT WHEN APPROVED BY THE FIRE DEPARTMENT. CONFER WITH THE FLAGSTAFF FIRE DEPARTMENT FIRE PREVENTION OFFICER TO DETERMINE THE SPECIFIC MEANS OF COMPLIANCE.

THE PROPERTY OWNERS ASSOCIATION SHALL BE SOLELY RESPONSIBLE FOR THE OPERATION, MAINTENANCE, AND LIABILITY FOR PRIVATE DETENTION FACILITIES AND PRIVATE DRAINAGEWAYS.

THE CITY OF FLAGSTAFF SHALL HAVE THE RIGHT TO PERIODICALLY INSPECT SAID DETENTION FACILITIES TO VERIFY THAT REGULAR MAINTENANCE ACTIVITIES ARE BEING PERFORMED ADEQUATELY.

CITY OF FLAGSTAFF:
IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR RECORD BY THE COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA ON THE

_____ DAY OF _____, 20____

BY: _____
MAYOR

ATTEST: _____
CITY CLERK

IT IS HEREBY CERTIFIED THAT THIS PLAT HAS BEEN OFFICIALLY APPROVED FOR RECORD BY THE PLANNING DIRECTOR AND CITY ENGINEER, CITY OF FLAGSTAFF, COCONINO COUNTY, ARIZONA ON THE

_____ DAY OF _____, 20____

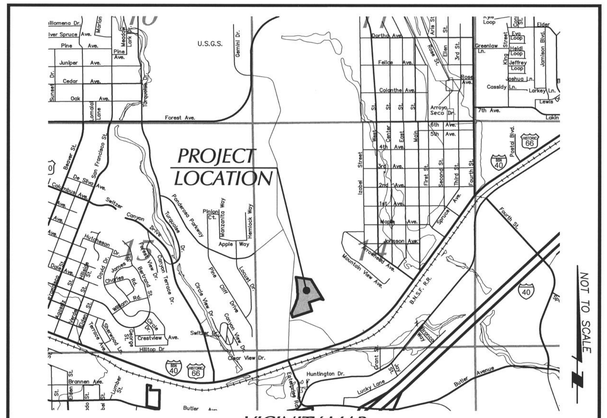
BY: _____
PLANNING DIRECTOR

BY: _____
CITY ENGINEER

CCR'S Instrument 3898679

PROJECT BENCHMARK: IS A FOUND 3" USDI-BLM BRASS CAP (C.O.F. 1920110) AT THE SOUTHWEST CORNER OF SECTION 14, TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M., COCONINO COUNTY, ARIZONA, ELEVATION = 6948.11 (NAVD88)

BASIS OF BEARING: IS FROM THE SOUTHWEST CORNER OF PARCEL 107-07-002E, A FOUND 2" ALUMINUM CAP "ARIZONA SURVEYING INC. LS 18297" TO THE SOUTHEAST CORNER OF OF PARCEL 107-07-002E, A FOUND 1/2" REBAR WITH ILLEGIBLE PLASTIC CAP.
BEARING OF S71°43'08"W - 566.06'


PROJECT LOCATION
U.S.G.S.
Forest Ave.
Fort Valley Rd
Switzer Canyon Dr.
Butler Ave.
Huntington Dr.
Lucky Lane
Cedar Ave.
Oak Ave.
Pine Ave.
Juniper Ave.
Silver Spruce Ave.
Bonito Park Dr.
Ponderosa Parkway
Apple Way
Cherry Hill Dr.
Deer View Dr.
Crescent Dr.
Brannen Ave.
Linda Vista Dr.
Milton Dr.
Sunset Dr.
Beaver St.
Humphreys St.
Switzer Canyon Dr.
Turquoise Dr.
Sinclair Wash Dr.
Rio de Flag
Bonito Park
Fire Station
Flagstaff Medical Center
Flagstaff Mall
Woodlands Village Blvd.
Lone Tree Rd.
Route 66
Santa Fe
Railroad
Martha Ave.
Fellini Ave.
Columbine Ave.
Arroyo Seco Dr.
Greenlaw Ln.
Jonathon Ln.
Cassidy Ln.
Lindsey Ln.
Leann Ln.
7th Ave.
6th Ave.
5th Ave.
4th Ave.
3rd Ave.
2nd Ave.
1st Ave.
Aspen Ave.
Birch Ave.
Beaver St.
Thorpe Rd.
Fourth St.
Milton Rd.
Kendrick St.
Riordan Rd.
Country Club Dr.
Woodlands Village Blvd.
Lone Tree Rd.
Forest Meadows St.
Fourth

FINAL PLAT
PONDEROSA PARKWAY CONDOMINIUMS
UNIT 2

A SUBDIVISION OF TRACT "B" INSTRUMENT 3898678
LOCATED IN THE SW 1/4 OF SECTION 14,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA

LINE	BEARING	DISTANCE
L1	S52°49'21"E	43.21'
L2	N88°16'09"E	36.31'
L3	S30°17'15"W	25.75'
L4	S59°42'45"E	24.00'
L5	S01°45'58"E	13.78'
L6	N89°18'40"E	8.00'
L7	S12°05'22"E	45.61'
L8	N25°35'59"E	45.98'
L9	S72°20'04"E	75.20'
L10	N18°03'15"W	110.93'
L11	S69°19'31"E	30.00'
L12	S20°40'29"W	43.92'
L13	S5°09'47"E	100.28'
L14	S25°37'40"E	70.62'
L15	N20°40'29"E	69.12'
L16	S30°54'26"E	48.07'
L17	S85°54'05"E	70.62'
L18	S68°50'54"E	63.20'
L19	S69°43'08"E	70.62'

CURVE DATA

#	RADIUS	LENGTH	DELTA	TANGENT
1	1659.76'	52.22'	01°48'10"	26.11'
2	895.74'	90.98'	05°49'11"	45.53'

TRACT "D" IS TO RESERVED BY PONDEROSA PARKWAY LLC FOR FUTURE DEVELOPMENT. FUTURE DEVELOPMENT WILL COMPLY WITH THE APPROVED PRELIMINARY PLAT. THE PRELIMINARY PLAT WAS APPROVED BY STAFF 5/01/20, P&Z COMMISSION 6/10/20, AND CITY COUNCIL 7/07/20.

Right-of-Way dedicated hereon by Ponderosa Parkway LLC., 2,040 square feet.

SCALE: 1"=50'
0 25 50 100

LEGEND & ABBREVIATIONS

- FOUND BLM BRASS CAP
- FOUND 1/2" REBAR LS 26406
- FOUND REBAR W/CAP LS 48756
- FOUND REBAR W/CAP LS 4321
- CORNER TO BE SET

EX	EXISTING
S.E.	SLOPE EASEMENT
D.E.	DRAINAGE EASEMENT
P.U.E.	PUBLIC UTILITY EASEMENT
S.F.	SQUARE FEET
AC.	ACRES
R.O.W.	RIGHT OF WAY
FFE	FINISH FLOOR ELEVATION
BLDG	BUILDING

Megollon Inc ENGINEERING & SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KENT V. HOTSENPILLER
ARIZONA U.S.A.

PONDEROSA PARKWAY CONDOMINIUMS 4/01/21
UNIT 2 - FINAL PLAT MES# 18275
OVERALL SITE DIMENSIONS

REVISIONS: COF 9/22

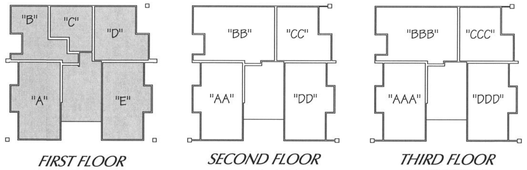
PROJECT NO. 18275
FN: SHEET-02
VERT SCALE: N/A
HOR SCALE: 1"=50'

DATE: 4/01/21
DESIGNED BY: MME
DRAWN BY: MME
CHECKED BY: KVH

SHEET NO. 2 OF 5
COF PROJECT # PZ-17-00227

FINAL PLAT
PONDEROSA PARKWAY CONDOMINIUMS
UNIT 2

A SUBDIVISION OF TRACT "B" INSTRUMENT 3898678
LOCATED IN THE SW 1/4 OF SECTION 14,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



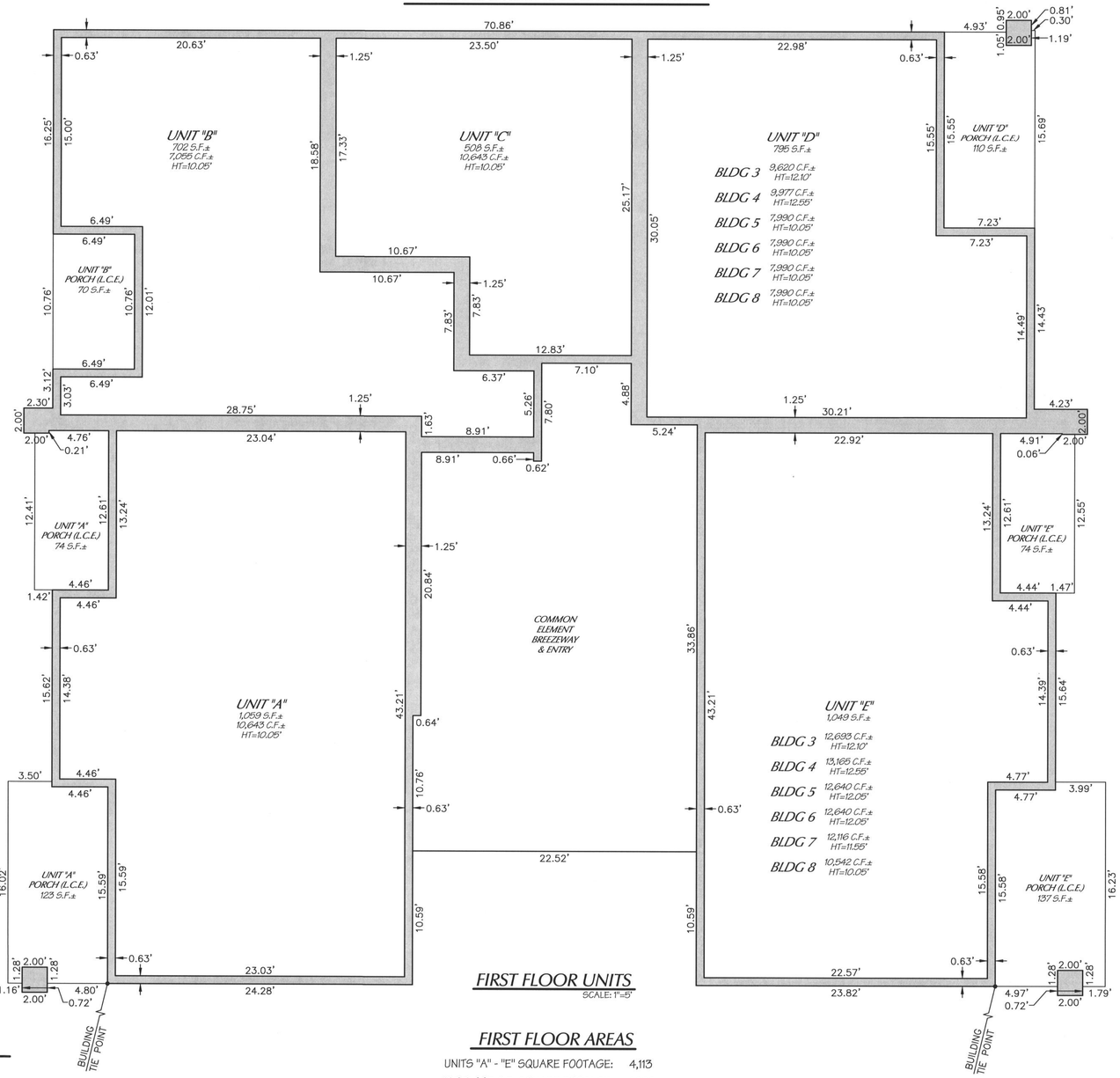
FIRST FLOOR
UNIT IDENTIFICATION

SECOND FLOOR
UNIT IDENTIFICATION

THIRD FLOOR
UNIT IDENTIFICATION

1650 E. PONDEROSA PARKWAY

UNIT ADDRESS & IDENTIFICATION



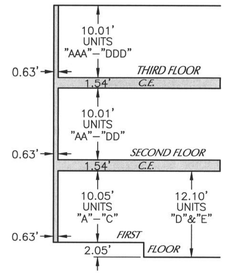
FIRST FLOOR UNITS
SCALE: 1"=5'

FIRST FLOOR AREAS

UNITS "A" - "E" SQUARE FOOTAGE:	4,113
1ST FLOOR C.E. SQUARE FOOTAGE:	1,228
1ST FLOOR L.C.E. SQUARE FOOTAGE:	588

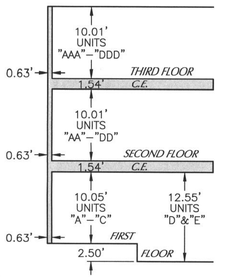
ABBREVIATIONS

FFE	FINISH FLOOR ELEVATION
S.F.	SQUARE FEET
C.F.	CUBIC FEET
HT	HEIGHT
C.E.	COMMON ELEMENT
L.C.E.	LIMITED COMMON ELEMENT



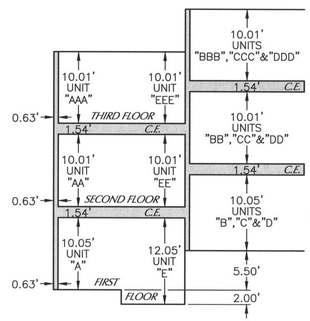
FINISH FLOOR ELEVATIONS
UNITS "A", "B" & "C": 6874.75
UNITS "D" & E": 6872.70

BUILDING 3 ELEVATION
SCALE: 1"=10'



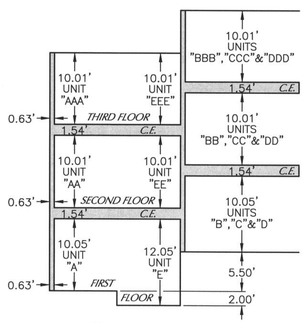
FINISH FLOOR ELEVATIONS
UNITS "A", "B" & "C": 6878.15
UNITS "D" & E": 6875.65

BUILDING 4 ELEVATION
SCALE: 1"=10'



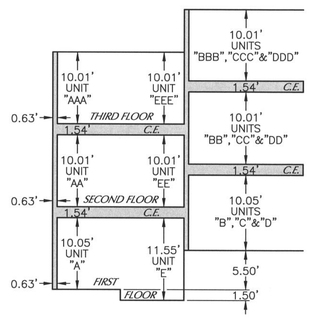
FINISH FLOOR ELEVATIONS
UNIT "A": 6882.10
UNITS "B", "C' & D": 6887.60
UNIT "E": 6880.10

BUILDING 5 ELEVATION
SCALE: 1"=10'



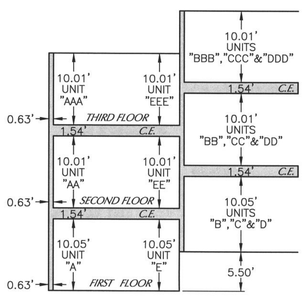
FINISH FLOOR ELEVATIONS
UNIT "A": 6879.50
UNITS "B", "C" & D": 6885.00
UNIT "E": 6877.50

BUILDING 6 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6877.00
UNITS "B", "C' & D": 6882.50
UNIT "E": 6875.50

BUILDING 7 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6874.75
UNITS "B", "C" & D": 6880.25
UNIT "E": 6874.75

BUILDING 8 ELEVATION
SCALE: 1"=10'

Mogollon Inc
ENGINEERING & SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KENT V. HOTSENPILLER
Signed 4/01/21
Not Valid Without Signature and Original Seal

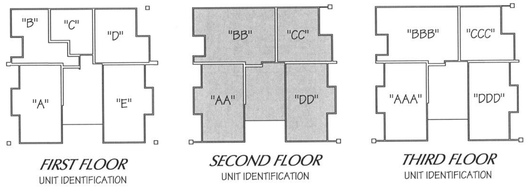
PONDEROSA PARKWAY CONDOMINIUMS 4/01/21
UNIT 2 - FINAL PLAT
FIRST FLOOR PLAT
MES#18275

DATE: 4/01/21
DESIGNED BY:
DRAWN BY: MKE
CHECKED BY: KVH
PROJECT NO. 18275
REVISIONS: COF 3/22
FN: SHEET-05
VERT SCALE: N/A
HOR. SCALE: 1"=5'

COF PROJECT # PZ-17-00227

FINAL PLAT
PONDEROSA PARKWAY CONDOMINIUMS
UNIT 2

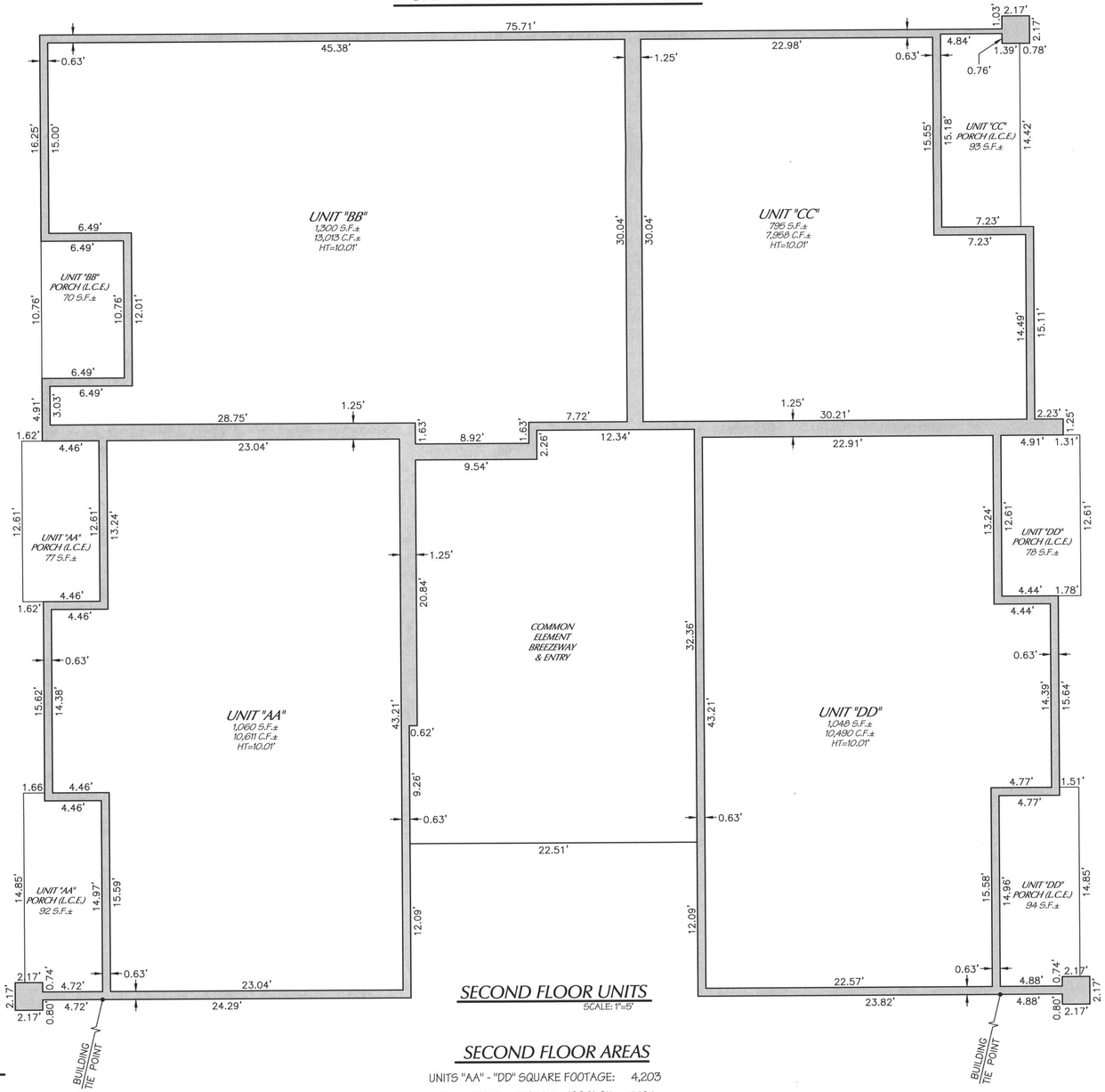
A SUBDIVISION OF TRACT "B" INSTRUMENT 3898678
LOCATED IN THE SW 1/4 OF SECTION 14,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



FIRST FLOOR UNIT IDENTIFICATION | SECOND FLOOR UNIT IDENTIFICATION | THIRD FLOOR UNIT IDENTIFICATION

1650 E. PONDEROSA PARKWAY

UNIT ADDRESS & IDENTIFICATION



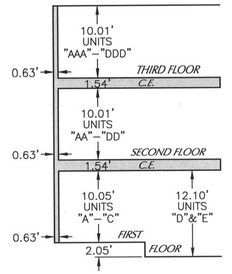
SECOND FLOOR UNITS
SCALE: 1"=5'

SECOND FLOOR AREAS

UNITS "AA" - "DD" SQUARE FOOTAGE:	4,203
2ND FLOOR C.E. SQUARE FOOTAGE:	1,104
2ND FLOOR L.C.E. SQUARE FOOTAGE:	504

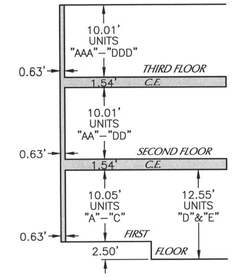
ABBREVIATIONS

FFE	FINISH FLOOR ELEVATION
S.F.	SQUARE FEET
C.F.	CUBIC FEET
HT	HEIGHT
C.E.	COMMON ELEMENT
L.C.E.	LIMITED COMMON ELEMENT



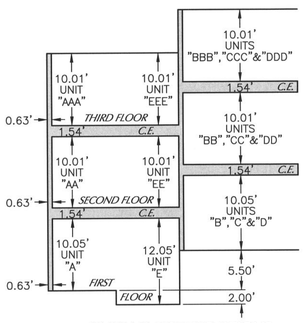
FINISH FLOOR ELEVATIONS
UNITS "A", "B" & "C": 6874.75
UNITS "D" & E": 6872.70

BUILDING 3 ELEVATION
SCALE: 1"=10'



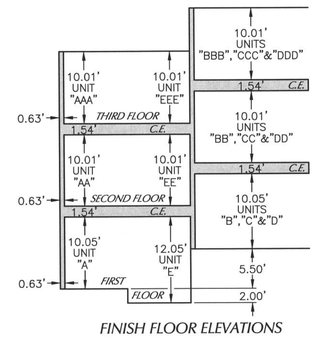
FINISH FLOOR ELEVATIONS
UNITS "A", "B" & "C": 6878.15
UNITS "D" & E": 6875.65

BUILDING 4 ELEVATION
SCALE: 1"=10'



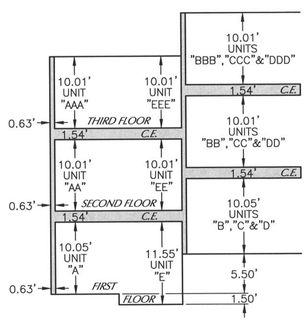
FINISH FLOOR ELEVATIONS
UNIT "A": 6882.10
UNITS "B", "C" & D": 6887.60
UNIT "E": 6880.10

BUILDING 5 ELEVATION
SCALE: 1"=10'



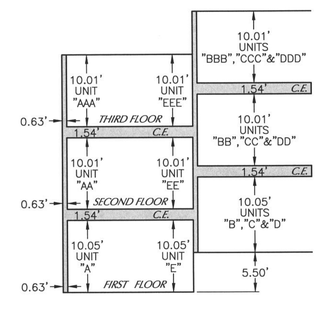
FINISH FLOOR ELEVATIONS
UNIT "A": 6879.50
UNITS "B", "C" & D": 6885.00
UNIT "E": 6877.50

BUILDING 6 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6877.00
UNITS "B", "C" & D": 6882.50
UNIT "E": 6875.50

BUILDING 7 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6874.75
UNITS "B", "C" & D": 6880.25
UNIT "E": 6874.75

BUILDING 8 ELEVATION
SCALE: 1"=10'

Mogollon Inc
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Phone: 928-214-0214

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KENT V. HOTSENPILLER
Kent V. Hotsenpiller

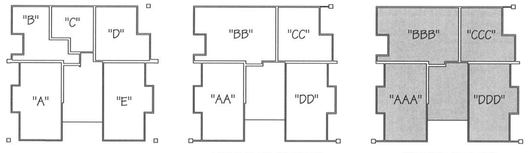
PONDEROSA PARKWAY CONDOMINIUMS 4/01/21
UNIT 2 - FINAL PLAT
SECOND FLOOR PLAT
MES# 18275

DATE: 4/01/21 | PROJECT NO. 18275 | REVISIONS: COF 3/22
DESIGNED BY: | FN: SHEET-05
DRAWN BY: MNE | VERT SCALE: N/A
CHECKED BY: KVH | HOR SCALE: 1"=5'

SHEET NO. 4 OF 5
COF PROJECT # PZ-17-00227

FINAL PLAT
PONDEROSA PARKWAY CONDOMINIUMS
UNIT 2

A SUBDIVISION OF TRACT "B" INSTRUMENT 3898678
LOCATED IN THE SW 1/4 OF SECTION 14,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



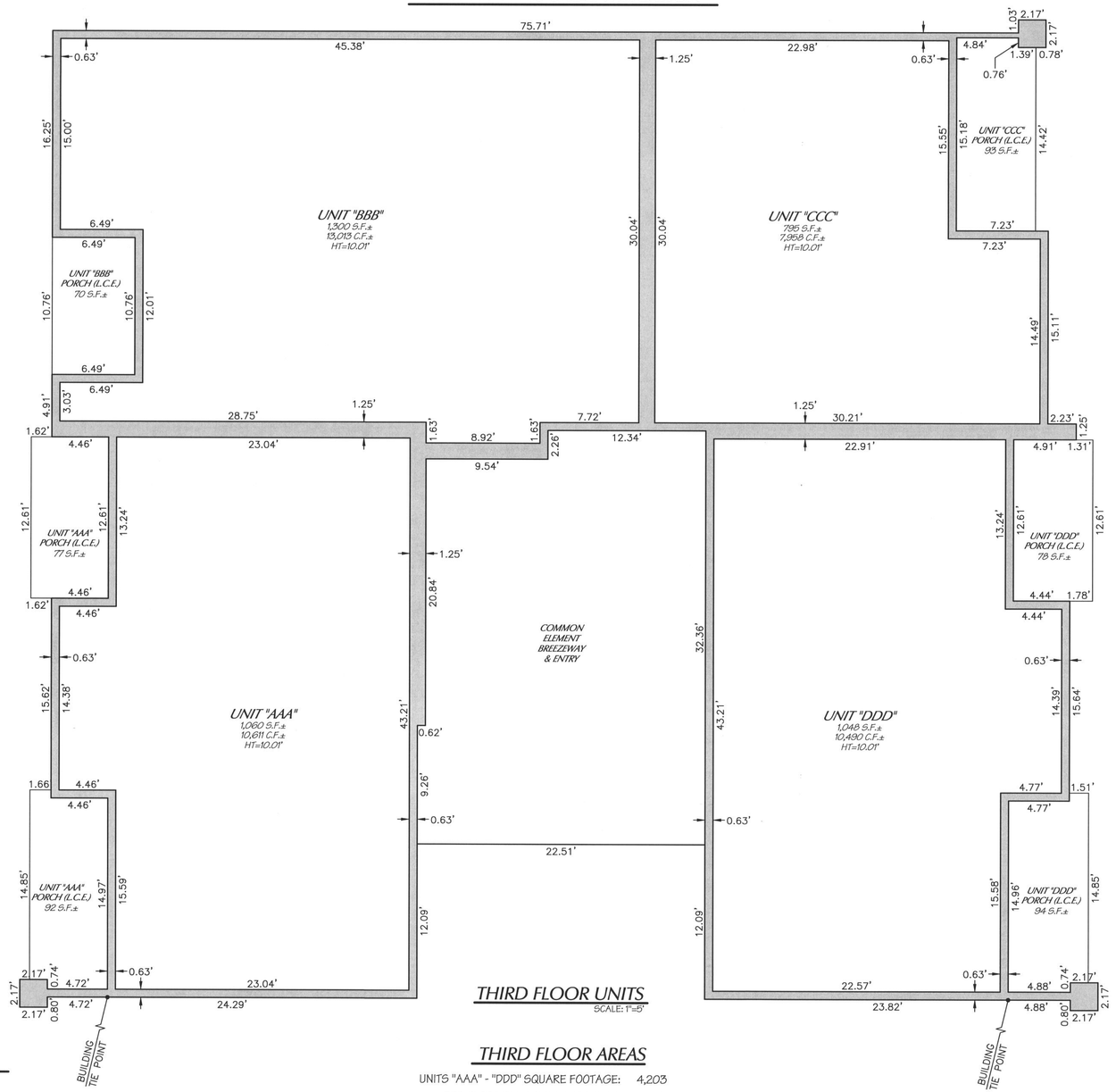
FIRST FLOOR
UNIT IDENTIFICATION

SECOND FLOOR
UNIT IDENTIFICATION

THIRD FLOOR
UNIT IDENTIFICATION

1650 E. PONDEROSA PARKWAY

UNIT ADDRESS & IDENTIFICATION



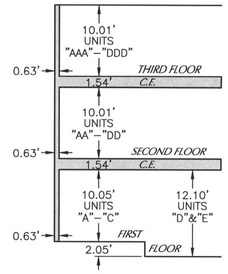
THIRD FLOOR UNITS
SCALE: 1"=5'

THIRD FLOOR AREAS

UNITS "AAA" - "DDD" SQUARE FOOTAGE:	4,203
3RD FLOOR C.E. SQUARE FOOTAGE:	1,104
3RD FLOOR L.C.E. SQUARE FOOTAGE:	504

ABBREVIATIONS

FFE	FINISH FLOOR ELEVATION
S.F.	SQUARE FEET
C.F.	CUBIC FEET
HT	HEIGHT
C.E.	COMMON ELEMENT
L.C.E.	LIMITED COMMON ELEMENT



FINISH FLOOR ELEVATIONS
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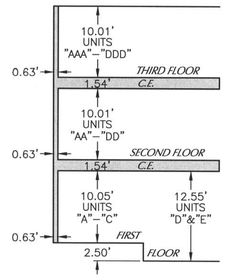
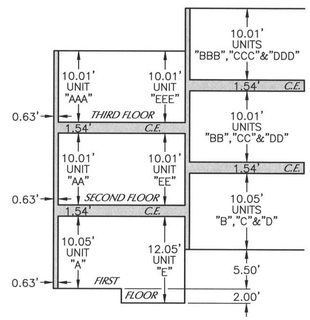
UNITS "D" & E": 6872.70

BUILDING 3 ELEVATION
SCALE: 1"=10'



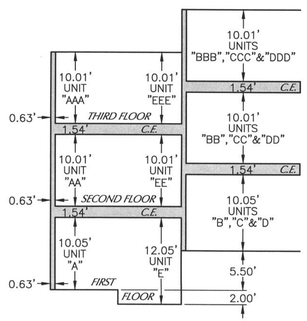
FINISH FLOOR ELEVATIONS
UNITS "A", "B" & "C": 6878.15
UNITS "D" & E": 6875.65

BUILDING 4 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6882.10
UNITS "B", "C" & D": 6887.60
UNIT "E": 6880.10

BUILDING 5 ELEVATION
SCALE: 1"=10'



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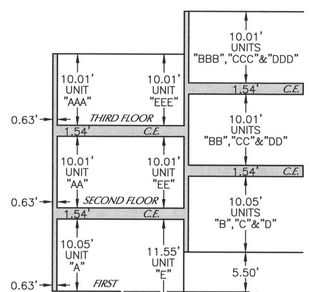
UNIT "E": 6877.50

BUILDING 6 ELEVATION
SCALE: 1"=10'



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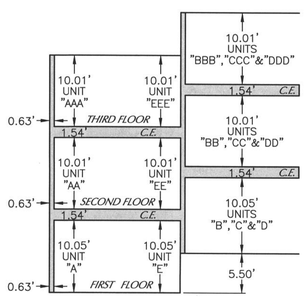
UNIT "E": 6875.50

BUILDING 7 ELEVATION
SCALE: 1"=10'



FINISH FLOOR ELEVATIONS
UNIT "A": 6874.75
UNITS "B", "C" & D": 6880.25
UNIT "E": 6874.75

BUILDING 8 ELEVATION
SCALE: 1"=10'

Mogollon Inc
ENGINEERING
&SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KENT V.
HOTSENPILLER
Date Signed 4-01-21
ARIZONA U.S.A.

PONDEROSA PARKWAY CONDOMINIUMS 4/01/21
UNIT 2 - FINAL PLAT
THIRD FLOOR PLAT
MES# 18275

DATE: 4/01/21
DESIGNED BY:
DRAWN BY: TMW
CHECKED BY: KVH
PROJECT NO. 18275
FN: SHEET-06
VERT SCALE: N/A
HOR SCALE: 1"=5'
REVISIONS: COF 9/02

SHEET NO. 5 OF 5
COF PROJECT # PZ-17-00227

City of Flagstaff Community Development Division

211 W. Aspen Ave
Flagstaff, AZ 86001
www.flagstaff.az.gov
P: (928) 213-2618
F: (928) 213-2609

Date Received	Application for Subdivision Review	File Number

Property Owner(s) Ponderosa Parkway, LLC		**Phone** 928-774-0028
Mailing Address 2502 E. River Rd	**City, State, Zip** Tucson, Az 85718	**Email** jkemmerly@miramontehomes.com
Applicant(s) Ponderosa Parkway, LLC		**Phone**
Mailing Address 2502 E. River Rd	**City, State, Zip** Tucson, Az 85718	**Email** jkemmerly@miramontehomes.com
Project Representative Jack Kemmerly		**Phone** 928-774-0028
Mailing Address 102 S. Mikes Pike St.	**City, State, Zip** Flagstaff, Az 86001	**Email** jkemmerly@miramontehomes.com

Requested Review:
☐ Development Master Plan ☐ Conceptual Plat ☐ Preliminary Plat P&Z and Council
☐ Modified Subdivision ☐ Preliminary Plat ☒ Final Plat- Council

Project Name: Ponderosa Parkway Condominiums Phase 2	**Site Address** 1650 E. Ponderosa Parkway		**Parcel Number** 10707002E
Proposed Use Condominiums	**Existing Use** Vacant	**Subdivision, Tract & Lot Number** N/A	
Zoning District HR	**Regional Plan Category** Suburban	**Flood Zone** X	**Size of Site (Sq. ft. or Acres)** 11.936

Property Information:
☐ Yes ☒ No Located in an existing Local/National Historic District? (Name:_____)
☐ Yes ☒ No Existing structures are over 50 years old at the time of application?
☒ Yes ☐ No Subject property is undeveloped land?

Surrounding Uses (Res, Com, Ind)	North	South	East	West
	Church	Commercial	Commercial	Fire Station

Proposed Use:	Number of Lots	Number of Units	Number of acres per use	Building Square Feet
Condominiums		78	14.13 Units/Acre	36,318

Please complete a "*Subdivision Review Application*" and provide an initialed "*Application and Information Checklist*" form along with the required number of plans and information as appropriate for a Development Master Plan, Conceptual, Preliminary or Final Plat. **Incomplete submittals will not be scheduled.**

Property Owner Signature: (required)	Date:	Applicant Signature:	Date:
	2/2/21		2/2/21

For City Use

Date Filed:	**Case Number (s)**	
P & Z Hearing Date:	**Publication and Posting Date:**	
Council Hearing Date:	**Publication and Posting Date:**	
Fee Receipt Number:	**Amount:**	**Date:**

Action by Planning and Zoning Commission:	Action By City Council:
☐ Approved	☐ Approved
☐ Denied	☐ Denied
☐ Continued	☐ Continued

Staff Assignments	Planning	Engineering	Fire	Public Works/Utilities	Stormwater

Ponderosa Parkway Condominiums Unit 2

Final Plat Approval Request

City Council| April 20, 2021

Genevieve Pearthree | Planning Development Manager

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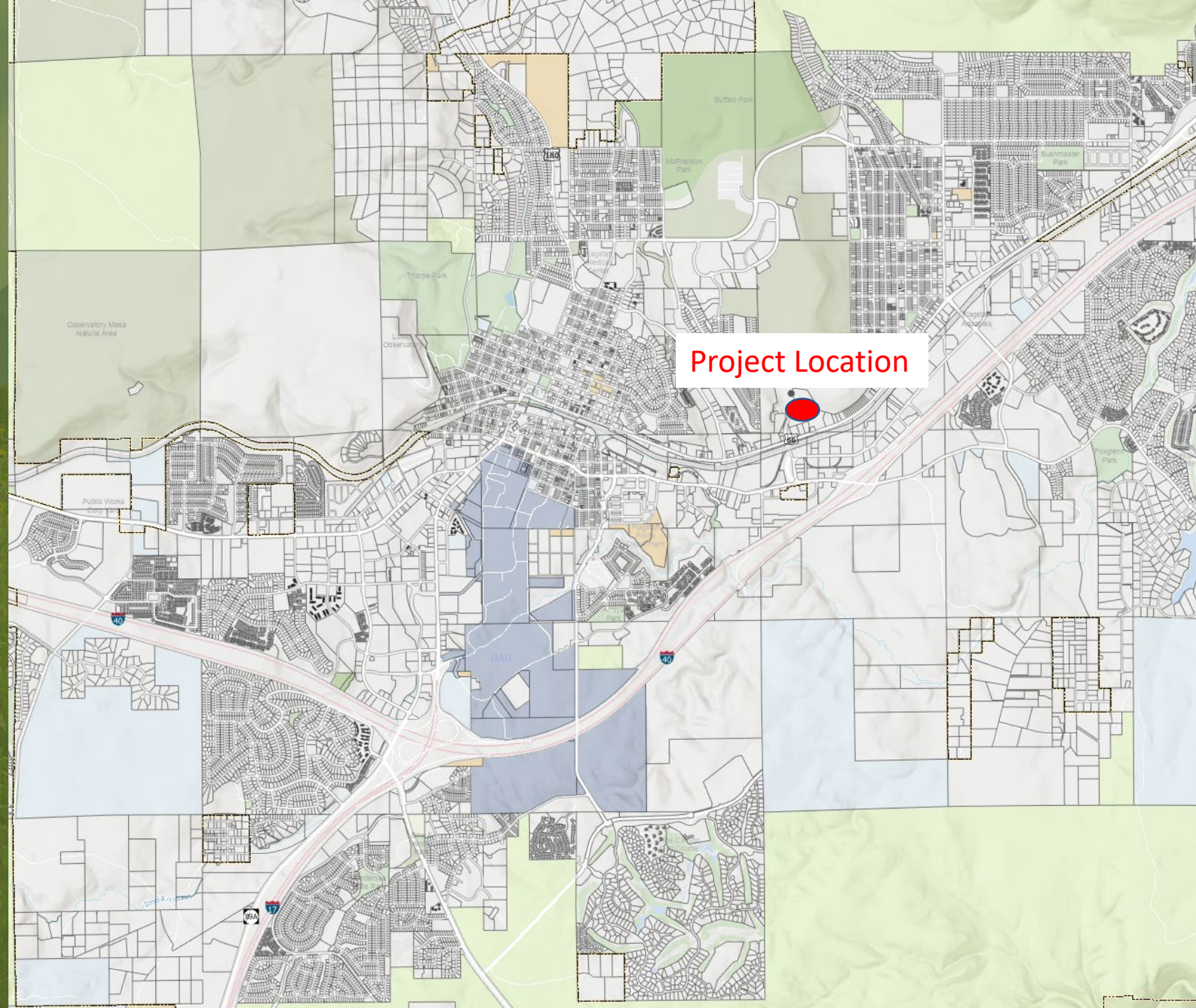
Request Overview

- Request from Ponderosa Parkway, LLC for **Final Plat approval** for a 78-unit residential condominium subdivision on 11.97 acres at 1650 E. Ponderosa Parkway in the HR Zone
  - Request is for Unit 2: phase 2 of 3 of a larger 169-unit subdivision

- **Condominium plat creates individually owned units**
  - Turns residential units (apartments) into condos
  - Ownership is of the airspace within each unit plus the limited common elements associated with each unit (decks and porches)

Vicinity Map

1650 E. Ponderosa Parkway



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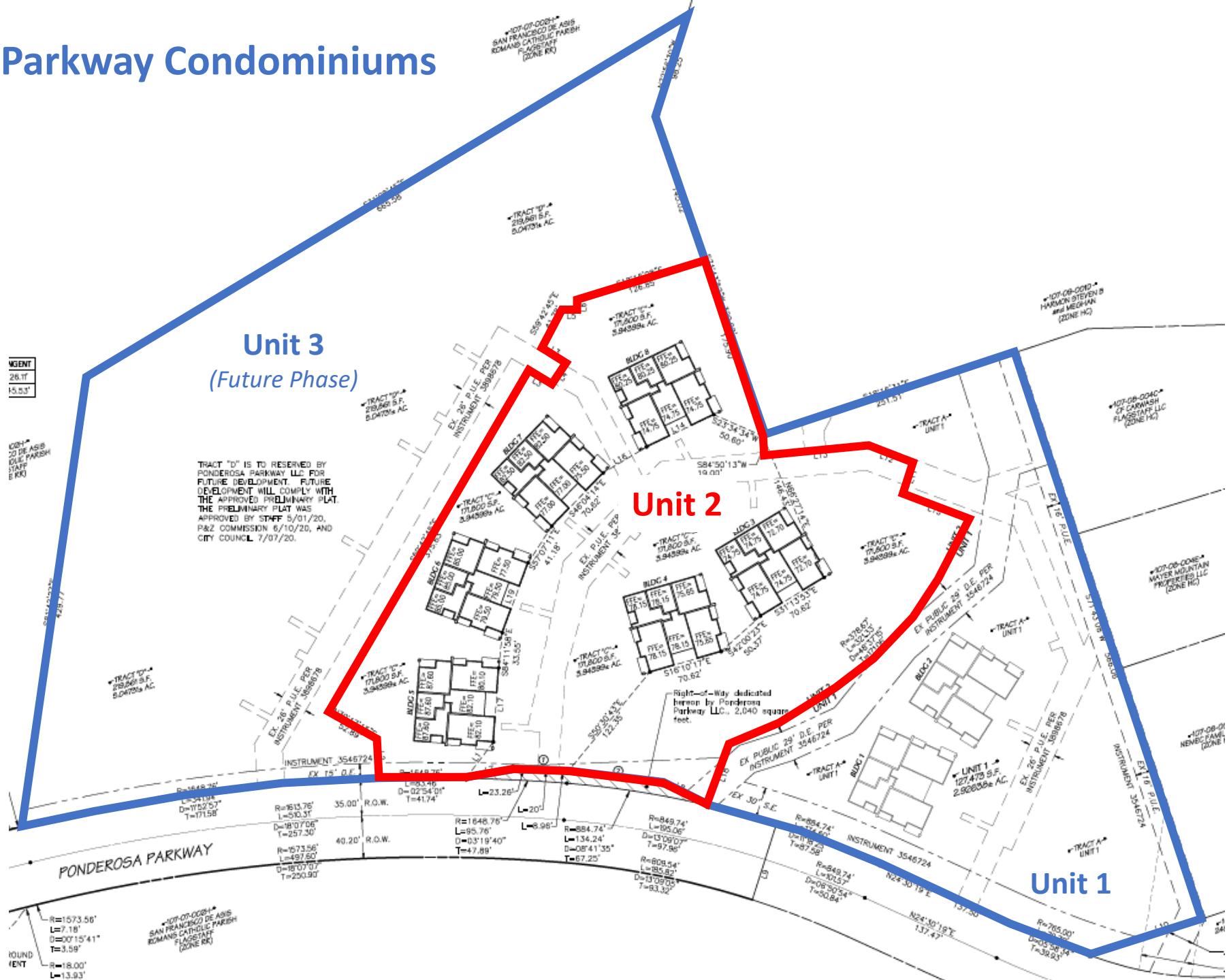
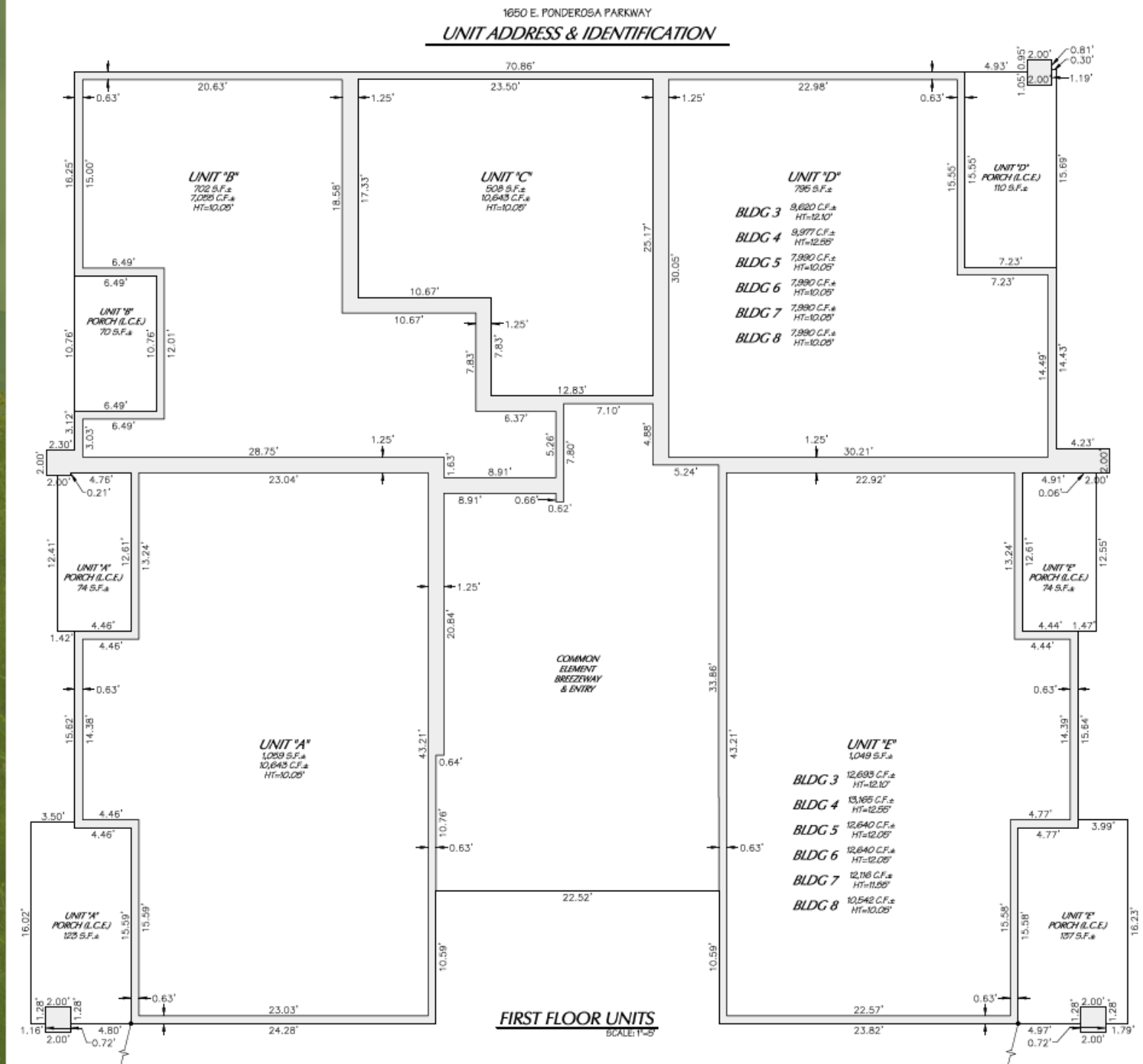
Development Overview

- 78 units in six 3-story buildings (13 units per building)
- Approval history
  - Staff approved Site Plan in May 2019
  - Council approved Large-Scale Zoning Map Amendment from RR to HR in September 2019
  - Staff approved Civil Engineering plans in June 2020
  - Council approved Preliminary Plat on July 7, 2020
  - Council approved Unit 1 Final Plat on November 3, 2020
  - Building Permits under review
- **Focus of Final Plat development request:** create a condominium project to enable individually-owned units

Ponderosa Parkway Condominiums



First Floor



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Second Floor

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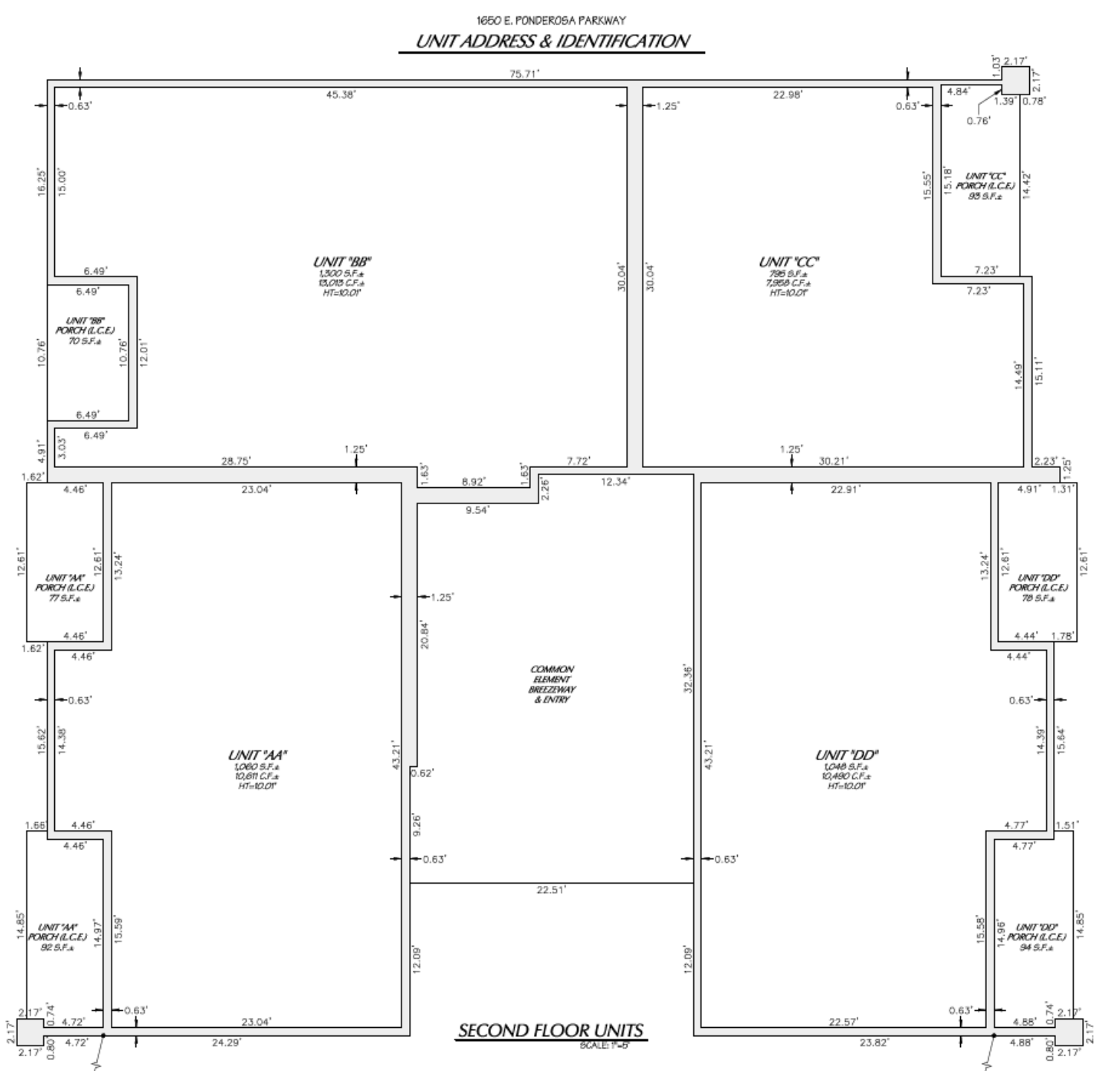
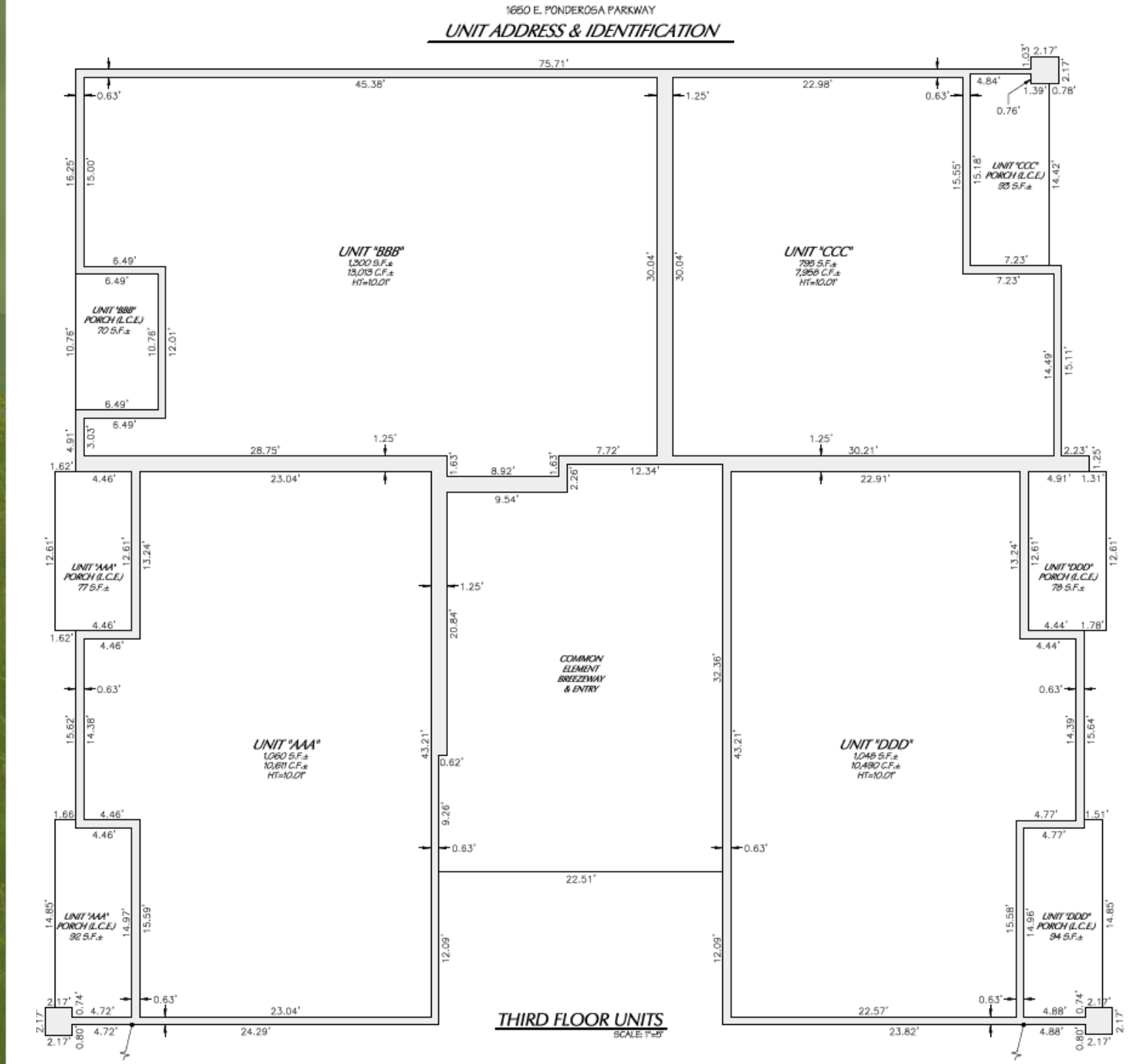


Third Floor



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Vertical airspace and building identification

TEAM FLAGSTAFF
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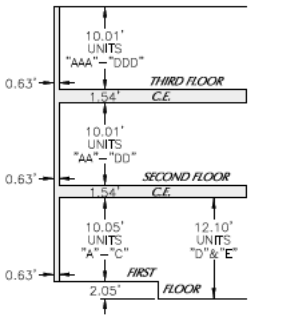

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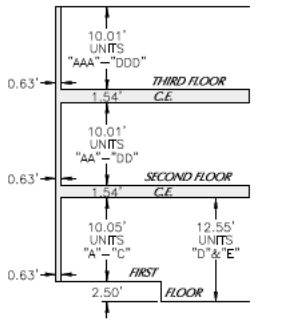

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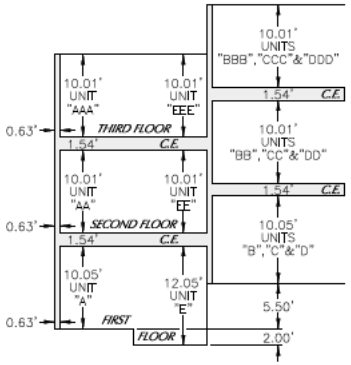

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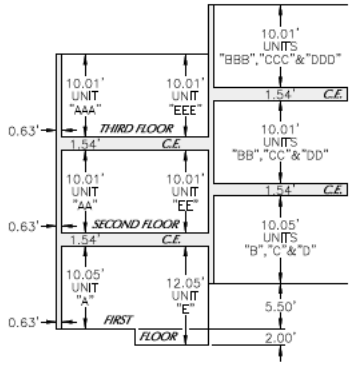

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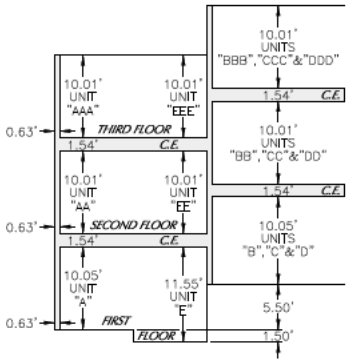

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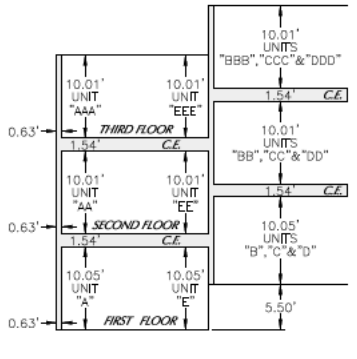

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BUILDING 8 ELEVATION
SCALE: 1"=10'

E1 SOUTH ELEVATION
SCALE: 1/8" = 1'-0"

E6 NORTH ELEVATION
SCALE: 1/8" = 1'-0"

A1 WEST ELEVATION
SCALE: 1/8" = 1'-0"

A6 EAST ELEVATION
SCALE: 1/8" = 1'-0"

E1 SOUTH ELEVATION

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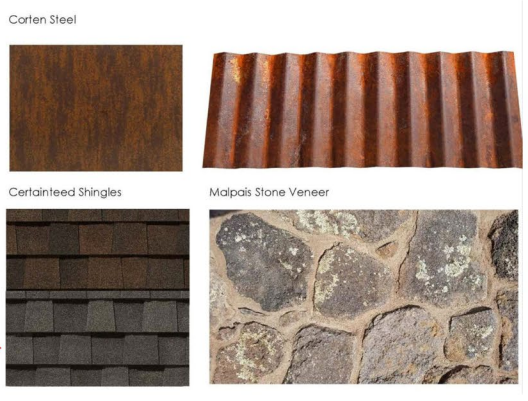
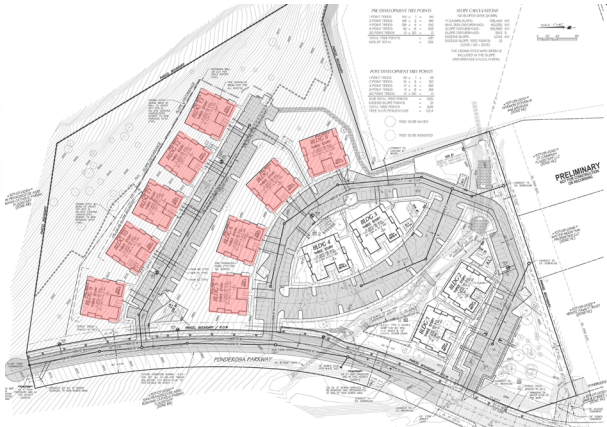




Findings and Recommendation

Required Findings

- Staff has found **the Final Plat meets the requirements** of:
  - City Code Title 10, Flagstaff Zoning Code
  - City Code Title 11, General Plans and Subdivisions
  - City Code Title 13, Engineering Design Standards & Specifications

Staff Recommendation

- Staff recommends **the City Council approve the Final Plat and authorize the Mayor to sign the plat and City Subdivider Agreement** when notified by Staff that the documents are ready for recording

7. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Ed Schenk, Stormwater Project Manager
Co-Submitter:	Mark Richardson
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Contract: Approve the sole source purchase of a Movex electric mini-dozer from Movex Innovation, Inc. in the amount of $113,947.00 for Stormwater Section maintenance of concrete box culverts.

STAFF RECOMMENDED ACTION:

1. Approval of the sole source purchase of a Movex electric mini-dozer from Movex Innovation, Inc. for Stormwater Section maintenance of concrete box culverts in the amount of $113,947.00, not including tax and freight; and
2. Authorize the City Manager to execute all necessary documents.

Executive Summary:

The Stormwater Section took on the responsibility of stormwater maintenance from the Streets Section in 2020. Since this time Water Services has been inventorying and prioritizing maintenance of the stormwater system including low head (46” height or less) concrete box culverts. Many of these culverts have not been cleaned due to the challenges of access and effectively breaking up and removing cohesive sediment and large rocks. Water Services Operations and the Stormwater Section researched viable techniques for achieving this task and found few options. The confined space of these culverts makes diesel and gas-operated machinery dangerous and auger-style attachments to traditional equipment do not appear to be efficient at clearing the large amounts of sediment clogging these culverts. Communication with the construction JOCs indicated that none of the companies had the capacity to clean these culverts.

Stormwater obtained a quote from Banicki Construction in Phoenix for one-time cleaning of 10 culverts. Banicki owns specialized equipment for cleaning low head culverts. The cost proposal was over $200,000 for this one-time cleaning. It is the opinion of staff that this is not an appropriate use of funds, if funding even existed at that level for a one-time maintenance item.

Maintenance is required not only by city code and FEMA regulations but also due to imminent threats like the Museum Fire post-fire flows and potential large monsoon storms that could affect the downtown and Southside. The highest priority cleanings would occur in these two drainages (Rio de Flag and Spruce Wash specifically).

The City of Scottsdale uses a Movex electric mini-dozer for cleaning box culverts that have filled with debris following flash floods. The City of Scottsdale's Public Works Department demonstrated the utility

of the Movex electric mini-dozer to Stormwater Section staff and the unit was found to fit the needs of the City of Flagstaff.

Stormwater Section staff recommends the approval of the purchase of this Movex electric mini-dozer.

Staff recommends:

- The approval for the purchase of a Movex electric mini-dozer in the amount of $113,947.00 for Stormwater Section maintenance of concrete box culverts.
- The City currently has no equipment to clean low head (46" height or less) concrete box culverts. Additionally, the City's construction JOCs also do not have the equipment for this task.
- Many low head concrete box culverts are over 50% clogged from decades of sedimentation, these include key road crossings in the downtown and Southside neighborhoods as well as Museum Fire impacted crossings such as Cedar Avenue at Spruce Wash.

Financial Impact:

This Movex electric mini-dozer will be purchased using Stormwater Section funds. This capital purchase was unbudgeted and the City will be utilizing the $200,000 budget in account 206-08-385-3238-0-4442 (Reserve for Improvements) to cover this purchase. The alternative is to contract out the work at a cost of approximately $25,000 per culvert for a one-time cleaning. The purchase and use of the equipment in-house are substantially less expensive than contracting the work-out. The City has dozens of low-head concrete box culverts and will require this service in perpetuity.

Policy Impact:

The Stormwater Section does not foresee any negative policy impact of purchasing this equipment. In addition, the Movex mini-dozer is all electric which supports the CAAP.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Inclusive and Engaged Community: Ensure city facilities, services, & programs are accessible for all residents & representative of Flagstaff's diverse community

High Performing Governance: Encourage public trust through transparency, accessibility & use; Implement innovative local government programs, new ideas & best practices; be recognized as a model for others to follow

Environmental Stewardship: Promote, protect & enhance a healthy, sustainable environment & its natural resources Strengthen Flagstaff's resilience to climate change impacts on built, natural, economic, health, & social systems of the City's public participation policy

Robust and Resilient Economy

Has There Been Previous Council Decision on This:

There has not been a previous Council decision on this item.

Options and Alternatives:

Option A - Approve the contract with Movex Innovation, Inc. for the Movex electric mini-dozer. This will provide the City of Flagstaff Stormwater Section culvert and channel clean upon request.

Option B - Reject the contract with Movex Innovation, Inc. for the Movex electric mini-dozer. This will not provide the City of Flagstaff Stormwater Section the ability to complete culvert and mitigation in a timely and green manner. This option would leave the Stormwater Section without the tools needed for the culvert and channel mitigation and would require City Staff to re-propose for the services.

Background/History:

This product is a one-of-kind design. Movex Innovation, Inc. has made an electric mini-dozer that is able to work in the smaller ecosystem without disrupting the delicate nature with diesel fumes. Purchasing staff has researched other vendors and found there were no other companies that have produced an electric mini-dozer, nor one capable of meeting City needs for culvert cleaning. Procurement deemed and approved this purchase as a sole source procurement. Additionally, the Movex electric mini-dozer does not produce carbon emissions and therefore meets the City's climate action plan.

Expanded Financial Considerations:

By addressing the areas covered under this purchase, the Stormwater Section and City facilities will reduce the environmental impact of their operations, support the goals and operations of the Stormwater, and reduce the City of Flagstaff liability through safe, timely and cost-effective mitigation of channels and culverts.

Community Benefits and Considerations:

Culverts and open channel drainage system is a critical part of the stormwater collection system. Culverts as the fill with debris limit the amount of water that can flow through them and can cause a back-up of the system. Localized flooding could then occur and cause personal property damage, flood roads and cause unsafe conditions for the residents of Flagstaff. Having the Movex electric mini-dozer would allow the Stormwater Section to maintain the culverts a regular schedule and to have the ability to respond to problem areas quickly.

Attachments:

Mini-Dozer Contract
Mini dozer spec
quote
product benefits
additional info

CONTRACT FOR PURCHASE OF MATERIALS
Contract No. 2021-102

This Contract is entered into this _____ day of _____, 2021 by and between the City of Flagstaff, a political subdivision of the State or Arizona ("City"), and Movex Innovation, Inc., a Canadian Corporation ("Contractor).

WHEREAS, the City of Flagstaff desires to receive, and Contractor is able to provide materials;

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Scope of Work: Contractor shall provide the materials generally described as follows:

Movex Electric Mini-Dozer

and as more specifically described in the scope of work attached hereto as *Exhibit A.*

2. Compensation: In consideration for the Contractor's satisfactory performance, City shall pay Contractor an amount of one hundred thirteen thousand nine hundred forty-seven dollars and zero cents **($113,947.00)**. Any price adjustments must be approved by mutual written consent of the parties. The City Manager or his/her designee (the Purchasing Director) may approve an adjustment if the annual contract price is less than $50,000; otherwise City Council approval is required.

3. Standard Terms and Conditions: The City of Flagstaff Standard Terms and Conditions, attached hereto as *Exhibit B* shall apply to performance of this Contract, except to the extent modified in *Exhibit A.*

4. Insurance: Contractor shall meet insurance requirements of the City, set forth in *Exhibit C.*

5. Contract Term: The Contract term is for a period of one (1) year unless terminated pursuant to the Standard Terms and Conditions. This Contract shall be effective as of the date signed by both parties.

6. Notice: Any formal notice required under this Contract shall be in writing and sent by mail and email as follows:

To the City:
Emily Markel
City of Flagstaff
211 W. Aspen
Flagstaff, AZ 86001
emarkel@flagstaffaz.gov

To Contractor:
Jean-Yves Bacle
Movex Innovation, Inc.
403 Avenue De La Montagne
Shawinigan, Quebec, G9N 0A3, CA
jybacle@movexinnovation.com

With a copy to:
Ed Schenk
Stormwater Project Manager
City of Flagstaff
2323 N. Walgreen Blvd.
Flagstaff, AZ 86004
edward.schenk@flagstaffaz.gov

With a copy to:

7. Authority: Each party warrants that it has authority to enter into this Contract and perform its obligations hereunder, and that it has taken all actions necessary to enter into this Contract.

CONTRACTOR

_____

Print name:_____

Title:_____

CITY OF FLAGSTAFF

_____

Print name:_____

Title:_____

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney's Office

Notice to Proceed issued:_____, 2021

EXHIBIT A

SCOPE OF WORK

(Movex Innovation, Inc. Quote)

EXHIBIT B

CITY OF FLAGSTAFF

STANDARD TERMS AND CONDITIONS

IN GENERAL

1. **NOTICE TO PROCEED:** Contractor shall not commence performance until after City has issued a Notice to Proceed.

2. **LICENSES AND PERMITS:** Contractor its expense shall maintain current federal, state, and local licenses, permits and approvals required for performance of the Contract, and provide copies to City upon request.

3. **COMPLIANCE WITH LAWS:** Contractor shall comply with all applicable federal, state and local laws, regulations, standards, codes and ordinances in performance of this Contract.

4. **NON-EXCLUSIVE:** Unless expressly provided otherwise in the Contract, this Contract is non-exclusive and the City reserves the right to contract with others for materials or services.

5. **SAMPLES:** Any sample submitted to the City by the Contractor and relied upon by City as representative of quality and conformity, shall constitute an express warranty that all materials and/or service to be provided to City shall be of the same quality and conformity.

MATERIALS

6. **PURCHASE ORDERS:** The City will issue a purchase order for the materials covered by the Contract, and such order will reference the Contract number.

7. **QUALITY:** Contractor warrants that all materials supplied under this Contract will be new and free from defects in material or workmanship. The materials will conform to any statements made on the containers or labels or advertisements for the materials, and will be safe and appropriate for use as normally used. City's inspection, testing, acceptance or use of materials shall not serve to waive these quality requirements. This warranty shall survive termination or expiration of the Contract.

8. **ACCEPTANCE:** All materials and services provided by Contract are subject to final inspection and acceptance by the City. Materials and services failing to conform to the Contract specifications may be rejected in whole or part. If rejected, Contractor is responsible for all costs associated arising from rejection.

9. **MANUFACTURER'S WARRANTIES:** Contractor shall deliver all Manufacturer's Warranties to City upon City's acceptance of the materials.

10. **PACKING AND SHIPPING:** Contractor shall be responsible for industry standard packing which conforms to requirements of carrier's tariff and ICC regulations. Containers shall be clearly marked as to lot number, destination, address and purchase order number. All shipments shall be F.O.B. Destination, City of Flagstaff, 211 West Aspen Avenue, Flagstaff, Arizona 86001, unless otherwise specified by the City. C.O.D. shipments will not be accepted.

11. **TITLE AND RISK OF LOSS:** The title and risk of loss of material shall not pass to the City until the City actually receives the material at the point of delivery, and the City has completed inspection and has accepted the material, unless the City has expressly provided otherwise in the Contract.

12. **NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach and Contractor shall not have the right to substitute a conforming tender without prior written approval from the City.

13. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor and may not substitute nonconforming materials, or services. Delivery of nonconforming materials, and/or services, or a default of any nature, at the option of the City, shall constitute shall deliver conforming materials, or services, in each installment or lot of the contract a breach of the contract as a whole.

14. **SHIPMENT UNDER RESERVATION PROHIBITED:** Contractor is not authorized to ship materials under reservation and no tender of a bill of lading shall operate as a tender of the materials.

15. **LIENS:** All materials and other deliverables supplied to the City shall be free of all liens other than the security interest held by Contractor until payment in full is made by the City. Upon request of the City, Contractor shall provide a formal release of all liens.

16. **CHANGES IN ORDERS:** The City reserves the right at any time to make changes in any one or more of the following: (a) methods of shipment or packing; (b) place of delivery; and (c) quantities. If any change causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment may be made in the price or delivery schedule, or both. Any claim for adjustment shall be evidenced in writing and approved by the City Purchasing Director prior to the institution of the change.

PAYMENT

17. **INVOICES:** A separate invoice shall be issued for each shipment and each job completed. Invoices shall include the Contract and/or Purchase Order number, and dates when goods were shipped or work performed. Invoices shall be sent within 30 days following performance. Payment will only be made for satisfactory materials and/or services received and accepted by City.

18. **LATE INVOICES:** The City may deduct up to 10% of the payment price for late invoices. The City operates on a fiscal year budget, from July 1 through the following June 30. Except in unusual circumstances, which are not due to the fault of Contractor, City will not honor any invoices or claims submitted after August 15 for materials or services supplied in the prior fiscal year.

19. **TAXES:** Contractor shall be responsible for payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's performance of this Contract. Such taxes include but are not limited to federal and state income tax, social security tax, unemployment insurance taxes, transaction privilege taxes, use taxes, and any other taxes or business license fees as required.

    Exception: The City will pay any taxes which are specifically identified as a line item dollar amount in the Contractor's bid, proposal, or quote, and which were considered and approved by the City as part of the Contract award process. In this event, taxes shall be identified as a separate line item in Contractor's invoices.

20. **FEDERAL EXCISE TAXES:** The City is exempt from paying certain Federal Excise Taxes and will furnish an exemption certificate upon request.

21. **FUEL CHARGES:** Contractor at its own expense is liable for all fuel costs related to performance. No fuel surcharges will be accepted or paid by City.

22. **DISCOUNTS:** If the Contract provides for payment discounts, payment discounts will be computed from the later date of the following: (a) when correct invoice is received by the City; or (b) when acceptable materials and/or materials were received by City.

23. **AMOUNTS DUE TO THE CITY:** Contractor must be current and remain current in all obligations due to the City during performance. Payments to Contractor may be offset by any delinquent amounts due to City or fees and charges owed to City under this Contract.

24. **OFAC:** No City payments may be made to any person in violation of Office of Foreign Assets Control regulations, 31 C.F.R. Part 501.

SERVICES

25. **INDEPENDENT CONTRACTOR:** Contractor shall be an independent contractor for purposes of all laws, including but not limited to the Fair Labor Standards Act, Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, Immigration and Naturalization Act; Arizona revenue and taxation, workers' compensation, and unemployment insurance laws.

26. **CONTROL:** Contractor shall be responsible for the control of the work.

27. **WORK SITE:** Contractor shall inspect the work site and notify the City in writing of any deficiencies or needs prior to commencing work.

28. **SAFEGUARDING PROPERTY:** Contractor shall responsible for any damage to real property of the City or adjacent property in performance of the work and safeguard the worksite.

29. **QUALITY:** All work shall be of good quality and free of defects, performed in a diligent and professional manner.

30. **ACCEPTANCE:** If work is rejected by the City due to noncompliance with the Contract, The City, after notifying Contractor in writing, may require Contractor to correct the deficiencies at Contractor's expense, or cancel the work order and pay Contractor only for work properly performed.

31. **WARRANTY:** Contractor warrants all work for a period of one (1) year following final acceptance by the City. Upon receipt of written notice from the City, Contractor at its own expense shall promptly correct work rejected as defective or as failing to conform to the Contract, whether observed before or after acceptance, and whether or not fabricated, installed or completed by Contractor, and shall bear all costs of correction. If Contractor does not correct deficiencies within a reasonable time specified in the written notice from the City, the City may perform the work and Contractor shall be liable for the costs. This one-year warranty is in addition to, and does not limit Contractor's other obligations herein. This warranty shall survive termination or expiration of the Contract.

INSPECTION, RECORDS, ADMINISTRATION

32. RECORDS: The City shall have the right to inspect and audit all Contractor books and records related to the Contract for up to five (5) years after completion of the Contract.

33. RIGHT TO INSPECT BUSINESS: The City shall have the right to inspect the place of business of the Contractor or its subcontractor during regular business hours at reasonable times, to the extent necessary to confirm Contract performance.

34. PUBLIC RECORDS: This Contract and any related materials are a matter of public record and subject to disclosure pursuant to Arizona Public Records Law, A.R.S. § 39-121 et seq. If Contractor has clearly marked its proprietary information as "confidential", the City will endeavor to notify Contractor prior to release of such information.

35. CONTRACT ADMINISTRATION: Contractor will be required to participate in the City's Contract Administration Process. Contractor will be closely monitored for contract compliance and will be required to promptly correct any deficiencies.

INDEMNIFICATION, INSURANCE

36. GENERAL INDEMNIFICATION: Contractor shall indemnify, defend and hold harmless the City, its council, boards and commissions, officers, employees from all losses, claims, suits, payments and judgments, demands, expenses, attorney's fees or actions of any kind resulting from personal injury to any person, including employees, subcontractors or agents of Contractor or damages to any property arising or alleged to have arisen out of the negligent performance of the Contract, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. This indemnification provision shall survive termination or expiration of the Contract. This indemnification clause shall not apply, if a different indemnification clause is included in the City's Specific Terms and Conditions.

37. INSURANCE: Contractor shall maintain all insurance coverage required by the City, including public liability and worker's compensation.

38. INTELLECTUAL PROPERTY INDEMNIFICATION: Contractor shall indemnify and hold harmless the City against any liability, including costs and expenses, for infringement of any patent, trademark or copyright or other proprietary rights of any third parties arising out of contract performance or use by the City of materials furnished or work performed under this Contract. Contractor shall promptly assume full responsibility for the defense of any suit or proceeding which is, has been, or may be brought against the City and its agents for alleged infringement, or alleged unfair competition resulting from similarity in design, trademark or appearance of goods, and indemnify the City against any and all expenses, losses, royalties, profits and damages, attorneys fees and costs resulting from such proceedings or settlement thereof. This indemnification shall survive termination or expiration of the Contract.

CONTRACT CHANGES

39. PRICE INCREASES: Except as expressly provided for in the Contract, no price increases will be approved.

40. COMPLETE AGREEMENT: The Contract is intended to be the complete and final agreement of the parties.

41. **AMENDMENTS:** This Contract may be amended by written agreement of the parties.

42. **SEVERABILITY:** If any term or provision of this Contract is found by a court of competent jurisdiction to be illegal or unenforceable, then such term or provision is deemed deleted, and the remainder of this Contract shall remain in full force and effect.

43. **NO WAIVER:** Each party has the right insist upon strict performance of the Contract, and the prior failure of a party to insist upon strict performance, or a delay in any exercise of any right or remedy, or acceptance of materials or services, shall not be deemed a waiver of any right to insist upon strict performance.

44. **ASSIGNMENT:** This Contract may be assigned by Contractor with prior written consent of the City, which will not be unreasonably withheld. Any assignment without such consent shall be null and void. Unless expressly provided for in a separately executed Consent to Assignment, no assignment shall relieve Contractor (Assignor) from any of its obligations and liabilities under the Contract with respect to City. The Purchasing Director shall have authority to consent to an assignment on behalf of City.

45. **BINDING EFFECT:** This Contract shall be binding upon and inure to the benefit of the parties and their successors and assigns.

EMPLOYEES AND SUBCONTRACTORS

46. **SUBCONTRACTING:** Contractor may subcontract work in whole or in part with the City's advance written consent. City reserves the right to withhold consent if subcontractor is deemed irresponsible and/or subcontracting may negatively affect performance. All subcontracts shall comply with the underlying Contract. Contractor is responsible for Contract performance whether or not subcontractors are used.

47. **NONDISCRIMINATION:** Contractor shall not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, disability, genetic information, veteran's status, pregnancy, familial status and represents and warrants that it complies with all applicable federal, state and local laws and executive orders regarding employment. In addition any Contractor located within City of Flagstaff limits shall comply with the City Code, Chapter 14-02Civil Rights which also prohibits discrimination based on sexual orientation, or gender identity or expression.

48. **DRUG FREE WORKPLACE:** The City has adopted a Drug Free Workplace policy for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor personnel shall abstain from use or possession of illegal drugs while engaged in performance of this Contract.

49. **IMMIGRATION LAWS:** Pursuant to A.R.S. § 41-4401, Contractor hereby warrants to the City that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all State and Federal Immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty"). A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the City. The City retains the legal right to inspect the papers of any Contractor or subcontractor employee who works on this Contract to ensure compliance with the Contractor Immigration

Warranty. Contractor agrees to assist the City in regard to any such inspections. The City may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor's Immigration Warranty. Contractor agrees to assist the City in regard to any random verification performed. Neither Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A).

DEFAULT AND TERMINATION

50. TERMINATION FOR DEFAULT: Prior to terminating this Contract for a material breach, the non-defaulting party shall give the defaulting party written notice and reasonable opportunity to cure the default, not to exceed thirty (30) days unless a longer period of time is granted by the non-defaulting party in writing. In the event the breach is not timely cured, or in the event of a series of repeated breaches the non-defaulting party may elect to terminate Contract by written notice to Contractor, which shall be effective upon receipt. In the event of default, the parties may execute all remedies available at law in addition Contract remedies provided for herein.

51. CITY REMEDIES: In the event of Contractor's default, City may obtain required materials and/or services from a substitute contractor, and Contractor shall be liable to the City to pay for the costs of such substitute service. City may deduct or offset the cost of substitute service from any balance due to Contractor, and/or seek recovery of the costs of substitute service against any performance security, and/or collect any liquidated damages provided for in the Contract. Remedies herein are not exclusive.

52. CONTRACTOR REMEDIES: In the event of City's default, Contractor may pursue all remedies available at law, except as provided for herein.

53. SPECIAL DAMAGES: In the event of default, neither party shall be liable for incidental, special, or consequential damages.

54. TERMINATION FOR NONAPPROPRIATION OF FUNDS: The City may terminate all or a portion of this Contract due to budget constraints and non-appropriation of funds for the following fiscal year, without penalty or liability to Contractor.

55. TERMINATION FOR CONVENIENCE: Unless expressly provided for otherwise in the Contract, this Contract may be terminated in whole or part by the City for convenience upon thirty (30) days written notice, without further penalty or liability to Contractor. If this Contract is terminated, City shall be liable only for payment for satisfactory materials and/or services received and accepted by City before the effective date of termination.

56. TERMINATION DUE TO INSOLVENCY: If Contractor becomes a debtor in a bankruptcy proceeding, or a reorganization, dissolution or liquidation proceeding, or if a trustee or receiver is appointed over all or a substantial portion of the property of Contractor under federal bankruptcy law or any state insolvency law, Contractor shall immediately provide the City with a written notice thereof. The City may terminate this Contract, and Contractor is deemed in default, at any time if the Contractor becomes insolvent, or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's ability to perform under the Contract.

57. **PAYMENT UPON TERMINATION:** Upon termination of this Contract, City will pay Contractor for satisfactory performance up until the effective date of termination. City shall make final payment within thirty (30) days from receipt of the Contractor's final invoice.

58. **CANCELLATION FOR GRATUITIES:** The City may cancel this Contract at any time, without penalty or further liability to Contractor, if City determines that Contractor has given or offered to give any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant ("Gratuities") in connection with award or performance of the Contract.

59. **CANCELLATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511):** The City may cancel this Contract within three (3) years after its execution, without penalty or further liability to Contractor.

MISCELLANEOUS

60. **ADVERTISING:** Contractor shall not advertise or publish information concerning its Contract with City, without the prior written consent of the City.

61. **NOTICES:** All notices given pursuant to this Contract shall be delivered at the addresses as specified in the Contract, or updated by Notice to the other party. Notices may be: (a) personally delivered, with receipt effective upon personal delivery; (b) sent via certified mail, postage prepaid, with receipt deemed effective four (4) days after being sent; (c) or sent by overnight courier, with receipt deemed effective two (2) days after being sent Notice may be sent by email as a secondary form of notice.

62. **THIRD PARTY BENEFICIARIES:** This Contract is intended for the exclusive benefit of the parties. Nothing herein is intended to create any rights or responsibilities to third parties.

63. **GOVERNING LAW:** This Contract shall be construed in accordance with the laws of Arizona.

64. **FORUM:** In the event of litigation relating to this Contract, any action at law or in equity shall be filed in Coconino County, Arizona.

65. **ATTORNEYS' FEES:** If any action at law or in equity is necessary to enforce the terms of this Contract, the prevailing party shall be entitled to recover its reasonable attorneys fees, costs, professional fees and expenses.

66. **FORCE MAJUERE:** There may be events that occur during the term of this Contract that are beyond the control of both the City and the Contractor, including events of war, floods, labor, disputes, earthquakes, epidemics, pandemics, adverse weather conditions not reasonably anticipated, forest fires, and other acts of God. These events may result in a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables that are the subject of this Contract.

    There will be no claims arising from a temporary delay of contractual deliverables, or the permanent inability to provide the contractual deliverables caused by the events described above, and the City will pay no additional costs incurred as a result of such events.

    The parties agree to act in good faith to extend the Contract completion date without any penalty to the Contractor and that the extension will be in an amount of time equal to any temporary delay.

This term supersedes all other terms regarding temporary delay, permanent shut down, or increased costs.

EXHIBIT C

INSURANCE REQUIREMENTS

1. In General. Contractor shall maintain insurance against claims for injury to persons or damage to property, arising from performance of or in connection with this Contract by the Contractor, its agents, representatives, employees or contractors.

2. Requirement to Procure and Maintain. Each insurance policy required by this Contract shall be in effect at, or before, commencement of work under this Contract and shall remain in effect until all Contractor's obligations under this Contract have been met, including any warranty periods. The Contractor's failure to maintain the insurance policies as required by this Contract or to provide timely evidence of renewal will be considered a material breach of this Contract.

3. Minimum Scope and Limits of Insurance. The following insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The City does not represent or warrant that the minimum limits set forth in this Contract are sufficient to protect the Contractor from liabilities that might arise out of this Contract, and Contractor is free to purchase such additional insurance as Contractor may determine is necessary.

   Contractor shall provide coverage at least as broad and with limits not less than those stated below.

   a. Commercial General Liability - Occurrence Form

General Aggregate	$2,000,000
Products/Completed Operations	$1,000,000
Each Occurrence	$1,000,000

   b. Umbrella Coverage $2,000,000

   c. Automobile Liability – Any Automobile or Owned, Hired and Non-owned Vehicles Combined Single Limit Per Accident for Bodily Injury & Property Damage $1,000,000

   d. Workers' Compensation and Employer's Liability

Workers' Compensation	Statutory
Employer's Liability: Each Accident	$500,000
Disease - Each Employee	$500,000
Disease - Policy Limit	$500,000

4. Self-Insured Retention. Any self-insured retentions must be declared to and approved by the City. If not approved, the City may require that the insurer reduce or eliminate such self-insured retentions with respect to the City, its officers, agents, employees, and volunteers. Contractor shall be solely responsible for any self-insured retention amounts. City at its option may require Contractor to secure payment of such self insured retention by a surety bond or irrevocable and unconditional letter of credit.

5. Other Insurance Requirements. The policies shall contain, or be endorsed to contain, the following provisions:

   a. Additional Insured. In Commercial General Liability and Automobile Liability Coverages, the City of Flagstaff, its officers, officials, agents and employees shall be named and endorsed as additional insureds with respect to liability arising out of this Contract and activities performed by or on behalf of the Contractor, including products and completed operations of the Contractor, and automobiles owned, leased, hired or borrowed by the Contractor.

   b. Broad Form. The Contractor's insurance shall contain broad form contractual liability coverage.

   c. Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the City, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, agents and employees, shall be in excess of the coverage of the Contractor's insurance and shall not contribute to it.

   d. Each Insured. The Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

   e. Not Limited. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

   f. Waiver of Subrogation. The policies shall contain a waiver of subrogation against the City, its officers, officials, agents and employees for losses arising from work performed by Contractor for the City.

6. Notice of Cancellation. Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, cancelled, reduced in coverage or in limits unless prior written notice has been given to the City. Notices required by this section shall be sent directly to the Buyer listed in the original Solicitation and shall reference the Contract Number:

   Attention: Emily Markel, Senior Procurement Specialist
   Contract No. 2021-102
   Purchasing Department
   City of Flagstaff,
   211 W. Aspen Avenue
   Flagstaff, Arizona 86001.

7. Acceptability of Insurers. Contractor shall place insurance hereunder with insurers duly licensed or approved unlicensed companies in the State of Arizona and with a "Best's" rating of not less than A-: VII. The City does not represent or warrant that the above required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

8. Certificates of Insurance. The Contractor shall furnish the City with certificates of insurance (ACORD form) as required by this Contract. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance. The City project/contract number and project description shall be noted on the certificates of insurance. The City must receive and approve all certificates of insurance and endorsements before the Contractor commences work.

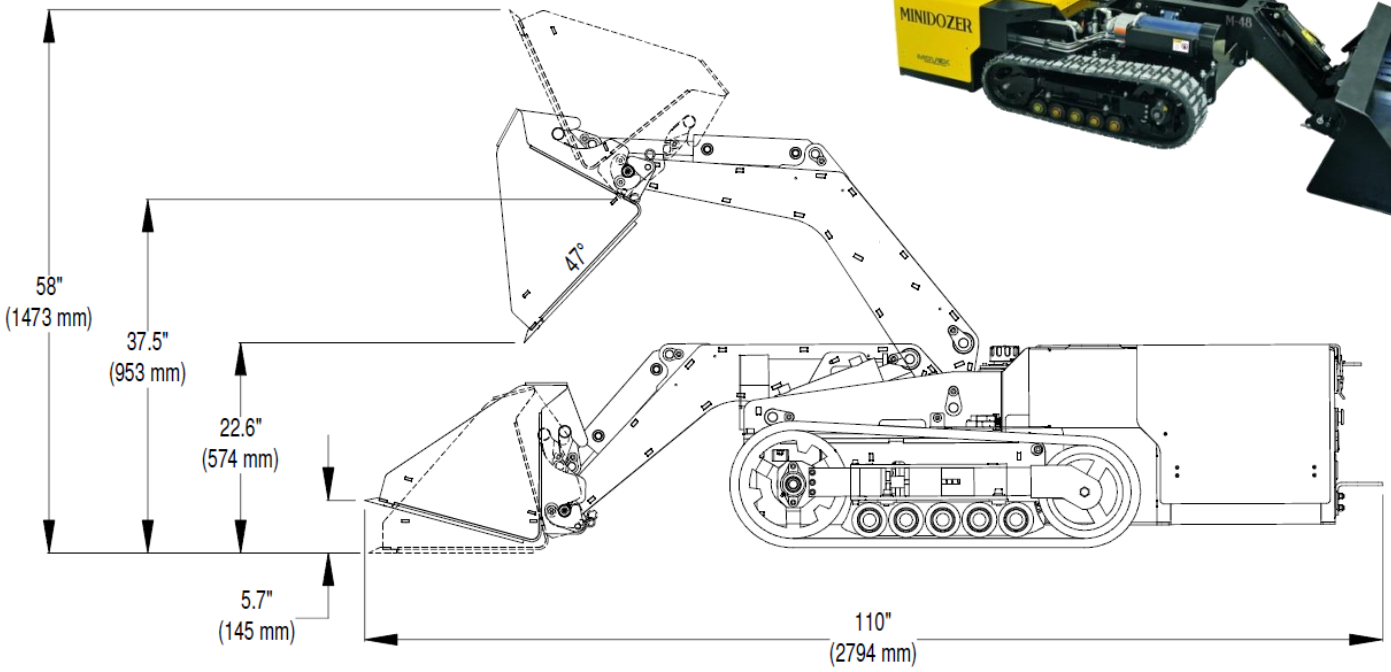
9. Policies. The City reserves the right to require, and receive within ten (10) days, complete, certified copies of all insurance policies and endorsements required by this Contract at any time. The City shall not be obligated, however, to review any insurance policies or to advise Contractor of any deficiencies in such policies and endorsements. The City's receipt of Contractor's policies or endorsements shall not relieve Contractor from, or be deemed a waiver of, the City's right to insist on strict fulfillment of Contractor's obligations under this Contract.

10. Modifications. Any modification or variation from the insurance requirements in this Contract must have the prior approval of the City's Attorney's Office in consultation with the City's Risk Manager, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by their handwritten revision and notation to the foregoing insurance requirements.

MINIDOZER M-48

(HIGH SPEED OPTION)

TECHNICAL SPECIFICATIONS



PHYSICAL CHARACTERISTICS		
Frame	Steel	
Cabinet	Aluminum	
Length	110 in	2794 mm
Width	48 in	1219 mm
Height *(frame)*	22 in	559 mm
Height *(bucket to maximum)*	58 in	1473 mm
Clearance Under Bucket *(to maximum height)*	37 1/2 in	950 mm
Weight	3400 lb	1545 kg
Turning diameter (approx.)	163 in	4140 mm
Lifting capacity	1170 lb	531 kg
Bucket capacity	0.175 yd^3	0.133 m^3
Maximum speed *(flat surface)*	200 ft/min	61 m/min

POWER	
Motor power	3.25 HP *(x2)*
Hydraulic motor power *(bucket)*	2 HP *(x1)*
Gearbox ratio	50:1 *(x2)*
POWER FEATURES	
Batteries Amperage/Voltage	435 Amps at 6 Volts *(x8)*
Charger	AC-DC external *(x1)*
Battery Pack Amperage	870 Amps
Operating Voltage	24 VDC
Continous Run-Time	Varies according to the operating conditions (Contact Movex Innovation for more information)
Battery Recharging Time	14 hours approx.
Control	Wireless (standard)

The information contained in this document is subject to change without notice.

MOVEX INNOVATION
403, ave. de la Montagne, Shawinigan (Quebec) CANADA G9N 0A3
Tel.: (819) 538-0376 - Toll Free : 1-866-533-0376
Email : info@movexinnovation.com – Web: movexinnovation.com
Rev. 2021-01-18

Track-O

PRICE QUOTATION

Company:	**CITY OF FLAGSTAFF WATER DIVISION**	**Quote # :**	**SMVVX20210331**
Contact:	Mark A. Richardson	**Revision:**	00
Email:	MRichardson@flagstaffaz.gov	**Date :**	2020-03-31
Phone:	928-213-2443	**Ref.:**	
Address:	2323 N Walgreen Blvd	***Prepared by:***	*Jean-Yves Bacle*
City:	CITY OF FLAGSTAFF	***Email:***	*jybacle@movexinnovation.com*
Province/State:	AR	***Phone:***	*+1 (819) 996-1376*
Postal code/Zip code:	86004,		
Country:	USA		
Type:	**CLIENT**	**Currency:**	**USD**

DESCRIPTION	CODE ITEM #	QTY	UNIT PRICE	TOTAL PRICE
Minidozer M-48	**UPON REQUEST**	**1**	**$85 000.00**	**$85 000.00**
Quick attach, standard bucket, wireless remote control & charger included				
High-Speed option (M48/AL48)	**FRAIS PIECE**	**1**	**$9 566.00**	**$9 566.00**
153 ft/min (47m/min)				
Lighting system (M-48 High Speed)	**MVX-LTD-00002-A1**	**1**	**$1 837.00**	**$1 837.00**
Note: 2 LED front lights & 2 LED rear lights included				
Frame protection kit (M-48)	**MVX-EP48-00000-A1**	**1**	**$740.00**	**$740.00**
Upgrade Bucket enlargement (M-48)	**FRAIS PIECE**	**1**	**$1 495.00**	**$1 495.00**
Note: Volume 7,20 ft3 (0.20 m3/ 204,1 L), drain holes *Standard bucket is removed and replaced by this one.*				
Additional Charger 100A (M48/AL48)	**MVX-CHG-00001-A1**	**1**	**$5 143.00**	**$5 143.00**
Dual output for all 48" Mini-Dozer				
Additional battery set for Minidozer	**UPON REQUEST**	**2**	**$5 083.00**	**$10 166.00**
4x AGM batteries included; **** M-48/AL-48 requires 2x battery set to be functionnal)*				
		1		

Track-O

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Contact:	Mark A. Richardson	**Revision:**	00
Email:	MRichardson@flagstaffaz.gov	**Date :**	2020-03-31
Phone:	928-213-2443	**Ref.:**	
Address:	2323 N Walgreen Blvd	***Prepared by:***	*Jean-Yves Bacle*
City:	CITY OF FLAGSTAFF	***Email:***	*jybacle@movexinnovation.com*
Province/State:	AR	***Phone:***	*+1 (819) 996-1376*
Postal code/Zip code:	86004,		
Country:	USA		
Type:	**CLIENT**	**Currency:**	**USD**

DESCRIPTION	CODE ITEM #	QTY	UNIT PRICE	TOTAL PRICE
		1		
			TOTAL	$113 947.00

MOVEX INNOVATION
403, Ave. de la Montagne, Shawinigan (Quebec) CANADA G9N 0A3
Phone: (819) 538-0376 - Toll-free: 1-866-533-0376
Email: info@movexinnovation.com – Web: movexinnovation.com

Track-O

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Contact:	Mark A. Richardson	**Revision:**	00
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Phone:	928-213-2443	**Ref.:**	
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Postal code/Zip code:	86004,		
Country:	USA		
Type:	**CLIENT**	**Currency:**	**USD**

DESCRIPTION	CODE ITEM #	QTY	UNIT PRICE	TOTAL PRICE

COMMENTS

Transport cost not included.

TERMS & CONDITIONS

Currency:	USD
Price validity:	90 days
Terms of payment:	100% prior to delivery
Payment methods:	Wire transfer
Shipping terms:	Incoterms 2010, Ex-Works Shawinigan, Quebec, CANADA
Leadtime:	10 weeks after receipt of order
Warranty:	Limited, one (1) year on equipment, three (3) months on remote control

Thank you for allowing us to quote on your project

Track-O

MINIDOZER

ELECTRIC AND REMOTE CONTROLLED VEHICLE FOR STORMWATER BOX CULVERTS AND PIPES

MINIDOZER M-48 BENEFITS

- Low 22,5 in. profile MINIDOZER suitable for high and low ceiling height box culverts and pipes
- All electric drive system, environmentally friendly and low carbon footprint
- Improved operator health and safety with 300 ft. + range remote control
- High energy conversion rate of 80%, minimum heat radiation and noise
- No fan airborne dust, no diesel fuel leaks and toxic gas emissions
- No diesel fuel expense and no diesel engine overheat in culverts and tunnels
- Significant lower downtime, maintenance, repair and service cost
- Originally developed over 10 years ago for the harsh environment of the mining and foundry industries, the MINIDOZER is well suited for the box culverts removal application
- Increased crew productivity and safety
- Lowest Total Cost of Ownership versus diesel powered equipment and all other conventional and manual removal methods

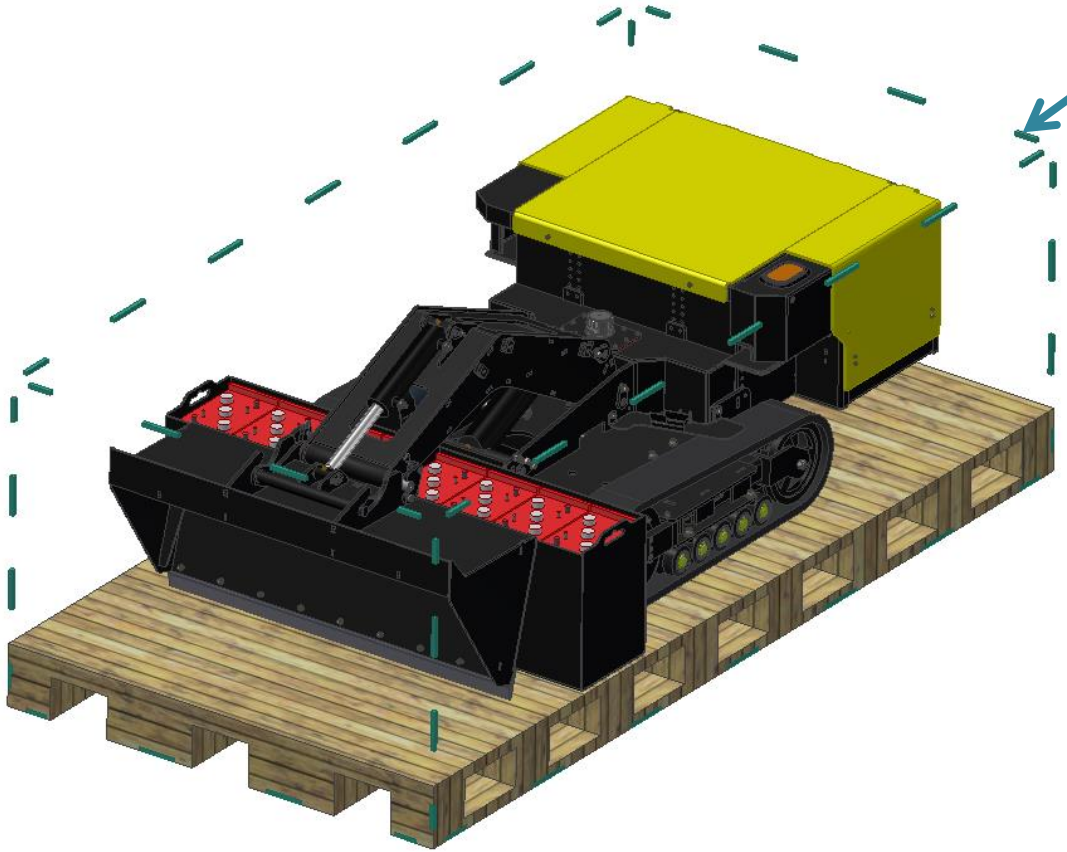
Rev. 11-2015

PRODUCTIVITY • SAFETY • RUGGEDNESS

MOVEX INNOVATION

3763, Burrill St., Shawinigan (Quebec) CANADA G9N 0C4
Phone: (819) 538-0376 - Toll Free: 1-866-533-0376
Email: info@movexinnovation.com – Web: movexinnovation.com

MINIDOZER M-48 (WITH EXTRA BATTERY PACK)
SHIPPING INFORMATION



Overall length : 120 po (3048 mm)
Overall width : 60 po (1524 mm)
Overall height : 42 po (1067 mm)
Total weight : 5054 lb (2297 kg)

7. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Sarah Langley, Management Analyst
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval: Environmental Infrastructure Assistance Program project requests

STAFF RECOMMENDED ACTION:

Approve the submission of a list of project requests for immediate consideration under the Environmental Infrastructure Assistance program.

Executive Summary:

The Environmental Infrastructure Assistance Act would authorize $150 million through the U.S. Army Corps of Engineers (USACE) for an environmental infrastructure program for Arizona. The program would provide financial assistance to public entities, in the form of design and construction for water-related environmental infrastructure, and resource protection and development projects.

Projects could include wastewater treatment and related facilities, sewer overflow, water supply, storage, treatment and related facilities, environmental restoration, and surface water resource protection and development. Costs for projects would be shared on a 75 percent federal, 25 percent non-federal sponsor basis. Any costs for design work carried out by the non-federal sponsor could be counted toward the non-federal cost share of the project. The non-federal sponsors would be responsible for providing all lands, easements, rights-of-way, relocations and dredged material disposal areas needed for project construction and maintenance. Operation and maintenance costs, including repair, replacement and rehabilitation costs when the project is completed would be the responsibility of the non-federal sponsor.

The Environmental Infrastructure Assistance Act would provide another resource for communities to use to meet their water infrastructure needs, and it has been included in the biennial Water Resources Development Act (H.R. 7575), which passed the House of Representatives on July 29, 2020.

To take advantage of this opportunity, City staff recommend submitting a letter expressing the City's strong support for the Environmental Infrastructure program and submitting a list of projects for immediate consideration. The draft letter with the list of projects will be attached to the final agenda.

Financial Impact:

N/A

Policy Impact:

N/A

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Sustainable, Innovative Infrastructure - Deliver outstanding services to residents through a healthy, well maintained infrastructure system

Previous Council Decision on This:

None. This is a new program.

Attachments: Environmental Infrastructure Program Letter

CITY OF
FLAGSTAFF

FLAGSTAFF CITY COUNCIL
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main Line: 928-213-2000
Website: https://www.flagstaff.az.gov

April 20, 2021

Colonel Julie A. Balten
Commander, Los Angeles District
U.S. Army Corps of Engineers
915 Wilshire Blvd.
Los Angeles, CA 90017

Dear Col. Balten,

The Flagstaff City Council is writing to express its strong support for the $150 million Arizona Environmental Infrastructure program established through Section 595 of the Water Resources Development Act of 2020 (WRDA 2020) that became Public Law 116-260 on December 27, 2020. This law will bring critically needed infrastructure to Arizona's aging and dilapidated water systems across the state.

As you continue to formulate your fiscal year 2022 work plan requests, the City of Flagstaff has several projects that we ask for immediate consideration as you develop the plan:

Flagstaff downtown flood lateral tunnel

- Cost: $1,600,000
- The City of Flagstaff Downtown Flood Lateral Project would leverage work that the U.S. Army Corp of Engineers has committed to complete to remove the 100-year FEMA floodplain in downtown and southside neighborhoods of Flagstaff. The lateral project would allow for flood protection of the downtown area by diverting flow to the new Army Corps Rio de Flag tunnel. This is a public safety and hazard mitigation project for which the City of Flagstaff has complete oversight and responsibility.

WF Killip Elementary School regional flood detention basin

- Cost: $2,000,000
- The Killip School Regional Flood Detention Basin is currently in the design phase. The detention basin would mitigate predicted post-fire runoff from the 2019 Museum Wildfire. The detention basin would mitigate predicted flooding from 10-year rain events and larger by collecting and detaining floodwaters that would otherwise damage the southern portion of the Sunnyside neighborhood of Flagstaff. Modeled flows from the Museum Fire burn scar indicate a high probability of one to three feet of water through the majority of the neighborhood even under frequent storm events (10 to 25-year rain events). This detention basin is needed to help alleviate the threat of post-fire floods.

Soliere Avenue low water crossing improvement at Fanning Wash

- Cost: $1,200,000
- This project would remove a hazardous low water crossing by placing a culvert underneath the road to alleviate flooding. Similar projects have been completed or are underway in the same area. This crossing is the last low water crossing to be removed and would allow for uninterrupted travel along an important arterial road during regular flow events.

Fanning Drive wash at Route 66

- Cost: $2,500,000
- The Fanning Wash culvert at Route 66 is currently undersized and creates a flood hazard along one of the busiest highways in Flagstaff. A new larger culvert would reduce flooding risk. The project would require coordination with Arizona Department of Transportation.

Columbia Circle drainage improvement

- Cost: $950,000
- This drainage improvement to reduce the likelihood of flooding for a portion of the Continental Country Club neighborhood is already designed. The project would include re-shaping an existing drainage channel to convey floods through the neighborhood without overtopping.

Paradise Road drainage improvement

- Cost: $1,950,000
- Spruce Wash at Paradise Road is currently undersized for predicted Museum Fire post-fire flows. The channel can currently convey approximately 40 cubic feet per second, two orders of magnitude less than expected routine flows. Current mitigation efforts include jersey barriers and sandbags. The channel needs to be re-configured to be able to convey 320 cubic feet per second to match the downstream stormwater conveyance structures.

Switzer Canyon flood detention structure

- Cost: $2,000,000
- Switzer Canyon wash is currently undersized through the North Hospital neighborhood. The diminutive channel causes nearly 20 homes to be in the FEMA floodplain. The area is also at high risk of impacts from future wildfire flows. A detention basin upstream of the city development would mitigate flooding and allow for the removal of the FEMA floodplain. The majority of the anticipated costs would be for land acquisition or easements.

Lake Mary Water Treatment Plant sedimentation basin rehabilitation

- Cost: $5,500,000
- The current sedimentation basins at the Lake Mary Water Treatment Plant (LMWTP) were installed in 1965 and have been in continuous use with all original equipment since then. A Water Infrastructure Master Plan completed by engineering firm NCS Engineers in 2015 found the LMWTP Sedimentation Basins as the highest priority needing attention in all of water production infrastructure. The LMWTP Sedimentation Basin Rehab design was completed in the fall of 2020 by engineering firm Brown & Caldwell (B&C). The project essentially includes replacing or repairing all critical components of the sedimentation basins. The criticality and importance of the LMWTP Rehab project cannot be overstated. Without immediate attention the City could lose surface water production and available waters in Upper Lake Mary as a potable water supply, which serve as the COF's primary water supply in a catastrophic power loss scenario.

Raw water pipeline rehabilitation/lining

- Cost: $2,000,000
- Surface water from Upper Lake Mary is supplied to the Lake Mary Water Treatment Plant (LMWTP) through a 27-inch concrete "wire wrap" pipeline that was installed in 1964 and is no longer in production. Due to the age and installation of the pipeline, there have been ruptures or breaks on average every two years over the last 16, the most recent occurring in the fall of 2020; requiring an emergency repair. Newer technologies have allowed for the rehabilitation or lining of pipelines rather than outright replacement. Lining the 27" concrete pipeline would be the most cost effective and feasible means of ensuring a reliable pipeline to deliver surface water from Upper Lake Mary to the LMWTP. While the cost of completion for the entire project would be approximately $15 million, the design and construction services phases of the project could be completed for approximately $2 million.

Meter replacement

- Cost: $2,000,000 (scalable)
- The City of Flagstaff Water Services Division current maintains over 20,000 metered accounts and over 10,000 meters that are 12 years or older and in need of replacement. Newly developed "smart" meters can collect data more accurately, which is beneficial in reducing leaks through a customer leak detection capability. While total replacement of all meters would cost approximately $8 million, the project could be broken into phases and administered over several years, allowing for a scalable approach based on available funding. This project also supports water conservation activities.

Woody Mountain Wellfield powerline burial

- Cost: $4,000,000
- The Woody Mountain Wellfield is currently the City of Flagstaff's largest groundwater supply with a capacity slightly over 5 million gallons per day. From Woody Mountain Well #1, city-owned powerlines traverse both Forest Service, private, and city owned land to six other groundwater wells and the Woody Mountain Booster Station. Relocating powerlines underground is a best management practice employed by numerous power utilities nationwide to increase resiliency and reduce wildfire threat from arcing that can occur with powerlines and surrounding vegetation. Relocating the city-owned overhead powerlines to the six groundwater wells and the Woody Mtn. Booster Station would increase the resiliency and dependability of the wellfield and reduce the risk of wildfire caused by the powerlines to northern Arizona.

Thank you for your consideration of these critical environmental infrastructure projects for the City of Flagstaff. If you have any questions or concerns, please free to contact Mayor Paul Deasy at 928-213-2015/ Paul.Deasy@flagstaffaz.gov or legislative affairs staff at 928-213-2019/ sarah.langley@flagstaffaz.gov. We look forward to partnering with you and the Los Angeles District to improve our critical infrastructure.

CITY OF
FLAGSTAFF

FLAGSTAFF CITY COUNCIL
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main Line: 928-213-2000
Website: https://www.flagstaff.az.gov

Sincerely,

cc: Representative Greg Stanton, House Transportation and Infrastructure Committee
Representative Tom O'Halleran
Senator Kyrsten Sinema
Senator Mark Kelly

8. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Steve Camp, Regulatory Compliance Section Manager

Co-Submitter: Jolene Montoya

Date: 04/14/2021

Meeting Date: 04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-08 and Resolution No. 2021-13: An ordinance amending the interceptors types, capacity, location, and maintenance for the regulation of fats, oils, and grease coming into Flagstaff's water reclamation plants; and a resolution adopting the Fats, Oil, and Grease Manual.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-06 by title only for the final time
2) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)
3) Adopt Ordinance No. 2021-06
4) Adopt Resolution No. 202113

Executive Summary:

Water Services is proposing adoption by resolution of a Fats, Oils, and Grease (FOG) manual. Adoption of the FOG manual includes changes to Flagstaff City code 7-02-001-0014 and will help to clarify sizing and maintenance of oil-water interceptors. The FOG manual will provide a much-needed guide for City staff and customers in the food handling industry, such as commercial restaurants and other commercial facilities that require an interceptor. The manual will set the expectations for sizing, installation, and maintenance criteria for oil/water and lint separators. Additionally, the manual will allow enforcement of substandard interceptors that can cause blockages in City sewer lines and sewer overflows. Scavenger wastes include grease and septage disposed at the Wildcat Hill Water Reclamation Plant (WRP). Flagstaff Water Services has reached out to the food services industries and scavenger waste haulers by direct Email, a notice published in the Arizona Daily Sun, published information on the Flagstaff Water Services' website, and a presentation to the Water Commission. Staff also had an on-line public meeting to answer public questions/comments.

Financial Impact:

Adoption of the FOG manual and amendments to Flagstaff City Code Section 7-02-001-0014 will not require any additional costs to Water Services.

Policy Impact:

The City of Flagstaff has a FOG program to minimize grease and oil generated from restaurants and food establishments from clogging and impeding flow in the City sewage collection system, which can and does lead to sanitary sewer overflows of raw sewage coming out of manholes. The City requires interceptors to collect and remove grease from these businesses for waste streams prior to reaching the City collection system. The interceptors must be designed and operated correctly to be effective. They require periodic pump-outs and inspections as part of a regular maintenance program. The City has a voluntary electronic reporting system to verify interceptors have been properly pumped and maintained. All businesses using the system have been found to be in compliance during the investigation of sanitary sewer overflows. Other businesses, not using the electronic reporting system, were inspected after a sanitary sewer overflow and were found to have grease making its way to the sewage collection system.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

The FOG Manual and amendment to Flagstaff City Code Section 7-02-001-0014 support the Priority Based Budget Key Community Priorities and Objectives

Sustainable, Innovative Infrastructure - Deliver outstanding services to residents through a healthy, well maintained infrastructure system

The FOG manual helps the Water Services Division keep grease and food wastes out of the sewer collection system, which prevents sanitary sewer overflows and additional stress to the water reclamation plants.

Has There Been Previous Council Decision on This:

Water Services provided a presentation on the FOG manual and amendments to Flagstaff City Code Section 7-02-001-0014 during a Work Session on January 12, 2021

Attachments:

Ord. 2021-08
Res. 2021-13
Exhibit A - FOG Manual
Proposed Code Changes for FOG Manual

ORDINANCE NO. 2021-08

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING FLAGSTAFF CITY CODE TITLE 7, HEALTH AND SANITATION, CHAPTER 7-02, WASTEWATER REGULATIONS BY REPLACING SECTION 7-02-0001-0014 WITH NEW LANGUAGE REGULATING INTERCEPTORS; TYPES, CAPACITY, LOCATION, AND MAINTENANCE; ESTABLISHING SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff maintains and operated water reclamation plants; and

WHEREAS, it is important to keep the operations of Flagstaff's water reclamation plants in good working order and condition; and

WHEREAS, limitations of the types of waste that can be discharged into the Flagstaff's water reclamation plants already exist; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to the limitations of types of waste, and permitting of waste that can be discharged in the Flagstaff's water reclamation plants; and

WHEREAS, said amendments to Flagstaff City Code Section 7-02-001-0014 regulating the type, capacity, location and maintenance interceptors for the management of fats, oils and grease are now deemed necessary and prudent to protect the good working order and condition of the Flagstaff water reclamation plants.

ENACTMENTS:

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

SECTION 1. That the following language be deleted from Flagstaff City Code Section 7-02-001-0014:

~~7-02-001-0014 INTERCEPTORS; TYPE, CAPACITY, LOCATION, MAINTENANCE~~

~~A. A City approved interceptor is required for any business whose discharge can be determined by the City to interfere with the POTW or the wastewater collection system. If a blockage is found in the collection system and it can be determined by the City to be caused by a particular user's discharge, then the City can require the user to install a City approved interceptor, at the user's expense, to catch the substance causing the blockage. If any interceptor is determined by the City to be inadequate in size or design, the City may require the user to install or upgrade such interceptor at the user's expense.~~

~~B. A City approved grease interceptor is required for any restaurant or other business that performs cooking. Grease interceptor sizing is to be as provided in the Uniform Building Code,~~

~~Appendix H4 with the minimum size for such interceptors required for restaurants to be seventy (70) pounds. All piping from sinks, floor drains, kettles, dishwashing machines, etc. into which grease may be disposed must be connected through such interceptor. Grease interceptors may not be installed in any part of a building where food is handled.~~

~~An exemption of the minimum grease trap sizing will be considered for a business based on type of food preparation that is done on site. This exemption must be approved by the Division and the Director. The business must serve food that is commonly known to be low in potential grease generation and the waste stream discharge must produce less than one hundred (100) mg/L of oil and grease as determined by the City. After an exemption is granted to a business, if the business changes food service, generates greater than one hundred (100) mg/L of oil and grease, or causes an interference or blockage to the sewer collection system due to grease, the business will be required to install a properly sized grease trap in accordance with subsection (A) of this section.~~

~~C. A City approved oil interceptor is required for any business that performs automotive repairs or service. (See standard drawing for size and other specifications.)~~

~~D. A City approved lint interceptor is required for any business with six (6) or more residential size washing machines or any amount of industrial size washing machines. An industrial size washing machine is one that has a tub three and one-half (3.5) cubic feet or larger and/or an American Household Appliance Manufacturers Association ("AHAMA") capacity of twenty-five (25) pounds or more. Residential machines will be any washing machine with less capacity than industrial machines. (See standard drawing for lint interceptor size and other specifications.)~~

~~E. A City approved sand interceptor is required for any business with facilities for washing vehicles. (See standard drawing for size and other specifications.)~~

~~F. All interceptors shall be of a type and capacity approved by the Director and shall be located so as to be readily and easily accessible for cleaning and inspection.~~

~~G. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable covers. When bolted covers are required they shall be gastight and watertight.~~

~~H. Where installed, all interceptors shall be maintained by the owner and/or user at his or her own expense. The interceptor must be kept in continuously efficient operation at all times and a written record of maintenance performed on such interceptor shall be kept by the user on a form provided by the City.~~

~~I. The City shall periodically inspect such interceptors and/or records to ensure they are being kept in efficient operation. A cleaning schedule will be set by the City if it is necessary to prevent the entry of harmful substances into the collection system.~~

SECTION 2. That the following language replace the deleted language Flagstaff City Code Section 7-02-001-0014:

7-02-001-0014 INTERCEPTORS; TYPE, CAPACITY, LOCATION, MAINTENANCE

A. The City of Flagstaff has adopted a Fats, Oils, and Grease (FOG) Discharge Manual for

regulatory compliance. A copy of this plan will be posted on the Division website and is maintained by the City Clerk as a public record. The manual describes: (A) Owner pretreatment requirements; (B) Installation, operation, and maintenance standards; (C) Participating Pumper Program; (D) Plan Review Process; (E) Waiver Process.

B. A City approved grease interceptor is required for a Food Service Establishment (FSE). An FSE is defined as an operation that stores, prepares, serves, vends, or otherwise provides food for human consumption at the retail level. Grease interceptor sizing is to be in accordance with the City's FOG Discharge Manual.

C. A City approved sand/oil interceptor is required for any business that performs automotive repairs or service facilities that wash vehicles, or business where oily and flammable liquid wastes are produced A two week notice is required for an inspection if contents will be taken to a City owned facility.

D. A City approved lint interceptor is required for any business with more than 1 residential size washing machines or any amount of industrial size washing machines. An industrial size washing machine is one that has a tub three and one-half (3.5) cubic feet or larger and/or an American Household Appliance Manufacturers Association ("AHAMA") capacity of twenty-five (25) pounds or more. Residential machines will be any washing machine with less capacity than industrial machines.

E. If a blockage is found in the collection system and it can be determined by the City to be caused by a particular user's discharge, then the City can require the user to install a City approved interceptor, at the user's expense, to catch the substance causing the blockage. If any interceptor is determined by the City to be inadequate in size or design, the City may require the user to install or upgrade such interceptor at the user's expense.

F. All interceptors shall be of a type and capacity approved by the Director and shall be located to be readily and easily accessible for cleaning and inspection.

G. Sand/oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable and accessible covers. When bolted covers are required, they shall be gastight and watertight.

H. All interceptors shall be maintained by the owner and/or user at his or her own expense. The interceptor must always be kept in continuously efficient operation and a record of maintenance performed on such interceptor shall be kept by the user on a form (or other means) provided by the City.

I. The City shall periodically inspect such interceptors and/or records to ensure they are being kept in efficient operation. A cleaning schedule will be set by the City.

SECTION 4. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 5. Severability

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 6. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 7. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

RESOLUTION NO. 2021-13

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, ADOPTING THE CITY OF FLAGSTAFF'S WATER SERVICES DIVISION FATS, OILS AND GREASE DISCHARGE CONTROL MANUAL

RECITALS:

WHEREAS, the City of Flagstaff maintains and operates water reclamation plants; and

WHEREAS, it is important to keep the operations of Flagstaff's water reclamation plants in good working order and condition; and

WHEREAS, the City of Flagstaff's Water Services Division Fats, Oils and Grease Discharge Control Manual provides guidance limitations of the types of waste that can be discharged into the Flagstaff's water reclamation plants already exist; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to the City of Flagstaff's Water Services Division Fats, Oils and Grease Discharge Control Manual; and

WHEREAS, said amendments to the City of Flagstaff's Water Services Division Fats, Oils and Grease Discharge Control Manual have been made and the said manual is attached hereto and is intended to be incorporated into this resolution.

ENACTMENTS:

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

SECTION 1. The Fats, Oils and Grease Discharge Control Manual attached hereto as Exhibit A is hereby adopted as the City of Flagstaff's Water Services Division Fats, Oils and Grease Discharge Control Manual.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Fats, Oil, and Grease Discharge Control Manual

CITY OF

FLAGSTAFF

SERVICE AT A HIGHER ELEVATION

Fats, Oils and Grease (FOG)

Discharge Control Manual

April 2021

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Section 1: Purpose and General Provisions

1.1 Statement of Purpose

The purpose of this manual is to enhance beneficial public use of the City of Flagstaff, AZ sewer facilities, prevent blockages of sewer lines resulting from discharges of fats, oils, grease (FOG) and other constituents to the sewer facilities. This manual specifies appropriate FOG requirements for Food Service Establishments (FSEs) and/or property owners where they are located and supports such entities in implementing a cost-effective FOG abatement program. The manual establishes quantity and/or quality standards on all wastewater and/or waste discharges containing FOG as these cause or contribute to the occurrence of sanitary sewer overflows (SSOs), affect treatment plant operations, and increase publicly owned treatment works costs.

In accordance with Title 40, Code of Federal Regulations (40 CFR), Part 403 and the Flagstaff City Code, Chapter 7-02 Wastewater Regulations, Section 7-02-001-0014, as amended, the City of Flagstaff (hereafter called City) is authorized to determine the compliance status of all FSE/property owners with respect to their discharge of FOG (either vegetable or animal origin) either directly or indirectly into the City's wastewater collection system.

The following rules reflect requirements of the State and Federal government, including the Flagstaff City Code, Chapter 7-02 Wastewater Regulations, Secion 7-02-001-0014, as amended, and the City's Arizona Pollution Discharge Elimination System (AZPDES) permit issued by the State of Arizona Department of Environmental Quality (ADEQ). The purpose of these rules is to set forth uniform requirements for users of the City's wastewater collection and treatment system in order to enable the City to comply with all applicable State and Federal laws required by the Federal Water Pollution Control Act, as amended, and by requiring commercial and industrial users to comply with the General Pretreatment Regulations in 40 CFR Part 403, as amended.

1.2 Applicability

The following regulations apply to all food service establishments (FSEs) and properties where FSEs are located, both commercial and/or industrial, having any type of process providing food and/or drink for consumption or manufacturing process that includes the use of or discharge of FOG.

Any pretreatment systems or grease interceptors used to treat FOG shall be approved by the City and shall be designed, constructed, installed and maintained such that they comply with all applicable Federal, State and/or City discharge limits and with all City policies and rules, as amended.

1.3 Disclaimer

Any reference contained in this Manual to a specific product, type of product, process or service does not constitue or imply an endorsement by the City of that specific product, type of product, process or service.

Section 2: Definitions

2.1 **Best Management Practices (BMP);** Schedules of activities, prohibitions of practices, maintenance procedures and other management practices to prevent or reduce the introduction of pollutants, including Fats, Oils and Grease (FOG) to the sewer facilities.

2.2 **Change in Operations**; Any change in the ownership, food types, operational procedures, pretreatment devices or plumbing at an FSE/property.

2.3 Commissary; a base of operations for all mobile food establishments.

2.4 **Discharger;** Any establishment that discharges or causes a discharge of wastewater directly or indirectly to a public sewer.

2.5 **Effluent**; Any liquid outflow from the food service establishment that is discharged to the sewer.

2.6 **ERP**; the City's approved enforcement response plan.

2.7 **Fats, Oils and Grease (FOG)**; organic polar compounds derived from animal and/or plant sources as detectable in cooking oils, food scraps containing grease, butter or oil, lard or tallow, meat fat, grease and juices, gravies, sauces, shortening and dairy products.

2.8 **Food Service Establishment (FSE)**; Facilities maintained, used, or operated for the purpose of storing, preparing, serving, manufacturing, packaging, or otherwise handling food for sale to other entities, or for consumption by the public, its members, residents, students or employees, and which has any process or device that uses or produces FOG, or grease, vapors, steam, fumes, smoke or odors, including any real property on which the FSE is located.

2.9 **Food Waste Disposer, Food Grinder or Garbage Grinder (FWD)**; Any device installed in the plumbing or sewage system for the purpose of grinding food waste or food preparation waste.

2.10 **Grab Sample**; A sample taken from a waste stream on a one-time basis without regard to the flow in the waste stream and without consideration of time.

2.11 **Gravity Grease Interceptor (GGI)**; A multi-compartmental plumbing apparatus or appliance, constructed in differing sizes, installed underground and outside the FSE, connected to a sanitary drainage system to intercept FOG from a wastewater discharge and is identified by liquid volume, thirty-minute retention time, baffle(s), a minimum of two compartments, and gravity separation.

2.12 **Grease interceptor**; Any gravity grease interceptor, hydromechanical grease interceptor or other mechanism, device, or process, which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap or collect FOG prior to it being discharged into the sewer system. Grease interceptors may also include any other proven physical method to reduce FOG subject to the approval of the City.

2.13 **Hot Spots**; Public sewer lines or lift stations that have experienced sanitary sewer overflows or that must be cleaned or maintained frequently to avoid blockages of the public sewer system.

2.14 **Hydromechanical Grease Interceptor (HGI)**; A plumbing apparatus or appliance typically installed inside an FSE in a sanitary drainage system to intercept FOG from the wastewater discharge, and is identified by flow rate, separation and retention efficiency. The design incorporates air entrainment, hydromechanical separation, interior baffling, and/or barriers in combination or separately, and one of the following:

Type A: External flow control, with air intake (vent): directly connected;
Type B: External flow control, without air intake (vent): directly connected;
Type C: Without external flow control, directly connected;
Type D: Without external flow control, indirectly connected.

2.15 **Interference**; Any discharge which, alone or in conjunction with discharges from other sources, inhibits or disrupts the City sewer system, treatment processes or operations; or is a cause of

violation of the City's NPDES permit or discharge requirements or prevents lawful biosolids use or disposal.

2.16 **IPC**; International Plumbing Code

2.17 **Jetting**; high pressure water or steam used for cleaning or unblocking piping

2.18 **Limited Food Preparation Establishment**; An FSE/property engaged only in reheating, hot holding or assembly of ready to eat food products with no wastewater discharge. A limited food preparation establishment does not include any operation that changes the form, flavor, or consistency of food, nor are any clean-up processes performed.

2.19 **Manifest**; The receipt which is retained by the generator of wastes for disposing of recyclable wastes or liquid wastes as required by the City.

2.20 **MS4**; Municipal Separate Storm Sewer System.

2.21 **New Construction**; Any structure planned or under construction for which a sewer connection permit has not been issued.

2.22 **NPDES**; National Pollutant Discharge Elimination System; the permit issued to control the discharge of liquids or other substances to surface waters of the United States as detailed in Public Law 92-500, Section 402.

2.23 **Participating Pumper;** A scavenger waste hauler meeting the criteria of the Particpating Pumper Program in the event one is established by City.

2.24 **Person**; Any individual, partnership, firm, association, corporation or public agency, including the State of Arizona and the United States of America.

2.25 **POTW**; Publicly Owned Treatment Works. Inclusive term for a treatment plant and collection infrastructure involved in delivering and treating domestic sewage.

2.26 **Property Owner**; The legal owner of the physical space at which an FSE is located.

2.27 **Public Sewer**; A sewer owned and operated by the City, or other local public agency, which is tributary to the City sewer facilities.

2.28 **Pumper**; A scavenger waste hauler who removes and disposes of FOG from grease interceptors, or performs activities that may discharge FOG to the public sewer (i.e., FSE line maintenance , or jetting).

2.29 **Remodeling**; Changes at an FSE/property involving any one or combination of the following: (1) any change in plumbing; (2) any increase in the net public seating area; (3) any change in the size of the facility and/or kitchen area; or (4) any change in the size or type of food preparation equipment; (5) changing and/or replacing any grease interceptor.

2.30 **Sample Point**; A location approved by the City, from which wastewater can be collected that is representative in content and consistency of the entire flow of wastewater being sampled.

2.31 **Sampling Facilities/Inspection Port**; Structure(s) provided at the user's expense for the City or user to measure and record wastewater constituent mass, concentrations, collect a representative sample, or provide access to plug/terminate the discharge.

2.32 **Scavenger Waste Permit**; A permit issued by the City, subject to the requirements and conditions established by the City, authorizing a pumper to perform FOG abatement activities within the City's jurisdiction.

2.33 **Sewer Facilities or System**; Any and all facilities used for collecting, conveying, pumping, treating, and disposing of wastewater and sludge.

2.34 **Sludge**; Any solid, semi-solid or liquid decant, subnate or supernate from a manufacturing process, utility service, or pretreatment facility.

2.35 **SSO**; Sanitary Sewer Overflow

2.36 **Waste**; Sewage and any and all other waste substances, liquid, solid, gaseous or radioactive, associated with human habitation or of human or animal nature, including such wastes placed within containers of whatever nature prior to and for the purpose of disposal.

2.37 **Waste Hauler**; Any person carrying on or engaging in vehicular transport of waste as part of, or incidental to, any business for that purpose.

2.38 **Waste Minimization Practices**; Plans or programs intended to reduce or eliminate discharges to the sewer system or to conserve water, including, but not limited to, product substitutions, housekeeping practices, inventory control, employee education, and other steps as necessary to minimize wastewater produced.

2.39 **Wastewater**; The liquid and water-carried wastes of the community and all constituents thereof, whether treated or untreated, discharged into or permitted to enter a public sewer.

Section 3: Prohibitions

3.1 No person (FSE owner/operator) shall discharge or cause to be discharged into the sewer system FOG that may accumulate and cause obstruction to the flow or contribute to blockages in the sewer system or at the sewer lateral that connects the FSE/property to the sewer system.

3.2 No person (FSE owner/operator) shall discharge wastewater with temperatures in excess of one hundred forty (140°F) to any grease interceptor. When needed, a cold water regulator must be installed prior to the grease interceptor in order to achieve temperatures below 140°F.

3.3 No person (FSE owner/operator) shall use any additives (including but not limited to enzymes, bacteria, solvents, surfactants, caustics, acids or emulsifiers) for the purpose of emulsifying FOG or passing FOG through a grease interceptor.

3.4 No person (FSE owner/operator) shall dispose of waste cooking oil into any drainage pipe. All waste cooking oils shall be collected and stored properly in receptacles such as barrels or drums for recycling or other acceptable methods of disposal.

3.5 Wastes from toilets, urinals, or any other restroom area fixture/drain containing fecal materials is prohibited from being discharged to a grease interceptor and must be discharged directly to the sanitary sewer system.

3.6 Food waste disposers/garbage grinders (FWD) are prohibited.

3.7 Discharge of waste (including FOG and solid materials removed from grease interceptors), passive or actively (also known as “jetting”), to the sewer system is prohibited. FSE/property owners will be held financially responsible for jetting activities occurring on their property that discharge FOG or cause SSOs or other downstream obstructions to the sanitary sewer.

3.8 Unless approved by the City, FOG removed from grease interceptors is prohibited from remaining at the FSE/property owner’s site. FSE owner/operators shall have waste hauled offsite as part of their operation and maintenance requirements.

3.9 FOG-laden wash water from any clean-up process at an FSE/property is prohibited from being discharged to the MS4.

3.10 Owner/operators of mobile restaurants, food stands and coffee kiosks are prohibited from discharging any cooking process or clean-up wastewater to the MS4. Any wastewater must be discharged to a grease interceptor at the restaurateur's commissary. The activities of "stacking" and/or "decanting" are prohibited. Any person (pumper, property owner or FSE operator) engaging in such practices shall be subject to the enforcement provisions in Section 9 of this manual.

3.11 Discharging **G**rey water from inside a vacuum truck (decanting) into a grease interceptor, public sewer or MS4 is prohibited.

3.12 Flushing previous contents from a vactor truck into the next grease interceptor serviced in order to transport less material in the truck (stacking) is prohibited.

Section 4: Owners/Operators of FSEs Shall Meet the Following Pretreatment Requirements

4.1 Unless granted a waiver (see Section 9), all FSEs/Property Owners are required to install, operate and maintain an approved and adequately sized grease interceptor capable of maintaining compliance with the objectives of this manual. The grease interceptor shall be adequate to separate and remove FOG contained in wastewater discharges from FSE/property prior to discharge to the sewer system and enable the FSE/property owner to sustain a realistic and manageable site specific FOG abatement maintenance program as defined and set by the City.

4.2 Unless otherwise approved by the City, all fixtures, equipment, and drain lines located in the food preparation, alcohol service, clean-up and food service areas of an FSE/property shall be connected to a grease interceptor. Fixtures required to connect to a grease interceptor shall include but are not limited to pot sinks, pre-rinse sinks, hand sinks, prep sinks, dishwashers, soup kettles, braising pans, wok ranges, mop sinks, floor sinks, floor drains, and wastewater generated from exhaust fan hood cleaning operations.

4.3 Grease interceptors shall be subject to the requirements of section 5 of this manual and sized and selected in accordance with Appendix A: Grease Interceptor Sizing and Selection.

4.4 Commisary's must have a grease interceptor sized to handle the loading from their own kitchen operations as well as all permitted mobile food trucks that are approved for discharge at their specific location. The grease interceptor shall be determined in accordance with Appendix A: Grease Interceptor Sizing and Selection.

4.5 On or after the effective date of this manual the City may require an existing FSE/property owner to install, operate and maintain a new grease interceptor that complies with the requirements of this manual or to modify, repair or replace a non-compliant grease interceptor within 90 days of written notification by the City when any one or more of the following conditions exist:

4.5.1 The facility is found to be contributing FOG to the collection or POTW systems;

4.5.2 The facility does not have a grease interceptor;

4.5.3 The facility has an undersized or defective grease interceptor;

4.5.4 Remodeling of the food service areas, kitchen waste plumbing or seating capacity is performed, which requires a building and/or plumbing permit to be issued by the City;

4.5.5 The facility changes their menu;

4.5.6 The existing facility is sold or undergoes a change of ownership; and/or

4.5.7 The existing facility does not have plumbing connections to a grease interceptor in compliance with the requirements of current building codes or with this manual.

4.6 No landscaping or obstructions are allowed within three (3) feet of any access points or manhole covers of any grease interceptor located outside the FSE. Any grease interceptor located inside the facility must be free from obstructions or barriers to access.

Section 5: Installation, Operation and Maintenance Standards for Grease Interceptors

5.1 Unless otherwise approved, GGIs shall not be installed. When approved by the City for installation (see Appendix B: Alternate Grease Interceptor Approval Request Form), GGIs shall be designed and tested in accordance with IAPMO/ANSI Z1001. GGIs shall be made from materials that are compatible with a pH of 3. GGIs made from materials that are subject to corrosion such as concrete or steel, shall be lined or coated with a durable material approved by the City that is compatible with a pH of 3 and that cannot be easily penetrated, scraped away or removed. Acid Resistant Enamel (A.R.E) coatings are not acceptable. GGIs shall have inlet and outlet connections inside the tank, that are open-topped and extend at least five (5) inches above the liquid surface, allowing for visual inspection of influent and effluent. Inlet fittings shall extend below the liquid surface and outlet fittings shall extend to within 12 inches of the floor of the tank. Installation of GGIs shall be in accordance with manufacturers installation instructions. Sizing of GGIs shall be in accordance with Appendix A: Grease Interceptor Sizing and Selection.

5.2 Unless otherwise approved, AGRUs shall not be installed. When approved for installation (see Alternate Grease Interceptor Approval Request Form), AGRUs must be designed and tested in accordance with ASME A112.14.4 and/or CSA B481.5. Installation shall be in accordance with manufacturers installation instructions. Sizing of AGRUs shall be in accordance with Appendix A: Grease Interceptor Sizing and Selection.

5.3 HGIs must be designed and tested in accordance with ASME A112.14.3, PDI G101 and/or CSA B481.1. HGIs shall be made from materials that are compatible with a pH of 3. HGIs made from materials that are subject to corrosion such as steel, shall be lined or coated with a durable material approved by the City that is compatible with a pH of 3 and that cannot be easily penetrated, scraped away or removed. Acid Resistant Enamel coatings (A.R.E) are not acceptable. Installation of HGIs shall be in accordance with manufacturers installation instructions. Sizing of HGIs shall be in accordance with Appendix A: Grease Interceptor Sizing and Selection.

5.4 Grease interceptor covers shall be secured in place at all times with tamperproof fasteners or shall be constructed of cast iron frame and cover weighing at least 70 pounds. When buried, covers shall be flush with grade. For indoor buried installations, covers shall be rated for pedestrian traffic and be installed in accordance with manufacturers instructions. For outdoor installations in non-vehicle traffic areas, covers shall be rated for light duty (2,500 – 16,000 lbs). For outdoor installations in vehicle traffic areas, covers shall meet AASHTO M306 H20/HS20.

5.5 Modification of a grease interceptor or components of a grease interceptor is not allowed unless approved by the City.

5.6 All grease interceptor's shall be maintained in efficient and proper working operation at all times by the owner at the owner's expense and shall include removal of both floatable solids, FOG and settleable solids collected in the grease interceptor along with cleaning the walls and baffles of the device. The maintenance frequency shall be established such that FOG or food solids do not leave the grease interceptor and enter the sanitary sewer collection system.

5.7 Self-cleaning by the owner and/or operator of an establishment is not allowed unless approved by the City (see Appendix C: Alternate Maintenance Approval Request). Only hydromechanical grease interceptors (HGI) with a liquid volume of less than 100 gallons may be considered for self-cleaning. When approved, the owner and/or operator of an establishment shall comply with the requirements for cleaning and disposal in accordance with Appendix C.

5.8 Frequency of cleaning will be determined on an individual basis by the City based on Appendix A: Grease Interceptor Sizing and Selection. The pumpers, FSEs and property owners are responsible for requesting a FOG inspection for changes or alterations to the cleaning schedule. Such changes/alterations must be approved by the City before being enacted. If no maintenance frequency has been set by the City, the following minimum service frequencies shall apply:

5.8.1 The maximum amount of time between pump outs for a grease interceptor with liquid volume less than 100 gallons shall be no more than 30 days.

5.8.2 The maximum amount of time between pump outs for a grease interceptor with liquid volume between 100 and 500 gallons shall be no more than 60 days.

5.8.3 The maximum amount of time between pump outs for a grease interceptor with liquid volume greater than 500 gallons shall be no more than 90 days.

5.9 When cleaning a grease interceptor, the following shall apply:

5.9.1 Remove cover(s)

5.9.2 Remove all fats, oils, and grease (FOG), solids, food debris, and wastewater

5.9.3 Scrub and spray off all internal surfaces from the build-up of FOG or other residual materials

5.9.4 Inspect all internal components, replace anything missing or broken and ensure flow control device is installed if applicable

5.9.5 Refill with fresh water

5.9.6 Replace cover(s)

5.9.7 Enter the required information on the maintenance log

5.9.8 Fill out and submit Appendix D: Pump-out Report to the City.

5.10 FOG or solids that have accumulated in the grease interceptor shall not be allowed to pass into any sewer lateral, sewer system, MS4 or public right of way during maintenance activities (i.e. jetting). The FSE/property owner shall be responsible for the proper removal and disposal, by appropriate and legal means, of the captured material and shall maintain records of the dates, amounts and means of disposal, all of which are subject to review by the City at any time.

5.11 It is the FSE/property owner's responsibility for performing routine self-inspection of grease interceptors on premises to ensure they are in proper functioning order.

5.12 It is the responsibility of the FSE/property owner for opening and closing a grease interceptor or for assisting City staff in performing same for inspection purposes.

5.13 Written documentation via a standardized manifest or invoice shall be kept at the FSE premises and/or be readily available for a period of at least two (2) years for inspection by the City.

5.13.1 In the event that the City implements an electronic or web-based reporting system, all Pump-Out reports shall be submitted on this system.

5.13.2 The FSE shall be responsible for any fees associated with an electronic or web-based reporting system.

5.14 When temporarily closing or for future TI space installations, grease interceptors shall be pumped out in accordance with section 5.9 of this manual and refilled with water.

5.15 When permanently closing or transferring ownership, the FSE/property owner shall have the grease interceptor cleaned in accordance with section 5.9 of this manual and refilled with water.

5.16 When abandoning a grease interceptor in place, the following shall apply:

5.16.1 A grease interceptor that has been abandoned or has been discontinued otherwise from further use, or to which no waste or soil pipe from a plumbing fixture is connected, shall have the FOG and solids removed therefrom and be completely filled with earth, sand, gravel, concrete, or other approved material.

5.16.2 The top cover(s) over the grease interceptor shall be removed before filling, and the filling shall not extend above the top of the vertical portions of the sidewalls or above the level of the outlet pipe until inspection has been called and the grease interceptor has been inspected. After such inspection, the grease interceptor shall be filled to the level of the top of the ground.

5.16.3 The final condition of an abandoned in place grease interceptor shall be approved by the city.

Section 6: Participating Pumper Program (PPP)

In the event the City implements a Participating Pumper Program, the following shall apply:

6.1 Contractors providing services for grease interceptor pump-out within the City service boundaries shall meet specified maintenance criteria established by the City which may, at a minimum, be more stringent but not exclusive of those for a regionally established Pumper Program.

6.2 Commercial, institutional and industrial FOG generators in the City should use a Participating Pumper for maintenance and cleaning. Participating Pumpers have signed written agreements with the city that standardize grease interceptor maintenance practices, disposal criteria and reporting requirements.

6.3 When FOG generators use a registered Participating Pumper, the pumper assumes responsibility for submitting the required and completed Pump-Out Report to the City and submitting the advance schedule notice, including any fees associated with an electronic or web-based system.

6.3.1 FSE/property owners that choose not to use a Participating Pumper, shall be responsible for all maintenance, cleaning, recording, and reporting requirements, including submission of Pump-out Reports and any fees associated with an electronice or web-based system.

6.4 Contractors providing services for grease interceptor pump-out within the City service boundaries must be registered with the City and shall meet the standards set forth by the Industrial Pretreatment section when the program is implemented. At a minimum, the following shall apply:

6.4.1 Submit a list of facilities pumped out for baseline data collection;

6.4.2 Adhere to the City pump-out schedule, performing service within five (5) business days of the FSEs scheduled service date;

6.4.3 Notify the City of changes to any facility accounts within five (5) calendar days;

6.4.4 Consistently notify the City of the weekly/monthly pump-out schedule and of any unscheduled changes at least the day prior to scheduled service;

6.4.5 Accurately complete the FOG Pump-Out Report form and submit to the City and the FSE/property owner within five (5) business days;

6.4.6 Perform FOG abatement activities that meet City standards in accordance with section 5.9 of this manual.

6.5 Failure to consistently meet the performance standards outlined in the Participating Pumper Program shall result in termination of the pumper from the program.

6.6 If the City implements an electronic data submission system, all pumpers providing grease interceptor maintenance activities within the City service boundaries shall be required to utilize such system for any required reporting form and/or data submissions.

Section 7: Plan Review Process

7.1 FSE/property owner plan submittal must include but is not limited to:

7.1.1 A detailed sewer waste line plumbing plan

7.1.2 Isometric drawing with pipe sizes, floor plans, fixture and drain detail

7.1.3 The grease interceptor sizing worksheet from Appendix A: Grease Interceptor Sizing and Selection

7.1.4 Available seating capacity

7.1.5 Menu

7.1.6 FSE owner's name & contact information.

7.2 Plans submitted without all required materials will be deemed incomplete and shall be returned without grease interceptor approval.

Section 8: Waiver Process

8.1 An FSE/property owner may obtain a waiver from the requirement to install a grease interceptor under the following conditions:

8.1.1 The FSE/property owner is a Limited Food Preparation Establishment (single service kitchen with no food preparation) (heat/serve only) and uses only disposable service items and has no clean-up operations;

8.2 In the event that the FSE/property owner does not satisfy the conditions set forth in Section 9.1 at any time, the waiver shall be denied/revoked.

8.2.1 In the event that a waiver is denied or revoked an FSE/Property Owner is required to install, operate and maintain an approved and adequately sized grease interceptor capable of maintaining compliance with the objectives of this manual.

Section 9: Enforcement

9.1 Failure to comply with the provisions of this Manual is considered a violation of Flagstaff City Code, Chapter 7-02 Wastewater Regulations, and enforcement of this Manual shall be in accordance with the City's Enforcement Response Plan, Chapter 7-01.

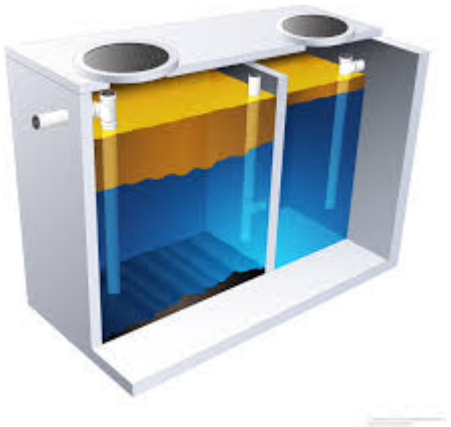
Appendix A: Grease Interceptor Sizing and Selection

The following shall apply to the sizing and selection of grease interceptors.

Gravity Grease Interceptors (GGI)

Unless otherwise approved, GGIs shall not be installed. When approved by the City for installation (see Alternate Grease Interceptor Approval Request Form), GGIs shall be made from materials that are compatible with a pH of 3. GGIs made from materials that are subject to corrosion such as concrete or steel, shall be lined or coated with a durable material approved by the City that is compatible with a pH of 3 and that cannot be easily penetrated, scraped away or removed. Acid Resistant Enamel (A.R.E) coatings are not acceptable.

The required capacity of gravity grease interceptors in total liquid volume, shall be determined by multiplying the peak drain flow into the interceptor in gallons per minute by a retention time of 30 minutes.



Automatic Grease Removal Units (AGRU)

When approved for installation (see Alternate Grease Interceptor Approval Request Form), AGRUs must be designed and tested in accordance with ASME A112.14.4 and/or CSA B481.5. Sizing shall be in accordance with Hydromechanical Grease Interceptor Sizing Step 1: Size by Flow Rate. Step 2: Size by Grease Production shall not apply to AGRUs.

Hydromechanical Grease Interceptors

HGIs must be designed and tested in accordance with ASME A112.14.3, PDI G101 and/or CSA B481.1. HGIs shall be made from materials that are compatible with a pH of 3. HGIs made from materials that are subject to corrosion such as steel, shall be lined or coated with a durable material approved by the City that is compatible with a pH of 3 and that cannot be easily penetrated, scraped away or removed. Acid Resistant Enamel coatings (A.R.E) are not acceptable. HGI sizing shall be in accordance with Step 1: Size by Flow Rate and Step 2: Calculate Grease Capacity.

Step 1: Size by Flow Rate

The minimum flow rate for a passive HGI may be calculated by either using pipe diameter or fixture volume using either a one-minute or two-minute drainage period. Use a one-minute drainage period when the interceptor is installed within 20 feet of directly connected fixtures and/or has indirectly connected fixtures. When the interceptor will be installed exterior to the building beyond 20 feet of the connected fixtures use a two-minute drainage period.

Fixture Volume Sizing

Use the following formula for sizing fixtures by volume with a 75% fill factor:

$$\left[\frac{L \times W \times H}{231}\right] \times 0.75 = \text{Fixture Capacity Gallons}$$

Fixture Capacity Gallons x 1 = one-minute drainage period (GPM)
Fixture Capacity Gallons x 0.5 = two-minute drainage period (GPM)

Example: three-compartment sink with each compartment being 18 x 24 x 12 inches

18 x 24 x 12 = 5184 cubic inches (in^3)
5184 / 231 = 22.44 fixture capacity gallons
22.44 x 3 = 67.3 total fixture capacity gallons (three bowls)
67.3 x 0.75 = 50.4 total fixture capacity after loading factor (75%)
50.4 x 1 = 50 GPM one-minute drainage period
50.4 x 0.5 = 25 GPM two-minute drainage period

To determine the minimum required flow rate for the HGI, calculate the capacity of each fixture that will be connected and add the volumes together and use the appropriate drainage period. An appropriate HGI must be certified to meet the minimum flow rate as calculated. Multiple HGIs may be used separately or combined to meet the flow rate requirement.

It is advisable to use a one-minute drainage period when the HGI will be installed in the kitchen area near the fixtures being serviced. It is essential to use a one-minute drainage period when an indirectly connected fixture is connected to the grease interceptor. A two-minute retention time assumes only directly connected fixtures are routed to the interceptor. A two-minute drainage period will negatively affect the total time for draining fixtures and is often a complaint of owners.

Pipe Diameter Sizing

When the final configuration of kitchen fixtures in an establishment is unknown or to allow for the addition of fixtures in the future, the minimum interceptor volume may be determined by the diameter of the drainage pipe leading from the establishment according to Table 1:

Table 1

Pipe Size (inches)	Full-Pipe Flow (GPM)[1]	One-minute drainage period (GPM)	Two-minute drainage period (GPM)
2	20	20	10
3	60	75	35
4	125	125	75
5	230	250	125
6	375	400	200
8	426	500	250

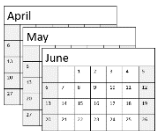
1. 1/4 inch per foot based on Manning's formula with friction factor N = 0.012

When using pipe diameter sizing and the interceptor is installed inside the kitchen near the fixtures being serviced, it is advisable to use a one-minute drainage period to ensure the drainage time is not a nuisance. When installed in the kitchen near the fixtures being serviced and there is an indirectly connected fixture it is essential to use a one-minute drainage period. When installed exterior to the building, where the developed length of piping can be quite long, a two-minute drainage period will provide a satisfactory result in drainage times.

Step 2: Calculate Grease Capacity

Once the minimum flow rate has been established in Step 1, calculate the minimum grease storage capacity for the HGI required for the desired pump-out frequency as follows:

Grease Factor X Meals or Customers per day X Days between pump-outs = Grease Capacity Required



To determine the correct grease factor, using Table 2, select the menu type (1 through 30), then the correct column (A through D) for whether there is a fryer and whether the establishment uses disposable or washable plates, glasses, knives, forks and spoons (flatware).

Table 2

Type	Menu	Grease Factor ->	without Fryer without flatware	without fryer with flatware	with fryer without flatware	with fryer with flatware
			A	B	C	D
1	Bakery		0.025	0.0325	0.035	0.0455
2	Bar and Grille		0.005	0.0065	0.025	0.0325
3	Barbeque		0.025	0.0325	0.035	0.0455
4	Breakfast Bar - Hotel		0.005	0.0065	0.025	0.0325
5	Buffet		0.035	0.0455	0.058	0.075
6	Burger and fries, fast food		0.025	0.0325	0.035	0.0455
7	Cafeteria		0.025	0.0325	0.035	0.0455
8	Caterer		0.005	0.0065	0.025	0.0325
9	Chinese		0.035	0.0455	0.058	0.075
10	Coffee shop		0.025	0.0325	0.035	0.0455
11	Convenience Store		0.005	0.0065	0.025	0.0325
12	Deep fried Chicken / seafood		0.035	0.0455	0.058	0.075
13	Deli		0.005	0.0065	0.025	0.0325
14	Family Restaurant		0.005	0.0065	0.025	0.0325
15	Frozen Yogurt		0.005	0.0065	0.025	0.0325
16	Greek		0.005	0.0065	0.025	0.0325
17	Grocery Bakery		0.005	0.0065	0.025	0.0325
18	Grocery Deli		0.025	0.0325	0.035	0.0455
19	Grocery Meat Department		0.025	0.0325	0.035	0.0455
20	Ice Cream		0.025	0.0325	0.035	0.0455
21	Indian		0.005	0.0065	0.025	0.0325
22	Italian		0.025	0.0325	0.035	0.0455
23	Mexican, fast food		0.025	0.0325	0.035	0.0455
24	Mexican, full fare		0.035	0.0455	0.058	0.075
25	Pizza		0.025	0.0325	0.035	0.0455
26	Religious Institution		0.005	0.0065	0.025	0.0325
27	Sandwich shop		0.005	0.0065	0.025	0.0325
28	Snack Bar		0.005	0.0065	0.025	0.0325
29	Steak and seafood		0.035	0.0455	0.058	0.075
30	Sushi		0.005	0.0065	0.025	0.0325

Example: Fast food burgers and fries, with fryer, with disposable flatware, serving 300 meals per day

Grease factor from Table 3: 6C = 0.035 pounds per meal
Average meals per day = 300

Grease Storage Capacity Calculation	Daily[1]	90 days
Grease Produced (lbs)	10.5	945

[1]multiply average meals per day times grease factor for daily, then times 90 days for total amount produced per quarter

The correctly sized and selected grease interceptor will have the minimum flow rate determined in Step 1 and the grease storage capacity calculated in Step 2. Multiple grease interceptors may be installed to satisfy the minimum flow rate requirement, the minimum grease storage capacity, or both.

Grease interceptors certified to meet a Rated Grease Capacity or the minimum requirements of ASME A112.14.3, CSA B481, and/or PDI G101, shall have the flow rates and minimum grease storage capacities as listed in Table 3:

Table 3

HGI Flow Rate	Minimum Grease Storage Capacity[2] (lbs)
20	40
25	50
35	70
50	100
75	150
100	200
2. Minimum grease capacity as required by ASME A112.14.3, PDI G101 and CSA B481	

Grease interceptors with grease storage capacities exceeding the minimum requirements in Table 3, shall be reviewed and approved by the City when the manufacturer can demonstrate by third-party test reports, including the incremental test data, that the interceptor(s) has the grease storage capacity specified. Upon approval, HGIs with proven higher grease storage capacities may be used to satisfy the sizing and selection requirements of this two-step sizing method.

Grease Interceptor Sizing and Selection Worksheet, Page 1

Table 4

Qty	Fixture Type	Actual L	Actual W	Actual H	Fixture[3] Capacity (gallons)	Flow[4] Rate GPM	Total[5] GPM
	Multi-Compartment Four Bowls						
	Multi-Compartment Three Bowls						
	Multi-Compartment Two Bowls						
	Prep Sink Two Bowls						
	Prep Sink One Bowl						
	Pre-Rinse Sink One Bowl						
	Dump Sink One Bowl						
	Bar Sink One Bowl						
	Soup Kettle Large				100	100	
	Soup Kettle Medium				50	50	
	Soup Kettle Small				20	20	
	Clothes Washer					2	
	Dipper Well (circulating water)					3	
	Dishwasher - Conveyer type					5	
	Dishwasher - Rack type					2	
	Hand Sink					3	
	Ice Machine (with drain)					1	
	Mop Basin					10	
	Warming Table (with drain)					1	
	Wok Range					12	
	Floor Drain						
	Floor Drain Emergency						
	Floor Sink						
				Grand Total[6]:			

[3]((L*W*H)/231)*(number of bowls)*0.75 = Total Fixture Capacity (gallons)
[4]Total Fixture Capacity*1.0 = Flow Rate (GPM)
[5]Flow Rate*Qty = Total GPM
[6]Grand Total GPM*1.0 = One-minute Drainage Period
Grand Total GPM*0.50 = Two-minute Drainage Period

Grease Interceptor Sizing and Selection Worksheet, Page 2

1. ☐ Interior Installation ☐ Exterior Installation
2. Are there indirectly connected fixtures routed to the HGI? ☐ Yes ☐ No
3. Will the HGI be installed within 20 feet of the fixtures? ☐ Yes ☐ No

Note: for interior installations, if the answer to either question 2 or 3 is YES, use a one-minute drainage period, otherwise use a two-minute drainage period. For exterior installations use a two-minute drainage period.

Step 1: Calculate Flow Rate

1. Total Fixture Volume (Table 4): _____ Flow Rate GPM (one or two-minute): _____
2. OR, Pipe Diameter (Table 1): _____ Flow Rate GPM (one or two-minute): _____

Step 2: Calculate Grease Capacity

1. Grease Factor (Table 2):_____
2. Average meals per day = _____

Grease Storage Capacity Calculation	Daily*	90 days
Grease Produced (lbs)		

*multiply average meals per day times the number of days open per period times the grease factor for grease produced per period

Note: The correctly sized and selected HGI(s) will have the minimum required flow rate determined in Step 1 and the minimum calculated grease storage capacity determined in Step 2.

3. Make and model of the HGI selected: _____
4. Is the material of construction compatible with a pH of 3? ☐ Yes ☐ No
5. If the answer to number 4 Is "no", what material is the tank lined or coated with*:

   _____

   *must provide evidence that the liner or coating is compatible with a pH of 3 and that it cannot be easily penetrated, scraped off or removed. Acid Resistant Enamel Coatings (A.R.E) are not allowed.

6. Flow rate (GPM): _____ Proven grease capacity (lbs): _____

Please submit the completed Grease Interceptor Sizing and Selection Worksheet to the Utility for approval along with any other required documents.

Applicant Name: _____ Phone: _____

Company: _____ Email: _____

Name of Establishment: _____

Signature of Applicant: _____ Date: _____

Appendix B: Alternate Grease Interceptor Approval Request

Gravity Grease Interceptor (GGI)

1. Peak flow rate for connected fixtures (Worksheet, Page 1): _____
2. Size of GGI* (gallons): _____

   *multiply peak flow rate of connected fixtures times 30 minutes
3. What material is the GGI made from? _____
4. Is the material compatible with a pH of 3? ☐ Yes ☐ No
5. If the answer to number 4 Is "no", what material is the tank lined or coated with*:

_____

*must provide evidence that the liner or coating is compatible with a pH of 3 and that it cannot be easily penetrated, scraped off or removed. Acid Resistant Coatings (A.R.E) are not allowed.

Reason for request: _____

_____

_____

Automatic Grease Removal Unit (AGRU)

1. Describe the fixtures to be connected: _____

   _____

   _____
2. Total Fixture Volume (Table 5): _____ Flow Rate GPM (one minute): _____
3. Make and Model of the AGRU proposed: _____

Reason for request: _____

_____

_____

Please submit the completed Grease Interceptor Sizing and Selection Worksheet to the Utility for approval along with any other required documents.

Applicant Name: _____ Phone: _____

Company: _____ Email: _____

Name of Establishment: _____

Signature of Applicant: _____ Date: _____

Appendix C: Alternate Maintenance Approval Request

Self-cleaning by the owner and/or operator of an establishment is not allowed unless approved by the City. Only hydromechanical grease interceptors (HGI) with a liquid volume of less than 100 gallons may be considered for self-cleaning. When approved, the owner and/or operator of an establishment shall comply with the following requirements for maintenance on a weekly basis, at minimum, or more often as necessary as required by the City:

- Remove cover(s)
- Remove all fats, oils, and grease (FOG), solids, food debris, and wastewater
- Scrub and spray off all internal surfaces from the build-up of FOG or other residual materials
- Place all removed materials in garbage bag or other sealable container (not glass) along with an absorbent material (i.e. kitty litter) and dispose of in trash receptacle
- Inspect all internal components, replace anything missing or broken and ensure flow control device is installed
- Refill with fresh water
- Replace cover(s)
- Enter the required information on the maintenance log

At least once per quarter, the grease interceptor(s) shall be cleaned by a scavenger waste hauler, documented by a manifest, reported in the maintenance log, and all records maintained for the previous three (2) years.

Make and model of HGI: _____

Flow Rate: _____ Grease Storage Capacity: _____

Grease Factor (Table 2): _____ Average Meals per day: _____

Grease Produced per day*: _____ Cleaning frequency**: _____days
*multiply Grease Factor times Average Meals per day
**Divide HGI grease storage capacity by Grease Produced per day

Reason for request: _____

_____

_____

Please submit the completed Grease Interceptor Sizing and Selection Worksheet to the Utility for approval along with any other required documents.

Applicant Name: _____ Phone: _____

Company: _____ Email: _____

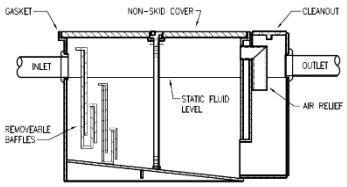
Name of Establishment: _____

Signature of Applicant: _____Date: _____

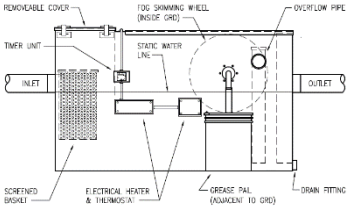
Appendix D: Pump-out Report

Business Name _____ Store # _____ Phone _____

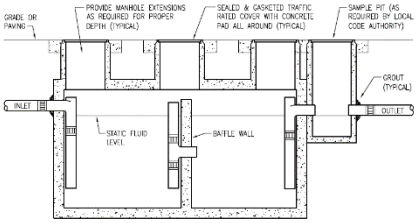
Address _____ City _____ State _____ Zip _____



Hydromechanical (HGI)



Automatic (AGRU)



Gravity (GGI)

	GRD #1 ☐ HGI ☐ AGRD ☐ GGI	GRD #2 ☐ HGI ☐ AGRD ☐ GGI	GRD #3 ☐ HGI ☐ AGRD ☐ GGI
Location			
FOG Layer (inches)			
Solids Layer (inches)			
Total Gallons			
FOG Leaving Inpection Port/Tee	☐ Yes ☐ No	☐ Yes ☐ No	☐ Yes ☐ No
GRD Condition (check only if it applies)	☐ Needs Repair	☐ Needs Repair	☐ Needs Repair

Explanation/Notes

_____

_____

Certification: I hereby certify that all information provided herein is true and correct to the best of my knowledge. The Grease Removal Device(s) serving this establishment was inspected and completely cleaned of residual fats, oils, and grease, food debris and other materials present.

Name (printed): _____ Date: _____

Signed: _____

Submit completed report to the City within 10 days of Pump-out

Appendix E: Participating Pumper Program Registration

In the event that the City establishes a Participating Pumper Program (PPP), permited scavenger waste haulers that wish to participate must complete and submit this registration. The PPP manages the companies that properly pump, haul and dispose of grease interceptor waste for commercial and institutional food service establishments. To participate in the program, all pumpers must fill out and turn in this application to the City of Flagstaff, Water Services, 2323 N. Walgreen Street, Flagstaff, AZ 86004, Attn: Industrial Pretreatment.

Participating Pumper Program Requirements:

1. Submit a list of facilities pumped out for baseline data collection;
2. Adhere to the City pump-out schedule, performing service within five (5) business days of the FSEs scheduled service date;
3. Notify the City of changes to any facility accounts within five (5) calendar days;
4. Consistently notify the City of the weekly/monthly pump-out schedule and of any unscheduled changes at least the day prior to scheduled service;
5. Perform FOG abatement activities that meet City standards;
6. Accurately complete Appendix D: FOG Pump-Out Report form for each pump-out performed and submit to the City and the FSE/property owner within five (5) business days;
7. If the City implements an electronic data submission system, all contractors providing grease interceptor maintenance activities within the City service boundaries shall be required to utilize such system for any required reporting form and/or data submissions and to adhere to minimum standards set by the City;
8. Pumpers will satisfactorily dispose of pumpout waste in accordance with all applicable local, state, and federal regulations. Decanting or stacking, which involves returning wastewater from a grease hauler truck back into the grease interceptor or directly to the sewer after it has been pumped out, is never permitted;
9. It shall be the responsibility of the Pumping Company to update the City with any new contact information, signatory, authorized representative or waste disposal site within 10 days;
10. Failure to consistently meet the requirements of this permit and the performance standards outlined in Section 6 of this manual shall result in pumper permit termination.

Company Information

Company Name	Primary Contact		
Mailing Address	City	State	Zip
Phone No.	Fax No.	Email	

Authorized Representative Statement

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Name (printed): _____ Date: _____

Signed: _____

City Approval: _____ Date: _____

CHAPTER 7-02

WASTEWATER REGULATIONS

7-02-001-0014 INTERCEPTORS; TYPE, CAPACITY, LOCATION, MAINTENANCE

A. The City of Flagstaff has adopted a Fats, Oils, and Grease (FOG) Discharge Manual for regulatory compliance, A copy of this plan will be posted on the Division website and is maintained by the City Clerk as a public record. The manual describes: (A) Owner pretreatment requirements; (B) Installation, operation, and maintenance standards; (C) Participating Pumper Program; (D) Plan Review Process; (E) Waiver Process.

B. A City approved grease interceptor is required for a Food Service Establishment (FSE). An FSE is defined as an operation that stores, prepares, serves, vends, or otherwise provides food for human consumption at the retail level. Grease interceptor sizing is to bein accordance with the City's FOG Discharge Manual. C. A City approved sand/oil interceptor is required for any business that performs automotive repairs or service facilities that wash vehicles, or business where oily and flammable liquid wastes are produced A two week notice is required for an inspection if contents will be taken to a City owned facility.

D. A City approved lint interceptor is required for any business with more than 1 residential size washing machines or any amount of industrial size washing machines. An industrial size washing machine is one that has a tub three and one-half (3.5) cubic feet or larger and/or an American Household Appliance Manufacturers Association ("AHAMA") capacity of twenty-five (25) pounds or more. Residential machines will be any washing machine with less capacity than industrial machines.

E . If a blockage is found in the collection system and it can be determined by the City to be caused by a particular user's discharge, then the City can require the user to install a City approved interceptor, at the user's expense, to catch the substance causing the blockage. If any interceptor is determined by the City to be inadequate in size or design, the City may require the user to install or upgrade such interceptor at the user's expense.

F. All interceptors shall be of a type and capacity approved by the Director and shall be located to be readily and easily accessible for cleaning and inspection.

G. Sand/oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be of substantial construction, watertight, and equipped with easily removable and accessible covers. When bolted covers are required they shall be gastight and watertight.

H. All interceptors shall be maintained by the owner and/or user at his or her own expense. The interceptor must always be kept in continuously efficient operation and a record of maintenance performed on such interceptor shall be kept by the user on a form (or other means) provided by the City.

I. The City shall periodically inspect such interceptors and/or records to ensure they are being kept in efficient operation. A cleaning schedule will be set by the City. (Ord. 1693, Rep&ReEn, 05/07/1991; Ord. 1876, Amended, 06/20/1995; Ord. 1896, Amended, 11/21/1995; Ord. 2000-23, Amended, 10/03/2000; Ord. 2015-09, Amended, 06/02/2015; Ord. 2018-32, Amended, 12/04/2018. Formerly 7-02-001-0016)

8. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Steve Camp, Regulatory Compliance Section Manager
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-07: An ordinance amending Flagstaff City Code Section 7-02-001-0042 regulating scavenger waste, grease haulers and scavenger waste permits.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-07 by title only for the final time
2) City Clerk reads Ordinance No. 2021-07 by title only (if approved above)
3) Adopt Ordinance No. 2021-07

Executive Summary:

Water Services is proposing changes to Flagstaff City code 7-02-001-0042 regarding septic tank and scavenger waste haulers. Scavenger wastes include grease and septage disposed at the Wildcat Hill Water Reclamation Plant (WRP). These changes include additional requirements in the permitting process to help prevent wastes from outside Coconino County from entering the Wildcat Hill Water Reclamation Plant, require participation in an electronic reporting program to verify the origin and volume of the generation of the waste, and to strengthen code to prohibit any bypass to the grease or septage receiving station. Flagstaff Water Services has reached out to the food services industries and scavenger waste haulers by direct Email, a notice published in the Arizona Daily Sun, published information on the Flagstaff Water Services' website, and a presentation to the Water Commission. Staff also had an on-line public meeting to answer public questions/comments.

Financial Impact:

None

Policy Impact:

None

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

The changes to the scavenger waste program support the Priority Based Budget Key Community Priorities and Objectives Sustainable, Innovative Infrastructure - Deliver outstanding services to residents through a healthy, well-maintained infrastructure system by keeping materials that can be detrimental to the water reclamation plants out of the plant.

Has There Been Previous Council Decision on This:

A presentation was made to Council during the Work Session on January 12, 2021

Attachments: Ord. 2021-07
Scavenger Waste Code Changes

ORDINANCE NO. 2021-07

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, ARIZONA, AMENDING FLAGSTAFF CITY CODE TITLE 7, HEALTH AND SANITATION, CHAPTER 7-02, WASTEWATER REGULATIONS BY REPLACING SECTION 7-02-0001-0042 WITH NEW LANGUAGE REGULATING SCAVENGER WASTE AND GREASE HAULERS, AND ADDING SECTION 7-02-0001-0042.1 WITH NEW LANGUAGE REGULATING SCAVANEGER WASTE DISCHARGE PERMITS; ESTABLISHING SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff maintains and operated water reclamation plants; and

WHEREAS, it is important to keep the operations of Flagstaff's water reclamation plants in good working order and condition; and

WHEREAS, limitations of the types of waste that can be discharged into the Flagstaff's water reclamation plants already exist; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to the limitations of types of waste, and permitting of waste that can be discharged in the Flagstaff's water reclamation plants; and

WHEREAS, said amendments to Flagstaff City Code Section 7-02-001-0042 regulating limitations on scavenger waste and grease haulers as well as scavenger waste permits are now deemed necessary and prudent to protect the good working order and condition of the Flagstaff water reclamation plants.

ENACTMENTS:

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

SECTION 1. That the following language be deleted from Flagstaff City Code Section 7-02-001-0042:

~~7-02-001-0042 SEPTIC TANK AND SCAVENGER WASTE HAULERS~~

~~A. Authorized Waste Haulers. Only those persons or companies whose principal source of business is within Coconino County shall be authorized to discharge scavenger wastes into the sewerage system.~~

~~B. Permit to Discharge. All authorized persons or companies, as defined in subsection (A) of this section, wishing to discharge scavenger wastes into the sewerage system must first obtain a scavenger waste discharge permit from the Finance Director. Permit applications shall include information on the company ownership, locations, identification, license number of all trucks to~~

~~be used for delivery of waste to City sewerage facilities and any other pertinent information as may be desired by the City. It shall also include truck capacity and other information pertinent to discharge to the sewerage system. Permit applications shall be signed by a responsible owner or manager of the company applying for permission to discharge. All waste haulage equipment operated by companies with permits shall be registered with the Finance Director and shall be identifiable by display of the license plate number.~~

~~1. The permit provided for in this section shall be issued by the Finance Director to all applicants who comply with the terms and conditions set forth in this section upon the payment of a permit fee, as follows:~~

~~a. For each vehicle utilized for the transportation of wastes for disposal into the sewerage system: five dollars ($5.00).~~

~~b. The permit issued as provided for in this section shall expire one (1) year after the date of issue. It shall be the responsibility of the hauler to seek renewal of their permit annually, at least thirty (30) days prior to the expiration date of the previous permit.~~

~~c. Revocation of Permit. Noncompliance with any part of this section or subsequent regulations shall subject the permit holder to revocation of permit to utilize the services of the City sewerage system for disposal of scavenger wastes. Reissuance of permit to discharge after revocation shall be at the discretion of the Director and may be subject to such conditions as he/she deems appropriate.~~

~~C. Regulations. The Director may establish such regulations as are deemed necessary to control the discharge of scavenger wastes so as to prevent incidences of overloading, interference or pass-through at the water reclamation plant and/or interference, damage, etc., to the wastewater collection systems. All discharges shall comply with the Prohibited Substances restrictions set forth in Section 7-02-001-0007. The water reclamation plant does not accept hazardous waste as defined by the Resource Conservation and Recovery Act and the Code of Federal Regulations.~~

~~D. Each load to be discharged into the City wastewater system, shall be manifested in a form and format provided by the City of Flagstaff.~~

~~E. Provisions of Services. Normal wastes from septic tanks, sewage treatment plants, etc., may be discharged routinely. Permission to discharge other wastes that are not readily biodegradable or are not known to be compatible to the operations of water reclamation plants shall be refused. Special request must be made to the Director prior to discharge of any materials of questionable acceptability. Some specific reasons for refusal of service shall include:~~

~~1. Material deleterious to treatment plant operation or operators such as oils, greases, gasoline, toxics, volatile solvents, sand, metallic particles, or paints.~~

~~2. Materials which would cause unusual expense in handling and treatment (i.e., blood, etc.), unless prior arrangements have been made for the payment of additional cost of service.~~

~~3. Materials which would inhibit the performance of the treatment plant such as acids, plating wastes, or toxic materials.~~

~~F. Fees and Charges. Fees and charges for treatment of formal scavenger wastes shall be based on the costs of providing such services and on the expected overall average characteristics of such discharges, which shall be designated as five thousand four hundred (5,400) mg/L BOD and twelve thousand (12,000) mg/L SS.~~

~~G. The waste hauler will be financially responsible for any damage to, or interference with the POTW, or for any expense to the City (including testing) caused by the discharge from the hauler. The waste hauler and/or generator will be charged for all expenses in monitoring and handling their discharge.~~

~~H. Waste haulers may not discharge unless a plant operator is present and has approved the discharge. The operator may refuse to accept any discharge if it is suspected to contain wastes which are considered unacceptable to the City water reclamation plants.~~

~~I. The waste hauler shall have sampling outlets (approved by the Division) on each truck for proper sampling of contents. The waste hauler shall be subject to random sampling/monitoring by the City.~~

~~J. Waste haulers will position their trucks at the direction of the plant operator to prevent spills. Any traces of the hauler's discharge must be removed by the hauler immediately.~~

~~K. The discharge of scavenger wastes shall be permitted only at the locations and during such hours as shall be established by the Water Services Director. The discharge of scavenger wastes to the sewerage system at any other location is forbidden.~~

~~L. Septic tank and scavenger waste haulers shall be subject to the enforcement guides set forth in Section 7-02-001-0019.~~

~~M. Provision of false information by either the generator or the hauler shall also be considered a violation of this Code and subject to the provisions of Sections 7-02-001-0017 and 7-02-001-0019. (Ord. 1693, 05/07/1991; Ord. 2003-04, Amended, 04/04/2003; Ord. 2018-32, Amended, 12/04/2018. Formerly 7-02-001-0040)~~

SECTION 2. That the following language replace the deleted language Flagstaff City Code Section 7-02-001-0042:

7-02-001-0042 SCAVANGER WASTE AND GREASE HAULERS

A. Scavenger Waste is defined as sewage or human excreta that is removed from a septic tank or other on-site wastewater treatment facility, privy, sewage vault, river can, rocket can, or fixed or transportable chemical toilet or other similar units.

B. Grease is defined as Fats, Oils and Grease (FOG); organic polar compounds derived from animal and/or plant sources as detectable in cooking oils, food scraps containing grease, butter or oil, lard or tallow, meat fat, grease and juices, gravies, sauces, shortening and dairy products.

C. Authorized Scavenger Waste Haulers. Only scavenger wastes generated within Coconino County shall be authorized to discharge into the sewerage system.

1. The Water Services Director shall require haulers of scavenger waste to obtain a scavenger waste discharge permit.

2. Septage haulers shall not discharge mixed loads of grease and septic tank or scavenger waste or any other type of waste. Scavenger waste haulers may discharge loads only at locations designated by the Director and at such times as are established by the Director. The Director may collect samples of each hauled load to ensure compliance with applicable standards. The Director may require the scavenger waste hauler to provide a waste analysis of any load prior to discharge. The discharge of hauled septic tank waste is subject to all other requirements of this chapter.

3. The Director shall establish hours for operation and acceptance for discharging of scavenger waste. The hours of operation shall be available on the Flagstaff Water Services web site and posted at the entrance gate of the water reclamation plant.

4. Septage haulers are required to weigh in before and after discharging to the water reclamation plant or POTW, provided a scale is available.

5. Discharge of scavenger waste at hours other than those established by the Director shall be at the discretion of the plant operator and will be subject to a fee set forth in section 3-10-001-00086. Scavenger waste haulers must provide a completed City waste-tracking or manifest form for every load, prior to entering the water reclamation plant. This form shall include, at a minimum, the name and address of the waste hauler, permit number, truck identification, names, addresses and phone number of sources of waste, and volume and characteristics of waste. Scavenger waste haulers shall maintain records of all waste-tracking or manifest forms for at least five (5) years.

D. Authorized Grease Haulers. Grease will only be accepted for discharge into the designated grease receiving station from generators that have written acceptance by the Director and will be subject to the following conditions:

1. The Director shall require grease haulers to obtain a scavenger waste discharge permit.

2. Grease haulers shall not discharge mixed loads of grease and septic tank or scavenger waste or any other type of waste. Grease haulers may discharge loads only at locations designated by the Director and at such times as are established by the Director. The Director may collect samples of each hauled load to ensure compliance with applicable standards. The Director may require the grease hauler to provide a waste analysis of any load prior to discharge. The discharge of hauled grease is subject to all other requirements of this chapter.

3. The Director shall establish hours for operation and acceptance for discharging of grease. The hours of operation shall be available on the Flagstaff Water Services web site and posted at the entrance gate of the water reclamation plant.

4. Grease haulers are required to weigh in before and after discharging to the water reclamation plant or POTW, provided a scale is available.

5. Discharge of grease at hours other than those established by the Director shall be at the discretion of the plant operator and will be subject to a fee set forth in section 3-10-

001-0008.

6. Grease haulers must provide a completed City waste-tracking or manifest form for every load, prior to entering the water reclamation plant. This form shall include, at a minimum, the name and address of the grease hauler, permit number, truck identification, names, addresses and phone number of sources of waste, and volume and characteristics of waste. Grease haulers shall maintain records of all waste-tracking or manifest forms for at least five (5) years.

SECTION 3. That the following language be under new Flagstaff City Code Section 7-02-001-0042.1:

7-02-001-0042.1 SCAVENGER WASTE DISCHARGE PERMITS

A. All authorized persons or companies, as defined in section 7-02-001-0042, wishing to discharge scavenger wastes or grease must first obtain a scavenger waste discharge permit for each vehicle that will haul scavenger waste or grease from the Director. Vehicle permit applications shall be provided by the City and must include the following information:

1. Business Name

2. Business Phone Number

3. Name of Business Owner or Responsible Party

4. Business Physical Location

5. Business Mailing Address

6. Business Email Address

7. Name(s) of Operator(s)

8. Operator Phone Number(s)

9. Vehicle Information

    a. Year/Make/Model

    b. License Plate Number/State

    c. Tank Capacity

    d. Type of Hauled Waste(s)

    e. ADEQ License Number

10. Any additional information as required to meet applicable Federal and/or State regulations or as deemed necessary to prevent incidences of overloading, interference or pass-through at the water reclamation plant and/or interference, damage, etc., to the wastewater collection systems.

B. The permit provided for in this section shall be issued by the Director to all applicants who comply with the terms and conditions set forth in this section as follows:

1. For each vehicle utilized for the transportation of scavenger wastes or grease for disposal into the sewerage system, payment or prorated portion of the annual fee as established per City Code Section 3-10-001-0008 License Fees.

2. Once permits are obtained, all waste haulage equipment operated by companies with permits shall be registered with the Management Services Division and shall submit documentation that fee has been paid and shall be identifiable by display of the license plate number.

3. The permit issued as provided for in this section shall expire January 2nd of each year and not more than one (1) year after the date of issue. It shall be the responsibility of the hauler to seek renewal of their permit, at least thirty (30) days prior to the expiration date.

4. Noncompliance with any part of this section or subsequent regulations shall subject the permit holder to revocation of permit to utilize the services of the City sewerage system for disposal of scavenger wastes or grease. Reissuance of permit to discharge after revocation shall be at the discretion of the Director and may be subject to such conditions as deemed appropriate.

5. The Director may establish regulations as are deemed necessary to control the discharge of scavenger wastes so as to prevent incidences of overloading, interference or pass-through at the water reclamation plant and/or interference, damage, etc., to the wastewater collection systems. All discharges shall comply with the Prohibited Substances restrictions set forth in Section 7-02-001-0007.

6. The water reclamation plant does not accept hazardous waste as defined by the Resource Conservation and Recovery Act and the Code of Federal Regulations.

7. The waste hauler will be financially responsible for any damage to, or interference with the Publicly Owned Treatment Works (POTW), or for any expense to the City (including testing) caused by the discharge from the hauler. The waste hauler and/or generator will be charged for all expenses in monitoring and handling their discharge.

8. Waste haulers may not discharge unless a plant operator is present and has approved the discharge. The operator may refuse to accept any discharge if it is suspected to contain wastes which are considered unacceptable to the City water reclamation plants.

9. The waste hauler shall have sampling taps or outlets (as approved by the Water Services Division) on each truck for proper sampling of contents. The waste hauler shall be subject to random sampling/monitoring by the City.

10. Waste haulers will position their trucks at the direction of the plant operator to prevent spills. Any traces of the hauler’s discharge must be removed by the hauler immediately.

11. Waste haulers shall not bypass any control device while discharging to the City

Water Reclamation Plant or POTW.

12. Waste haulers cleaning trucks at the water reclamation plant shall be subject to a truck clean out fee set forth in section 3-10-001-0008. Truck cleanout shall be empty prior to clean out. Septic tank and scavenger waste haulers shall be subject to the enforcement guides set forth in Section 7-02-001-0019.

13. Provision of false information by either the generator or the hauler shall also be considered a violation of this Code and subject to the provisions of Sections 7-02-001-0017 and 7-02-001-0019.

C. The Director may revoke a permit for any of the following actions or inactions by the permittee:

1. Disposing hauled waste at any location not designated or approved by the Director.

2. Misrepresenting or failing to fully disclose all relevant facts in the waste hauler discharge permit application.

2. Falsifying information provided on waste tracking forms or waste disposal manifests.

4. Failure to provide a waste tracking form or waste disposal manifest.

5. In the event that the City implements an electronic or web-based a waste tracking form or waste disposal manifest reporting system, all reports shall be submitted on this system. 6. The hauler shall be responsible for any fees associated with an electronic or web-based reporting system.

7. Tampering with samples collected from waste loads.

8. Refusing to allow the Director timely access to the facility premises or records.

9. Failing to meet effluent requirements.

10. Failing to pay fines or penalties.

11. Failing to pay waste disposal charges.

12. Failing to complete a waste hauler discharge permit application.

13. Violating any general or specific permit condition or requirement, or any terms of the waste hauler discharge permit or this section.

SECTION 4. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 5. Severability

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 6. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 7. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

7-02-001-0042.1 SCAVENGER WASTE AND GREASE HAULERS

A. Scavenger Waste is defined as sewage or human excreta that is removed from a septic tank or other on-site wastewater treatment facility, privy, sewage vault, river can, rocket can, or fixed or transportable chemical toilet or other similar units.

B. Grease is defined as Fats, Oils and Grease (FOG); organic polar compounds derived from animal and/or plant sources as detectable in cooking oils, food scraps containing grease, butter or oil, lard or tallow, meat fat, grease and juices, gravies, sauces, shortening and dairy products.

C. Authorized Scavenger Waste Haulers. Only scavenger wastes generated within Coconino County shall be authorized to discharge into the sewerage system.

1. The Water Services Director shall require haulers of scavenger waste to obtain a scavenger waste discharge permit.

2. Septage haulers shall not discharge mixed loads of grease and septic tank or scavenger waste or any other type of waste. Scavenger waste haulers may discharge loads only at locations designated by the Director and at such times as are established by the Director. The Director may collect samples of each hauled load to ensure compliance with applicable standards. The Director may require the scavenger waste hauler to provide a waste analysis of any load prior to discharge. The discharge of hauled septic tank waste is subject to all other requirements of this chapter.

3. The Director shall establish hours for operation and acceptance for discharging of scavenger waste. The hours of operation shall be available on the Flagstaff Water Services web site and posted at the entrance gate of the water reclamation plant.

4. Septage haulers are required to weigh in before and after discharging to the water reclamation plant or POTW, provided a scale is available.

5. Discharge of scavenger waste at hours other than those established by the Director shall be at the discretion of the plant operator and will be subject to a fee set forth in section 3-10-001-0008

6. Scavenger waste haulers must provide a completed City waste-tracking or manifest form for every load, prior to entering the water reclamation plant. This form shall include, at a minimum, the name and address of the waste hauler, permit number, truck identification, names, addresses and phone number of sources of waste, and volume and characteristics of waste. Scavenger waste haulers shall maintain records of all waste-tracking or manifest forms for at least five (5) years.

D. Authorized Grease Haulers. Grease will only be accepted for discharge into the designated grease receiving station from generators that have written acceptance by the Director and will be subject to the following conditions:

1. The Director shall require grease haulers to obtain a scavenger waste discharge permit.

2. Grease haulers shall not discharge mixed loads of grease and septic tank or scavenger waste or any other type of waste. Grease haulers may discharge loads only at locations designated by the Director and at such times as are established by the Director. The Director may collect samples of each hauled load to ensure compliance with applicable standards. The Director may require the grease hauler to provide a waste analysis of any load prior to discharge. The discharge of hauled grease is subject to all other requirements of this chapter.

3. The Director shall establish hours for operation and acceptance for discharging of grease. The hours of operation shall be available on the Flagstaff Water Services web site and posted at the entrance gate of the water reclamation plant.

4. Grease haulers are required to weigh in before and after discharging to the water reclamation plant or POTW, provided a scale is available.

5. Discharge of grease at hours other than those established by the Director shall be at the discretion of the plant operator and will be subject to a fee set forth in section 3-10-001-0008.

6. Grease haulers must provide a completed City waste-tracking or manifest form for every load, prior to entering the water reclamation plant. This form shall include, at a minimum, the name and address of the grease hauler, permit number, truck identification, names, addresses and phone number of sources of waste, and volume and characteristics of waste. Grease haulers shall maintain records of all waste-tracking or manifest forms for at least five (5) years.

7-02-001-0042.2 SCAVENGER WASTE DISCHARGE PERMITS.

A. All authorized persons or companies, as defined in section 7-02-001-0042, wishing to discharge scavenger wastes or grease must first obtain a scavenger waste discharge permit for each vehicle that will haul scavenger waste or grease from the Director. Vehicle permit applications shall be provided by the City and must include the following information:

1. Business Name

2. Business Phone Number

3. Name of Business Owner or Responsible Party

4. Business Physical Location

5. Business Mailing Address

6. Business Email Address

7. Name(s) of Operator(s)

8. Operator Phone Number(s)

9. Vehicle Information

    a. Year/Make/Model

    b. License Plate Number/State

    c. Tank Capacity

    d. Type of Hauled Waste(s)

    e. ADEQ License Number

10. Any additional information as required to meet applicable Federal and/or State regulations or as deemed necessary to prevent incidences of overloading, interference or pass-through at the water reclamation plant and/or interference, damage, etc., to the wastewater collection systems.

B. The permit provided for in this section shall be issued by the Director to all applicants who comply with the terms and conditions set forth in this section as follows:

1. For each vehicle utilized for the transportation of scavenger wastes or grease for disposal into the sewerage system, payment or prorated portion of the annual fee as established per City Code Section 3-10-001-0008 License Fees.

2. Once permits are obtained, all waste haulage equipment operated by companies with permits shall be registered with the Management Services Division and shall submit documentation that fee has been paid and shall be identifiable by display of the license plate number.

3. The permit issued as provided for in this section shall expire January 2nd of each year and not more than one (1) year after the date of issue. It shall be the responsibility of the hauler to seek renewal of their permit, at least thirty (30) days prior to the expiration date.

4. Noncompliance with any part of this section or subsequent regulations shall subject the permit holder to revocation of permit to utilize the services of the City sewerage system for disposal of scavenger wastes or grease. Reissuance of permit to discharge after revocation shall be at the discretion of the Director and may be subject to such conditions as deemed appropriate.

5. The Director may establish regulations as are deemed necessary to control the discharge of scavenger wastes so as to prevent incidences of overloading, interference or pass-through at the water reclamation plant and/or interference, damage, etc., to the wastewater collection systems. All discharges shall comply with the Prohibited Substances restrictions set forth in Section 7-02-001-0007.

6. The water reclamation plant does not accept hazardous waste as defined by the Resource Conservation and Recovery Act and the Code of Federal Regulations.

7. The waste hauler will be financially responsible for any damage to, or interference with the Publicly Owned Treatment Works (POTW), or for any expense to the City (including testing) caused by the discharge from the hauler. The waste hauler and/or generator will be charged for all expenses in monitoring and handling their discharge.

8. Waste haulers may not discharge unless a plant operator is present and has approved the discharge. The operator may refuse to accept any discharge if it is suspected to contain wastes which are considered unacceptable to the City water reclamation plants.

9. The waste hauler shall have sampling taps or outlets (as approved by the Water Services Division) on each truck for proper sampling of contents. The waste hauler shall be subject to random sampling/monitoring by the City.

10. Waste haulers will position their trucks at the direction of the plant operator to prevent spills. Any traces of the hauler's discharge must be removed by the hauler immediately.

11. Waste haulers shall not bypass any control device while discharging to the City Water Reclamation Plant or POTW.

12. Waste haulers cleaning trucks at the water reclamation plant shall be subject to a truck clean out fee set forth in section 3-10-001-0008. Truck cleanout shall be empty prior to clean out. Septic tank and scavenger waste haulers shall be subject to the enforcement guides set forth in Section 7-02-001-0019.

13. Provision of false information by either the generator or the hauler shall also be considered a violation of this Code and subject to the provisions of Sections 7-02-001-0017 and 7-02-001-0019.

C. The Director may revoke a permit for any of the following actions or inactions by the permittee:

1. Disposing hauled waste at any location not designated or approved by the Director.

2. Misrepresenting or failing to fully disclose all relevant facts in the waste hauler discharge permit application.

3. Falsifying information provided on waste tracking forms or waste disposal manifests.

4. Failure to provide a waste tracking form or waste disposal manifest.

5. In the event that the City implements an electronic or web-based a waste tracking form or waste disposal manifest reporting system, all reports shall be submitted on this system.

6. The hauler shall be responsible for any fees associated with an electronic or web-based reporting system.

7. Tampering with samples collected from waste loads.

8. Refusing to allow the Director timely access to the facility premises or records.

9. Failing to meet effluent requirements.

10. Failing to pay fines or penalties.

11. Failing to pay waste disposal charges.

12. Failing to complete a waste hauler discharge permit application.

13. Violating any general or specific permit condition or requirement, or any terms of the waste hauler discharge permit or this section.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Steve Camp, Regulatory Compliance Section Manager

Co-Submitter: Jolene Montoya

Date: 04/14/2021

Meeting Date: 04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-10 and Resolution No. 2021-14: An ordinance amending multiple portions Chapter 7-02 with respect to local limits for significant industrial users of the water reclamation system, and a resolution amending the Enforcement Response Plan.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-10 by title only for the final time
2) City Clerk reads Ordinance No. 2021-10 by title only (if approved above)
3) Adopt Ordinance No. 2021-10
4) Adopt Resolution No. 2021-14

Executive Summary:

This change will impact the permitted industrial users within City limits by updating the standards for discharge, changing sampling requirements, and other miscellaneous updates. The United States Environmental Protection Agency (USEPA) recommends that pre-treatment programs reevaluate their local limits every 5 years. This 5-year recommendation coincides with the Arizona Pollutant Discharge Elimination System (AZPDES) permit issued by the state Arizona Department of Environmental Quality (ADEQ) to our water reclamation plants.

Water Services contracted with Brown and Caldwell in 2020 to complete a local limit study for the Pretreatment Program. The proposed standards for discharge are taken from this study and will be used to issue revised discharge permits to our significant industrial users (SIU). Included in the local limit code change is a requirement for SIUs to conduct self-monitoring in the 1st and 3rd quarters of the year. SIUs are currently conducting self-monitoring in the 2nd and 4th quarters. This change will allow SIUs to conduct any required confirmation sampling within the same calendar year. If an SIU collects a sample in the 4th quarter that exceeds a local limit, there may not be sufficient time to collect a confirmation sample within the same calendar year.

The change to the local limits will also require a slight change to the Council-approved Enforcement Response Plan (ERP). Sewer rates are set up in code with different classes, depending on the user. Users with a higher Biological Oxygen demand (BOD) and Total Suspended Solids (TSS) have a class with a higher rate. This higher rate is based on the costs the wastewater plant encounters to treat these wastes. However, some of these BOD and TSS limits are above our already existing local limits. City Code also allows the use of surcharges to be assessed to a user that exceeds the local limits. A change in the ERP is necessary to allow staff the flexibility to not enforce exceedances to Local Limits of BOD

and TSS. All other local limits will remain in the ERP as approved.

Flagstaff Water Services has conducted outreach to the permitted SIUs and the general public through individual email, information included in customer water bills, a notice published in the Arizona Daily Sun, information published on Flagstaff Water Services website, and in a presentation to the Water Commission. Staff also conducted public on-line meetings with potentially impacted customers. One meeting was held with the permitted SIUs and a second meeting was presented to the general public. These recommended code changes will serve to protect our water reclamation plants, bring clarity to the City Code, and ensure staff's consistency in administering the program.

Financial Impact:

None.

Policy Impact:

None.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

The changes to the industrial pre-treatment program support the Priority Based Budget Key Community Priorities and Objectives: Sustainable, Innovative Infrastructure - Deliver outstanding services to residents through a healthy, well-maintained infrastructure system by protecting our wastewater collection system and water reclamation plants from materials that can interfere with the function of both systems.

Has There Been Previous Council Decision on This:

A presentation was made to Council during the Work Session on March 30, 2021.

Attachments: Ord. 2021-10
Res. 2021-14
Enforcement Response Plan

ORDINANCE NO. 2021-10

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING FLAGSTAFF CITY CODE TITLE 7, HEALTH AND SANITATION, CHAPTER 7-02, WASTEWATER REGULATIONS BY AMENDING 7-02-001-0002 DEFINITIONS; 7-02-001-0007 PROHIBITED SUBSTANCES; 7-02-001-0008 STANDARDS FOR DISCHARGE; 7-02-001-0010 INDUSTRIAL SELF-MONITORING; 7-02-001-0011 REPORTING REQUIREMENTS; 7-02-001-0016 INSPECTIONS AND MONITORING; 7-02-001-0018 PUBLIC NOTIFICATION, DEFINITION OF SIGNIFICANT VIOLATION; 7-02-001-0049 PERMITS REQUIRED FOR INDUSTRIAL USERS; 7-02-001-0050 INDUSTRIAL USER PERMITS; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff maintains and operated water reclamation plants; and

WHEREAS, it is important to keep the operations of Flagstaff's water reclamation plants in good working order and condition; and

WHEREAS, limitations of the types of waste that can be discharged into the Flagstaff's water reclamation plants already exist; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to the limitations of types of waste, and permitting of waste that can be discharged in the Flagstaff's water reclamation plants; and

WHEREAS, these amendments to multiple portions of Chapter 7-02 of the Flagstaff City Code Section regulating local limits for significant industrial users of the Flagstaff water reclamation system are now deemed necessary and prudent to protect the good working order and condition of the Flagstaff water reclamation plants.

ENACTMENTS:

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

SECTION 1. That the language in strike-through type below be deleted, and the language in all-caps type below be added as amendments to the specific sections of the Chapter 7-02 of the Flagstaff City Code as identified below:

7-02-001-0002 DEFINITIONS

The general definitions found in Section 7-01 (Water Services) shall apply to this chapter. In addition, for the purposes of this chapter, the following words and terms shall have the following meanings, unless the context indicates otherwise:

DAILY COMPOSITE SAMPLE: A sample of effluent, discharge or other source of pollutants continuously collected, manually or automatically, over a normal operating day. Samples ~~should~~ SHALL be collected over A TWENTY-FOUR (24) HOUR PERIOD OR at least an eight (8) hour period during production, ~~but preferably over a twenty-four (24) hour period,~~ with one (1) sample being drawn at least once every two (2) hours. Composites should be flow proportional wherever feasible. ~~Volatile pollutant aliquots must be combined in the laboratory immediately before analysis.~~

7-02-001-0007 PROHIBITED SUBSTANCES

B. The following are prohibited from the City wastewater collection system:

5. Any substance that can cause corrosive damage to the POTW or collection system and any substance with a pH of less than 6.0~~5~~ standard units (s.u.) or greater than 11.0. s.u.

6. Any liquid or vapor which causes the temperature entering the POTW to exceed one hundred four degrees (104°) Fahrenheit (40° C) or any liquid or vapor with a temperature greater than one hundred sixty degrees (160°) Fahrenheit (71° C).

7. Any toxic or radioactive substance in sufficient quantity to interfere with the POTW or collection system or to create a health or environmental hazard.

8. Any substance requiring unusual attention or expense of the City unless specifically authorized. Compensatory payments be determined by the City to be paid by the user who contributes any such authorized substance.

9. Any noxious or malodorous liquid, gas or solid which creates a public nuisance, health or environmental hazard, or inhibits entry into any part of the wastewater system for maintenance or monitoring.

10. Any water with a volume greater than twenty (20) GPM containing dyes, inks or other color-causing substances that change the typical color in the wastewater collection system.

11. Any substance causing a hazard to health or to the environment.

12. Petroleum oil, nonbiodegradable cutting oil or products of mineral oil origin in amounts that cause interference or pass-through.

13. Any trucked or hauled pollutants, except at discharge points designated by the POTW.

14. UNLESS OTHERWISE APPROVED BY THE WATER SERVICES DIRECTOR, ANY STORMWATER, SURFACE WATER, GROUNDWATER, ROOF RUNOFF, SURFACE DRAINAGE, OR UNPOLLUTED PROCESS WATERS THAT MAY CONSTITUTE INFLOW AS DEFINED HEREIN.

15~~4~~. Any combination of substances contributed by one (1) or more users which results in any of the above situations.

16~~5~~. The following pesticides are expressly prohibited from discharge into the City sewer system: 4,4'-DDD; 4,4'-DDE; 4,4'-DDT; ALDRIN, and Heptachlor.

7-02-001-0008 STANDARDS FOR DISCHARGE

B. The following specific limits shall apply to all industrial user discharges and may be modified, with prior notice to the industrial user and an opportunity to respond, to comply with applicable State and/or Federal regulations.

Parameter Maximum	**(mg/L)**
Inorganics	
Lead	0.0841
Copper	0.2015
Zinc	1.403.0
Mercury	0.017 BMP (interim)
Cyanide (total)	0.24
Arsenic	0.1831
Silver	0.30
Selenium	0.015
Sulfides	5.04.5
HEM [a]	(152 mg/L) *(Qmax)= lb/day load (interim)
Volatile Organic Compounds	
Methylene Chloride	4.1
Toluene	0.14
Benzene	0.102
Total Trihalomethanes	0.32 alert
Bromodichloromethane	0.08 alert
Bromoform	0.08 alert
Chloroform	0.08 alert
Dibromochloromethane	0.08 alert
Bromide	0.505
Semivolatile Organic Compounds	
Bis(2-ethylhexyl) phthalate (BEHP)	Best management practices (BMP)
Pesticides	
Aldrin	Prohibited
Conventional Pollutants	
BOD	1,000 mg/L (surcharges if >400 mg/L)
TSS	1,200 mg/L (surcharges if >450 mg/L)
Total Nitrogen	173 mg/L
pH	6.05<pH≤11.0

Parameter Maximum	**(mg/L)**
AMMONIA	173
TOTAL KJELDAHL NITROGEN (TKN)	173
NITRATE/NITRITE	10

* LBS/DAY = POLLUTANT CONCENTRATION IN MG/L X 8.34 (POUNDS/GALLON) X FLOW IN MILLION GALLONS PER PERIOD

C. The City may set limits based on mass measurements of pollutants for a particular substance or a particular user if it is necessary for adequate regulation. Discharge limits be set in order to meet any limits set for sludge disposal.

D. Industrial users meet the requirements of the U.S. Code of Federal Regulations, 40 CFR 403 and the amendments thereof. No discharge may exceed any Federal categorical standard or cause the POTW to exceed its AZPDES OR APP Permit. The City may request approval to modify a Federal categorical standard, according to 40 CFR 403.

E. Dilution may not be used to meet a standard or limit unless it is expressly authorized by the categorical standard set by the EPA or by the City.

F. Bypass Prohibition.

1. Notice of Bypass to Occur.

a. If an industrial user knows in advance of the need for a bypass, it shall submit prior notice to the ~~Utilities~~ WATER SERVICES Director, if possible, at least ten (10) days before the date of the bypass.

b. An industrial user shall submit oral notice of an unanticipated bypass that exceeds applicable pretreatment standards to the Water Services Director within twenty-four (24) hours from the time the industrial user becomes aware of the bypass. A written submission shall also be provided within five (5) days of the time the industrial user becomes aware of the bypass. The written submission shall contain a description of the bypass and its cause; the duration of the bypass, including exact dates and times, and, if the bypass has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent reoccurrence of the bypass.

2. Prohibition of Bypass. Bypass is prohibited, and the Water Services Division may take enforcement action against an industrial user for a bypass unless:

a. Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

b. There were no feasible alternatives to the bypass;

c. The user submitted notices as required above.

G. O&M Requirements.

1. Industrial users required to install suitable pretreatment facilities to treat waste streams which do not meet City discharge limits shall provide necessary maintenance on such equipment to ensure their continued and efficient operation. ~~Such facilities shall be attended by a person who has obtained certification as a wastewater operator by ADEQ at a level appropriate for the facilities being tended.~~

7-02-001-0010 INDUSTRIAL SELF-MONITORING

A. Significant industrial users, at the user's expense, must provide safe and convenient access for sampling by the City. A City approved manhole must be provided from which a sample that is representative of the total discharge can be taken. There must be unobstructed access to the open flow in the manhole so that a grab sample can be taken and so that sampling equipment can be set up in the manhole.

B. Sampling and analysis must be performed by significant industrial users, at their own expense, at least twice each year, in two (2) separate quarters, (~~April - June and October - December~~JANUARY – MARCH AND JULY - SEPTEMBER), and results of such sampling submitted to the City before the last day of each respective quarter or as directed by the City. ~~The City may perform such sampling for the significant industrial user if they so choose.~~

C. IF A TEST RESULT IS NOT WITHIN THE LIMITS OF THIS CHAPTER OR THE CATEGORICAL STANDARDS FROM ANY SEMIANNUAL SAMPLING, COMPLETED BY THE PERMITTED INDUSTRIAL USER, THE INDUSTRIAL USER SHALL IMMEDIATELY NOTIFY THE CITY WITHIN 24 HOURS OF BECOMING AWARE OF THE VIOLATION (I.E. ISSUANCE OF FINAL LAB REPORT) ~~If any sample that is taken by the industrial user or the City is not within the limits of this chapter or the categorical standards, then t~~The industrial user, or the City if they so choose, shall repeat the sampling within thirty (30) days of becoming aware of the violation, or more often if it is determined to be necessary by the City.

D~~C~~. ~~A minimum of four (4) grab samples, pulled at least every two (2) hours,~~ GRAB SAMPLES must be used when sampling for pH, cyanide, total phenols, oil and grease, sulfide, and volatile organics. ~~For all other pollutants,~~

E. ~~t~~Twenty-four (24) hour composite samples must be obtained through flow-proportional composite sampling techniques, where feasible. The City may waive flow-proportional composite sampling for any industrial user that demonstrates that flow proportional sampling is infeasible. In such cases, samples may be obtained through time-proportional composite sampling techniques or through a minimum of four (4) grab samples where the user demonstrates that this will provide a representative sample of the effluent being discharged. ~~Sampling must be performed for five (5) consecutive days and be representative of the effluent being discharged on a typical production day or as directed by the City.~~

F~~D~~. The flow must be measured by the industrial user at the time that the sample is taken, according to 40 CFR 403.12.

G~~E~~. The methods of sampling must be performed in accordance with 40 CFR 136 and any other applicable Federal, State, or local requirements. ~~and t~~The sampling location and type MUST BE approved by the City. An authorized representative of the industry (see Section 7-02-001-0012) shall sign and submit with these sample results, a statement verifying the validity of the methods and location.

~~H~~F. All records of sampling, analysis and flows must be kept by the industrial user and the City for at least three (3) years. All records must be available to the City UPON REQUEST.

7-02-001-0011 REPORTING REQUIREMENTS

D. The significant industrial user shall report to the City ~~immediately~~ PRIOR TO any significant changes in production, including, but not limited to, production rate, product, raw materials utilized, rate of discharge, concentration of pollutants being discharged, etc.

E. If in the course of self-monitoring, a categorical OR SIGNIFICANT industrial user becomes aware of a violation of ~~their~~ THE ~~categorical~~ limits SET FORTH IN THEIR DISCHARGE PERMIT, they shall notify the City within twenty-four (24) hours of becoming aware of such.

~~F. If an industrial user subject to reporting requirements of this section monitors any pollutant more frequently than required by the City, using the procedures prescribed in Section 7-02-001-0010, the results of this monitoring shall be submitted to the City also.~~

7-02-001-0016 INSPECTIONS AND MONITORING

A. Any authorized employee of the Water Services Division shall, upon presentation of ~~his~~ THEIR credentials, have ~~free~~ access ~~at all reasonable hours~~ to any commercial or industrial premises connected to or disposing of any type waste to the City wastewater system for the purpose of surveillance and/or an inspection of the premises to determine the nature and quantity of wastes discharged to the City wastewater system, or for examining or copying records, required by 40 CFR 403.12(m). The COMMERCIAL/industrial user must make ~~freely~~ available to the City any and all records which would enable them to make an accurate determination of the constituents and flow of the user's waste stream.

B. ~~Servicemen, industrial pretreatment inspectors, sanitary engineers, or other designated representatives~~ AUTHORIZED EMPLOYEE of the Division, whose duty it may be to enter upon commercial or industrial premises to make inspections and collect samples or measure the quantity of wastes discharged to the City sewer, shall be provided with credentials to identify them as authorized representatives for the Division.

C. No person, except an authorized employee of the Division, shall have or exhibit any credentials of that Division. It shall be the responsibility of each employee or authorized representative of the Division, upon resignation or dismissal, to deliver and surrender at the office of the Water Services Director all credentials of the Division in his/her possession.

D. Questionnaires will be provided to all new businesses entering the City of Flagstaff to gather information pertaining to waste that may be generated by such. If any waste other than domestic is discharged from such an establishment, the City may perform an inspection of such premises at least annually or more often as necessary to determine its status of compliance with this chapter.

E. The City of Flagstaff or its designated representative shall have the authority to randomly sample industrial user waste streams and analyze for any pollutants that would be anticipated to be present for that particular user utilizing EPA approved methods. The City will review and analyze self-monitoring reports submitted by industrial users and make notification to such user of any compliance action to be taken as a result of such.

F. The information from the City's inspection and monitoring activity will be available to the administrative authority of the State and/or EPA. This information will also be made available to the general public upon request with the exception of that information protected by Section 7-02-001-0013. The City will maintain these records for a minimum of three (3) years.

~~G. The industrial user shall be financially responsible for any sampling and analysis performed by the City which is not routine as provided for in this chapter.~~

7-02-001-0018 PUBLIC NOTIFICATION, DEFINITION OF SIGNIFICANT VIOLATION

A. The City shall give notice of any decisions being made about the pretreatment program which may interest the public, special interest groups, or government agencies. Information about the operation or requirements of the program will be given to any party which requests it. THE WATER COMMISSION ~~An advisory committee~~ may be used for public information and input if there is an interest expressed in this.

7-02-001-0049 PERMITS REQUIRED FOR INDUSTRIAL USERS

All significant industrial users, as defined by Section 7-02-001-0009(A)(1), shall obtain a permit for connection and discharge OR ANY MODIFICATION THAT CHANGES THE TREATMENT, PRODUCTION, FLOW, ETC. OF THE EXISTING FACILITY. to the City's sewer system from the Director.

7-02-001-0050 INDUSTRIAL USER PERMITS

M. The City may change the conditions of any permit ~~from time to time as may be necessary~~ in order to comply with requirements of Federal or State regulations. AN INDUSTRIAL USER MAY PETITION THE DIRECTOR TO MODIFY THEIR PERMIT FOR MONITORING PARAMETERS OR PROCESS CHANGES. THE USER MUST SUBMIT SAMPLING REPORTS AND/OR DOCUMENTATION TO SUPPORT THEIR PETITION.

SECTION 4. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 5. Severability

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 6. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 7. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

RESOLUTION NO. 2021-14

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, ADOPTING THE CITY OF FLAGSTAFF'S WATER SERVICES DIVISION ENFORCEMENT RESPONSE PLAN

RECITALS:

WHEREAS, the City of Flagstaff maintains and operates various water, water reclamation, reclaimed water and stormwater facilities, all hereinafter referred to as "Flagstaff Water Infrastructure"; and

WHEREAS, it is important to keep the operations of Flagstaff's Water Infrastructure in good working order and condition; and

WHEREAS, enforcement of violations of rules and regulations related to use of Flagstaff's Water Infrastructure is an indispensable aspect of maintaining the operations of Flagstaff's Water Infrastructure; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to those enforcement methods and means of the rules and regulations related to use of Flagstaff's Water Infrastructure; and

WHEREAS, said amendments to the City of Flagstaff's Water Services Division Enforcement Response Plan have been made and said enforcement plan is attached hereto and is intended to be incorporated into this resolution.

ENACTMENTS:

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

SECTION 1. The Enforcement Response Plan attached hereto as Exhibit A is hereby adopted as the City of Flagstaff's Water Services Division Enforcement Response Plan.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
A – Enforcement Response Plan

Exhibit A

City of Flagstaff

Water Services Division

Enforcement Response Plan

2021

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I. PURPOSE

The ERP is intended to enforce the Flagstaff City Code in an equitable and consistent manner as follows:

- To ensure compliance with Title 7, Chapter 1; Title 7, Chapter 2; Title 7, Chapter 3; and Title 12, Chapter 3 of City Code and the Small Municipal Separate Storm Sewer System (MS4) General Permit and to protect public health and safety;
- To provide guidance in enforcement responses that are appropriate to the nature and severity of the violation;
- To establish guidelines that encourage fair and uniform application of enforcement responses to varying types of violations;
- To describe the mechanism to review the appropriateness of responses; and
- Assign points to violations based on their nature and severity for which administrative penalties will be assessed.

II. LEGAL AUTHORITY

This Enforcement Response Plan (ERP) specifies how the City of Flagstaff ("City") will investigate and respond to instances of noncompliance with the following Articles of the Flagstaff City Code:

Title 7, Chapter 1:	Water Services
Title 7, Chapter 2:	Wastewater Regulations
Title 7, Chapter 3:	City Water System Regulations
Title 12, Chapter 3:	Illicit Discharge Detection and Elimination

This ERP was developed in accordance with 40 CFR Section 403.8(f)(5); Flagstaff City Code, Title 7, Chapter 1, Water Services; Title 12, Chapter 3, Illicit Discharge Detection and Elimination and with the requirements of AZPDES General Permit for Stormwater Discharges from Small Municipal Separate Storm Sewer Systems (MS4) to Water of The United States, Permit No. AZG2016-002.

III. DEFINITIONS

In this Enforcement Response Plan, the following words and phrases shall have the following meanings, unless the context otherwise requires:

AO or Administrative Order: A consent order, a compliance order, or a cease and desist order issued by the City of Flagstaff.

ADEQ: Arizona Department of Environmental Quality.

ARS: Arizona Revised Statutes.

***AZPDES*:** Arizona Pollutant Discharge Elimination System.

BMP: Best Management Practices.

Administrative Enforcement: Legal, independently enforceable orders issued directly by Flagstaff officials that define the violation, provide evidence of the violation, impose Administrative Fines and/or require the RP to take corrective action within a specified time period.

Administrative Fine: Civil penalty assessed through Administrative Enforcement.

CFR: Code of Federal Regulations.

Due Date: Date by which report or action is to be completed.

EPA: U.S. Environmental Protection Agency.

Harm Caused: POTW process upset/inhibition/disruption of normal operation and/or adverse change in POTW effluent, adverse change in POTW sludge (bio-solids) characteristics/concentrations; a discharge into the MS4 which results in a violation of the AZPDES Stormwater Permit; and/or adverse impact on the environment.

IDDE: Illicit Discharge Detection and Elimination.

MS4: Municipal Separate Storm Sewer System

NOV: Notice of Violation *or* Notification of Violation issued to the responsible property and/or business owner.

Person: An individual, corporation, entity, or organization.

POTW: Publicly Owned Treatment Works.

RP: Responsible Party; the owner and/or operator of the property where a violation occurs.

Show Cause Hearing: A formal meeting requiring the RP to appear, explain noncompliance, a show cause why more severe enforcement actions against the RP should not go forward. The meeting may also serve as a forum to discuss corrective action and compliance schedules

SNC or Significant Non-Compliance: (a) In order to comply with the public participation

requirements of 40 CFR Part 25 in the enforcement of National Pretreatment Standards, for nondomestic users permitted to discharge wastewater, the definition of significant non-compliance shall have the same meaning as set forth by 40 CFR 403.8(f)(2)(viii) and Section 7-02-001-0020 of the Flagstaff City Code; (b) For Violations of Title 12, Chapter 3, Illicit Discharge Detection and Elimination; and Title 7, Chapter 02, Wastewater Regulations, the RP shall be determined to be in SNC if the RP accumulates four or more points at any time during the previous six (6) months preceding the end of a quarter.

Significant Violation: A Significant Violation is defined as a violation with an assessed value of 4 points as defined in Section IX of this ERP.

SWPPP: Stormwater Pollution Prevention Plan

WL: Warning Letter.

Violation: Non-compliance with the Flagstaff City Code.

IV. DESCRIPTION OF ENFORCEMENT ACTIONS

The following criteria will be considered when determining enforcement:

- Type of violation: minor, significant
- Severity of the violation: the duration, quality, and quantity of pollutants, and effect on public safety and the environment
- Apparent good faith of the site operator
- The potential deterrent value of the enforcement action

INFORMAL NOTICE

1. **Inspection Report**
   Responsible City Authority – Pretreatment Inspector or Watershed Specialist
   Timeframe – At time of inspection or within a maximum of five (5) business days of inspection
   An Inspection Report is prepared by the Pretreatment Inspector or Watershed Specialist after a site visit. The report can include recommendations and education materials to address minor issues, before they become violations, as deemed necessary by the inspector. Educational handouts and additional documented verbal instructions may be provided with the Inspection Report.

2. **Warning Letter**
   Responsible City Authority – Pretreatment Inspector or Watershed Specialist
   Timeframe – At time of inspection or within a maximum of five (5) business days of inspection
   The Warning Letter is the initial documentation to address minor violations. A Warning Letter may be issued by the inspector to the on-site representative at the time of the inspection or can be used after the inspection to follow-up on minor issued addressed in the Inspection Report. No enforcement action is typically taken if the issues listed in the Warning Letter are corrected immediately or within a timeframe deemed appropriate by the inspector.

ESCALATING ENFORCEMENT

1. **Notice of Violation or Corrective Action**
   Responsible City Authority – Regulatory Compliance Manager or Stormwater Manager
   Timeframe – Decision to issue within 10 business days of discovery
   A written NOV or Corrective Action may be issued if the RP fails to comply with a Warning Letter or if there is a significant violation of City Code. The NOV or Corrective Action will include a written notice on specific violations to City Code and include a timeline for correction. If the RP has corrected the violation(s) in the timeframe specified in the NOV or Corrective Action the NOV or Corrective Action will be closed. Enforcement response will be escalated if the RP has not been in contact with Flagstaff Water Services to develop an alternative, mutually acceptable plan to reach compliance or if the NOV or Corrective Action conditions have not been met. Closure of an NOV or Corrective Action shall not preclude the City from taking further enforcement action if additional information regarding the alleged violations is discovered, or if further violations occur.

2. **Administrative Order**
   Responsible City Authority – Water Services Director
   An Administrative Order is an enforcement document to direct the RP to undertake and/or cease specified activities by specified deadlines. The Administrative Order may incorporate

a Cease and Desist or Stop Work Order, revocation of City issued permit, or a Show Cause Hearing. At its sole discretion, the City may also correct the deficiency or hire a contractor to correct the deficiency and require reimbursement from the RP to the City for all costs incurred in correcting the violation. The City may also assess an Administrative Fine or Civil Penalty in the Administrative Order for instances of continued noncompliance as directed in this ERP.

3. **Administrative Fines/Civil Penalties**

Responsible City Authority – Water Services Director

Civil penalties are punitive monetary charges assessed by the City rather than a court. The purpose of the penalty is to recover the economic benefit of noncompliance and to deter future violations. When assessing a civil penalty, the following factors are considered:

a. Type and severity of the violation
b. Number of violations cited
c. Duration of noncompliance
d. Impact of the violation on the receiving water, sludge quality, and POTW operation
e. Whether the violation threatened public health
f. Economic benefit or savings the RP gained from the noncompliance
g. Compliance history of the RP
h. Whether the RP is making a good faith effort to comply

4. **Civil Litigation**

Responsible City Authority – City Attorney

Civil litigation is the formal process whereby the City files a lawsuit against the RP to secure court ordered action to correct violations and to secure penalties for the violations including recovery of costs for the noncompliance. Civil litigation also includes enforcement measures which require involvement or approval of the court, such as injunctive relief.

In emergency situations caused by violations, including imminent danger to the public health, safety, or welfare, and endangerment to City personnel or the environment, the Stormwater Manager or Regulatory Compliance Manager may escalate directly to a NOV, and recommend to the Water Services Director to go directly to an Administrative Order or Civil Litigation Action. Any violations deemed as significant will be published in the largest local newspaper, in accordance with City Code.

V. CROSS CONNECTION CONTROL: ENFORCEMENT RESPONSE

Investigation of noncompliance will be conducted by the Industrial Pretreatment Inspectors and/or the Industrial Pretreatment Supervisor. The methods used to investigate and to determine noncompliance may include, but are not limited to:

1. Respond to complaints received from the public;
2. On-site inspections of the nondomestic user, including scheduled and unscheduled visits;
3. Scheduled and unscheduled testing of nondomestic users' backflow assemblies;
4. Maintain database of City approved certified backflow testers;
5. Conduct surveillance of testers to verify test procedures are being followed;
6. Review water purchase records and use of water of nondomestic users;
7. Review backflow assembly test results.

The City will respond to inspections and violations of Title 7, Chapter 3, Section 001-0015, as follows:

1. Inspection Report
    a. Contact by inspector;
    b. Provide educational material of BMPs and Flagstaff City Code requirements and/or prohibitions;
2. Warning letter;
3. NOV;
4. Administrative Orders;
5. Administrative Fines;
6. Civil enforcement action, including injunctive relief and criminal prosecution.

VI. PRETREATMENT: ENFORCEMENT RESPONSE

The City will respond to violations of Title 7, Chapters 1, 2 and 3, as follows:

8. Inspection Report (7-02-001-0016)
    a. Contact by inspector;
    b. Provide educational material of BMP and Flagstaff City Code requirements and/or prohibitions;
9. Warning letter;
10. NOV (7-01-001-0012);
11. Administrative Orders (7-01-001-0013), which may include:
    a. Modification of wastewater discharge permits;
    b. Affirmative obligations, such as increased monitoring;
    c. Prohibited actions or obligations to cease and desist;
    d. Suspension of access to the City Collection System (7-02-001-0021);
    e. Revocation of permit (7-01-001-0012.E);
12. Administrative Fines (7-01-001-0018);
13. Civil enforcement action, including injunctive relief and criminal prosecution (7-01-001-0019).

VII STORMWATER: ENFORCEMENT RESPONSE

The City will use City Code, permits, and penalties to enforce stormwater violations. The City has separated stormwater into four general categories for violations: construction sites; illicit discharges or connections to the City's MS4; grading/drainage; and post-construction. Potential RPs for violations include property owners, contractors, developers, businesses, industries, private citizens, and other governmental agencies. The general categories for stormwater violations are:

1. **Construction Site Stormwater Control**
   Developers and contractors working in the City are required to obtain all required permits and adhere to City development processes. Under the Small MS4 General Permit, the City is required to assure all construction sites control and contain sediment and construction site materials, debris, and wastes on the construction site using stormwater control measures or BMPs, as applicable. Construction sites that disturb over one acre, as well construction sites under one acre that construction activity is part of a larger common plan of development or sale that would disturb one acre or more, are required to submit an Erosion Control Plan (ECP) that outlines which types of BMPs will be installed and where. These sites are required to install their BMPs and have the Watershed Specialist or Stormwater Project Manager inspect and approve the site prior to earthwork commencing; and must maintain BMPs through the life of the project.

2. **Illicit Discharges/Illicit Connections**
   City Code prohibits the discharge of contaminated stormwater, wastes, or wastewater to enter storm drains or receiving waters through illicit discharges or illegal connections to the storm sewer system. The purpose of this is to provide for public health and safety as required under federal and state law. An illicit discharge is defined as any discharge to a MS4 that is not composed entirely of stormwater, with the exception of allowable non-stormwater discharges and separately permitted discharges. Illicit connections are defined as any man-made conveyance that connects an illicit discharge directly to the MS4. The City is required to implement a program to minimize, detect, investigate, and eliminate illicit discharges and connections, including unauthorized non-stormwater discharges and spills, into the MS4 system.

3. **Grading/Drainage Violations**
   There are stormwater requirements for new development and redevelopment projects. Depending upon the stormwater requirements for a specific project, volume and peak flow controls must be installed prior to increasing horizontal impervious surface on a site. These projects are required to have a Rough Grading Certification signed by the Engineer of Record, Grading Contractor, Geotechnical Engineer, and Surveyor, as applicable and approved by the City prior to installing impervious surface on a site. The certification affirms that rough grading substantially performs in accordance with the approved grading plan and that the SWPPP and/or ECP measures are in place per the approved plans. Work observed includes but is not limited to: all disturbed areas, locations that will be paved; cut and fill slopes; channels, swales, Low Impact Development (LID) features, terraces, berms, all drainage facilities as indicated on the plan(s), detention basins including the completed associated outlet structure(s). Projects are also required to submit, and have approved by the City, a Final Grading Certificate and As-Built Plans prior to receiving Certificate of Occupancy.

4. **Post-Construction Best Management Practices (BMPs)/Facilities**
   The City of Flagstaff Stormwater Design Manual requires detention LID to mitigate stormwater impacts from new development and redevelopment based on certain criteria. Per the Stormwater Design Manual: “Maintenance of local on-site detention facilities shall

be the responsibility of the property owner or homeowner's association. The City shall reserve the right to periodically inspect any detention facilities to verify that regular maintenance activities are being performed."

The City will respond to inspections and violations of Title 12, Chapter 03, as follows:

14. Inspection Report:
    a. Contact by Watershed Specialist and/or Stormwater Project Manager;
    b. Provide educational material of BMP and Flagstaff City Code requirements and/or prohibitions;
15. Warning letter;
16. Corrective Action Letter;
17. Issuance of Administrative Order, which may include:
    a. Cease and Desist or Stop Work Order (SWO);
    b. Any means necessary to abate an incident to protect the public health, safety or the environment and charging all costs of such abatement to the violator;
    c. Written order to immediately remove pollutant or pollutant source or potential pollutant sources from MS4 and to restore City of Flagstaff property to conditions acceptable to the Water Services Director or his delegated representative;
    d. Affirmative obligations; i.e., increased sweeping or track out pad maintenance,
18. Administrative Fines;

VIII. POINTS ASSESSMENT CRITERIA

INTRODUCTION

In order to apply enforcement in an equitable and consistent manner, violation points have been developed for each classification of violation, minor or significant as determined by the Inspector or Watershed Specialist. (See Table B.) Points for violations have been assigned depending upon the severity of the violation; the potential for environmental, public, or employee harm; or facility damage that may result from a violation, and the cost of the violation to the City and its operations. Each violation by an RP shall result in points being assigned to that RP.

When an RP's total points in any two consecutive quarters equals or exceeds 4.0 points, Administrative Fines will be assessed against the RP. The fines will be assessed in the amounts specified on Table A.

ASSESSMENT OF POINTS

1. When violations are discovered, the assessed points shall be applied to the RP.
2. Significant Non-Compliance is calculated at the end of every quarter for the six (6) months preceding the end of the quarter:

Compliance Review Date(s)	Period of Review
April	October 1 of previous year through March 31 of current year
July	January 1 through June 30 of current year
October	April 1 through September 30 of current year
January	July 1 through December 31 of previous year

3. When the total number of points equals or exceeds four (4) points in one quarter and equals or exceeds four (4) points in a consecutive quarter, the Water Services Director or his delegated representative shall assess Administrative Fines or Civil Penalties consistent with this ERP and determine other appropriate enforcement actions which may include revocation of the Permit, if applicable; publication of those in significant non-compliance; and/or termination of service or cease and desist orders.
4. If a permit or property is conveyed, points associated with that permit or property do not convey to the new permit holder or owner unless the new holder/owner is related to the previous holder/owner or unless it appears that the conveyance is an attempt to avoid enforcement.
5. A single operational upset or activity, which leads to simultaneous violations of more than one pollutant parameter, may be treated as a single violation for point assessment, provided there is no Harm Caused.

IX. ADMINISTRATIVE FINE SCHEDULE

ADMINISTRATIVE FINES FOR POINTS ASSESSED

As a result of significant noncompliance (SNC) determined by the Stormwater Manager or Regulatory Compliance Manager, when an RP is assessed four (4) or more points in one quarter and assessed four (4) or more points during any consecutive quarter, the Water Services Director in conjunction with the City Attorney will assess an Administrative Fine with a base value of $2500.

In addition to the base Administrative Fine, each quarter (0.25) point assessed in excess of 4 points shall be assigned a value of $156.25. For each quarter point, the following values will be applied:

TABLE A

0.25	0.50	0.75	1.0	1.25	1.50	1.75	2.0
$156.25	$312.50	$468.75	$625.00	$781.25	$937.50	$1,093.75	$1,250.00
2.25	2.50	2.75	3.0	3.25	3.50	3.75	4.0
$1,406.25	$1,562.50	$1,718.75	$1,875.00	$2,031.25	$2,187.50	$2,343.75	$2,500.00

Following an SNC and the imposition of the base fine, each subsequent violation during the same consecutive two-quarter period shall be assessed a fine based on the quarter-point increment schedule. For subsequent violations, all points assessed during the two-quarter period are used to determine whether a penalty will be assessed, but the amount of the penalties are only assessed on points for which penalties were not previously assigned; i.e., no double billing for points assessed. At any time the accumulated points total less than four points for any consecutive two-quarter period, fines will not be assessed for that period.

Data used to determine compliance shall be maintained in accordance with the City's record retention policy and applicable state or federal regulations.

RECONSIDERATION OF THE FINE

If the RP desires to dispute an assessed Administrative Fine, the RP must file a written request for the Water Services Director to reconsider the Administrative Fine along with full payment of the Administrative Fine within 15 days of being notified of the fine.

PUBLICATION OF RP IN SIGNIFICANT NONCOMPLIANCE

The Water Services Director shall publish at least annually in a newspaper of general circulation a list of RPs which, at any time since the list was last published, were in Significant Non-Compliance.

Industrial Users found to be in Significant Non-Compliance shall be published in accordance with 40 CFR 403.8(f)(2)(viii)(A-H).

TABLE B

Any violation of ordinance not specified in Table B may be awarded points at the discretion of the Water Services Director.

The description of the violation is for ease of reference only. For the specific violation, consult the corresponding ordinance section cited.

Table B, Part 1: Cross Connection Control Violations

Code	Violation	Points	Enforcement Response	Code Reference
CC-1	Incorrect installation of assembly	0.5	WL, NOV	§7-3-1-45.C.4 and
CC-2	Incorrect size of assembly installed	1.0	WL, NOV	§7-3-1-45.C.4 and
CC-3	Installation of by-pass or tampering with	2.0	WL, NOV	§7-3-1-45.F.11
CC-4	Incorrect type of assembly and/or valves installed	1.0	WL, NOV	§7-3-1-45.E
CC-5	Installation of a non-approved assembly	1.0	WL, NOV	§7-3-1-45.D
CC-6	Failure to install assembly after notification issued – 1st occurrence	1.0	WL, NOV	§7-3-1-45.C.3 and F.12
CC-7	Failure to install assembly after notification issued – 2nd occurrence	2.0	WL, NOV	§7-3-1-45.C.3 and F.12
CC-8	Failure to install assembly after notification issued – 3rd occurrence, discontinuance of service	4.0	WL, NOV, AO	§7-3-1-45.C.3 and F.12
CC-9	Failure to maintain records of tests and/or repair	1.0	WL, NOV	§7-3-1-45.C.3 and
CC-10	Failure to conduct annual testing - 1st occurrence	1.0	WL, NOV	§7-3-1-45.C.3 and
CC-11	Failure to conduct annual testing - 2nd	2.0	WL, NOV	§7-3-1-45.C.3 and
CC-12	Failure to conduct annual testing – 3rd	3.0	NOV	§7-3-1-45.C.3 and
CC-13	Failure to notify of removal	1.0	WL, NOV	§7-3-1-45.F.6
CC-14	Failure to conduct initial test	1.0	WL, NOV	§7-3-1-45.C.5
CC-15	Failure to conduct test by certified tester	1.0	WL, NOV	§7-3-1-45.J.4
CC-16	Failure to re-test after repair, etc., of assembly	2.0	WL, NOV	§7-3-1-45.J.3
CC-17	Failure to maintain system open for inspection	2.0	WL, NOV	§7-3-1-45.H.1
CC-18	Failure to notify after repair, relocation or	2.0	WL, NOV	§7-3-1-45.F.3

Table B, Part 2: Pretreatment Violations

Code	Violation	Points	Enforcement Response	Code Reference
P-1	Allow a prohibited discharge into the POTW which causes pass through or interference – 1st occurrence.	2.0	WL, NOV	§7-2-1-7.B.1
P-2	Allow a prohibited discharge into the POTW which causes pass through or interference – 2nd occurrence within any two consecutive quarters.	4.0	WL, NOV	§7-2-1-7.B.1
P-3	Allow a prohibited discharge into the POTW – 1st occurrence.	2.0	WL, NOV	§7-2-1-7.B
P-4	Allow a prohibited discharge into the POTW – 2nd occurrence within any two consecutive quarters.	4.0	WL, NOV	§7-2-1-7.B
P-5	Discharge from nondomestic source without a permit.	2.0	WL, NOV	§7-2-1-49
P-6	Discharge from nondomestic source without a permit – 2nd occurrence within any two consecutive quarters.	4.0	WL, NOV	§7-2-1-49
P-7	No warning of possible connection or entry point for a hazardous and/or prohibited substance to the permittee's plumbing or drainage system.	2.0	WL, NOV	§7-2-1-51.C
P-8	Violation of Local or Categorical limit - 1st occurrence. The exception are and violation to BOD and TSS limits, which will be assessed surcharges in accordance with 7-02-001-0008.B and not be in violation of this ERP.	1.0	WL, NOV	§7-2-1-8.B
P-9	Violation of Local or Categorical limit - 2nd occurrence within any two consecutive quarters. The exception are and violation to BOD and TSS limits, which will be assessed surcharges in accordance with 7-02-001-0008.B and not be in violation of this ERP.	2.0	NOV	§7-2-1-8.B
P-10	Violation of Local or Categorical limit - 3rd occurrence within any two consecutive quarters. The exception are and violation to BOD and TSS limits, which will be assessed surcharges in accordance with 7-02-001-0008.B and not be in violation of this ERP.	4.0	NOV	§7-2-1-8.B
P-11	Use of dilution to meet a standard or local limit – 1st occurrence.	2.0	NOV, AO	§7-2-1-8.E
P-12	Use of dilution to meet a standard or local limit – 2nd occurrence within any two consecutive quarters.	4.0	NOV, AO	§7-2-1-8.E
P-13	Tamper, damage, or destroy monitoring equipment.	4.0	NOV, AO Revocation of permit	§7-2-1-3
P-14	Tamper with manhole or unauthorized entry into POTW.	2.0	NOV, AO, CEASE and DESIST	§7-2-1-3

P-15	Tamper with manhole or unauthorized entry into POTW – 2nd occurrence within any two consecutive quarters.	4.0	NOV, AO, CEASE and DESIST	§7-2-1-3
P-16	Tamper with pretreatment device – 1st occurrence.	2.0	NOV, AO, CEASE and DESIST	§7-2-1-3
P-17	Tamper with pretreatment device – 2nd occurrence within any two consecutive quarters.	4.0	NOV, AO, CEASE and DESIST	§7-2-1-3
P-18	Failure to provide pretreatment facilities.	1.0	WL, NOV	§7-2-1-08.G
P-19	Failure to properly maintain pretreatment equipment – 1st occurrence.	1.0	WL, NOV	§7-2-1-08.G
P-20	Failure to properly maintain pretreatment equipment – 2nd occurrence in any two consecutive quarters.	2.0	WL, NOV	§7-2-1-08.G
P-21	Failure to properly maintain pretreatment equipment – 3rd occurrence in any two consecutive quarters.	4.0	WL, NOV	§7-2-1-08.G
P-22	Failure to maintain cleaning and maintenance records – 1st occurrence.	1.0	WL, NOV	§7-2-1-4.I
P-23	Failure to maintain cleaning and maintenance records – 2nd occurrence within any two consecutive quarters.	2.0	WL, NOV	§7-2-1-4.I
P-24	Failure to maintain cleaning and maintenance records – 3rd occurrence within any two consecutive quarters.	4.0	WL, NOV	§7-2-1-4.I
P-25	Failure to develop and/or implement accidental discharge/slug control plan – 1st occurrence.	0.5	WL	40 CFR § 403.8(f)(2)(vi)
P-26	Failure to develop and/or implement accidental discharge/slug control plan – 2nd occurrence within any two consecutive quarters.	2.0	WL, NOV	40 CFR § 403.8(f)(2)(vi)
P-27	Failure to develop and/or implement accidental discharge/slug control plan – 3rd occurrence within any two consecutive quarters.	4.0	WL, NOV	40 CFR § 403.8(f)(2)(vi)
P-28	Discharge of hauled waste into POTW without discharge permit – 1st occurrence.	4.0	NOV, AO, CEASE and DESIST	§7-2-1-42.B
P-29	Illegal disposal of pretreatment sludge and other material.	4.0	NOV, AO, CEASE and DESIST	§7-2-1-6
P-30	Failure to submit sampling results to the City before the last day of a respective quarter – 1st occurrence.	1.0	WL, NOV	§7-2-1-10.B
P-31	Failure to submit sampling results to the City before the last day of a respective quarter – 2nd occurrence within any two consecutive quarters.	2.0	WL, NOV	§7-2-1-10.B
P-32	Failure to submit sampling results to the City before the last day of a respective quarter – 3rd occurrence within any two consecutive quarters.	4.0	WL, NOV	§7-2-1-10.B
P-33	Failure to obtain wastewater discharge permit - discharge occurring.	2.0	WL, NOV	§7-2-1-49

P-34	Failure to notify Water Services Director of significant changes to wastewater prior to changed discharge.	4.0	NOV, AO, Revocation of permit	§7-2-1-11.D
P-35	Failure to provide prior notification to the Water Services Director of changed conditions.	4.0	NOV, AO, Revocation of permit	§7-2-1-11.D
P-36	Misrepresentation or failure to fully disclose all relevant facts in wastewater discharge permit application.	4.0	NOV, AO, Revocation of permit	§7-2-1-50.C
P-37	Falsifying self-monitoring reports.	4.0	NOV, AO, Revocation of permit	§7-2-1-19
P-38	Refusing to allow the Water Services Director timely access to the facility premises and records.	4.0	NOV, AO, Revocation of permit	§7-2-1-16.A
P-39	Failure to immediately notify of potential problems.	1.0	WL, NOV	§7-2-1-11.B
P-40	Failure to submit detailed written report within 5 days following discharge violation.	1.0	WL, NOV	§7-2-1-11.C
P-41	Failure to post notification information of POTW in the event of an accidental discharge, non-routine discharge, or slug load which may impact the POTW.	2.0	WL, NOV	§7-2-1-11.B
P-42	Failure to notify Water Services Director within 24 hours of becoming aware of violation – 1st occurrence.	1.0	WL, NOV	§7-2-1-11.E
P-43	Failure to notify Water Services Director within 24 hours of becoming aware of violation – 2nd occurrence within any two consecutive quarters.	2.0	WL, NOV	§7-2-1-11.E
P-44	Failure to notify Water Services Director within 24 hours of becoming aware of violation – 3rd occurrence within any two consecutive quarters.	4.0	NOV, AO	§7-2-1-11.E
P-45	Failure to notify of discharge of hazardous waste.	2.0	WL, NOV	§7-2-1-11.G
P-46	Improper test method conducted – 1st occurrence.	0.50	WL, NOV	§7-2-1-10.E
P-47	Improper test method conducted – 2nd occurrence within any two consecutive quarters.	1.0	WL, NOV	§7-2-1-10.E
P-48	Improper test method conducted – 3rd occurrence within any two consecutive quarters.	2.0	WL, NOV	§7-2-1-10.E
P-49	Failure to apply for renewal of discharge permit within 90 days of permit expiration.	2.0	WL, NOV	§7-2-1-50.B
P-50	Failure to apply for renewal of discharge permit within 90 days of permit expiration – 2nd notice.	4.0	WL. NOV, AO	§7-2-1-50.B

Table B, Part 3: Stormwater Violations

Code	Violation	Points	Enforcement Response	Code Reference
SW-1	Discharging any substance to the public right-of-way and/or the public storm drain system that is not composed entirely of storm water – 1st occurrence (non-domestic).	2.0	WL, NOV	§12-03-001-0007
SW-2	Discharging any substance to the public right-of-way and/or the public storm drain system that is not composed entirely of storm water – 2nd or greater occurrence (non-domestic).	4.0	WL, NOV	§12-03-001-0007
SW-3	Discharging any substance to the public right-of-way and/or the public storm drain system that is not composed entirely of storm water (domestic) – 1st occurrence.	2.0	Provide BMP pamphlet, WL, NOV	§12-03-001-0007
SW-4	Discharging any substance to the public right-of-way and/or the public storm drain system that is not composed entirely of storm water (domestic) – 2nd or greater occurrence within any two consecutive quarters	4.0	NOV, AO	§12-03-001-0007
SW-5	Improper use, storage, spill, dump of material in a manner which could cause or contribute to the addition of pollutants to the storm system – 1st occurrence.	2.0	WL, NOV	§12-03-001-0007
SW-6	Improper use, storage, spill, dump of material from a commercial/industrial activity in a manner which could cause or contribute to the addition of pollutants to the storm system – 2nd or greater occurrence within any two consecutive quarters.	4.0	NOV, AO	§12-03-001-0007
SW-7	Establishment, use, maintenance, or continuance of any connection to the public storm sewer system which has caused or will likely cause a violation.	1.0	WL, NOV	§12-03-001-0009
SW-8	Failure to remove any connection to the public storm drain system.	2.0	AO	§12-03-001-0009
SW-9	Failure to clean up any release or discharge which may result in pollutant(s) entering the public storm drain system.	1.0	WL, NOV	§12-03-001-0014
SW-10	Failure to notify the City of discharge or release of pollutant into the public storm drain system.	2.0	WL, NOV	§12-03-001-0014
SW-11	Failure to implement or maintain BMP(s) (non-construction).	1.0	WL, NOV	Flagstaff Stormwater Management Design Manual
SW-12	Failure to implement or maintain BMP(s) (construction).	2.0	WL, NOV, AO	Flagstaff Stormwater Management Design Manual
SW-13	Discharge of exempt discharges that are determined to be a significant source of pollutants or could place the City in violation with its AZPDES Permit.	2.0	WL, NOV	§12-03-001-0007

8. D.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Jolene Montoya, Industrial Pretreat Supervisor

Co-Submitter: Steve Camp

Date: 04/14/2021

Meeting Date: 04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-09: An ordinance amending Section 7-03-001-0015 related to City Water Systems Cross Connection Control

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-09 by title only for the final time
2) City Clerk reads Ordinance No. 2021-09 by title only (if approved above)
3) Adopt Ordinance No. 2021-09

Executive Summary:

This proposed change has the potential to impact most of our industrial and commercial water customers that have backflow prevention or cross-connection devices, as well as any future installation of these devices. The proposed changes are to Flagstaff City Code 7-03-001-0015. These changes will streamline code language to increase clarity and reduce redundancy. These changes will make code easier to understand and provide better guidance to the public as to the expectation of the cross-connection program. Flagstaff Water Services has conducted outreach to customers that may be impacted by the cross-connection changes and the general public through individual email, information included in customer water bills, a notice published in the Arizona Daily Sun, information published on Flagstaff Water Services website, and in a presentation to the Water Commission. Staff also conducted a public on-line meeting to address questions/comments to the cross-connection changes. These recommended code changes will serve to bring clarity to the City Code, and ensure staff's consistency in administering the program.

Financial Impact:

None.

Policy Impact:

None.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

The changes to the cross-connection program support Priority Based Budget Key Community Priorities and Objectives: Sustainable, Innovative Infrastructure - Deliver outstanding services to residents through a healthy well-maintained infrastructure system by keeping the water distribution system safe for all customers.

Has There Been Previous Council Decision on This:

A presentation was made to Council during the Work Session on March 30, 2021.

Attachments: Ord. 2021-09

ORDINANCE NO. 2021-09

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING FLAGSTAFF CITY CODE TITLE 7, HEALTH AND SANITATION, CHAPTER 7-03, CITY WATER SYSTEM REGULATIONS BY AMENDING THE LANGUAGE IN SECTION 7-03-001-0015, CROSS CONNECTION CONTROL; PROVIDING FOR SEVERABILITY, AUTHORITY FOR CLERICAL CORRECTIONS, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, the City of Flagstaff maintains and operate various city water systems; and

WHEREAS, it is important to keep the operations of Flagstaff's water systems regulated for safety, security and the public health; and

WHEREAS, from time to time it becomes necessary and prudent to make amendments to the regulations related to Flagstaff's water systems to continue to maintain said systems in good working order and condition; and

WHEREAS, said amendments to Flagstaff City Code Section 7-03-001-0015 regulating cross connection controls within the city's water systems are now deemed necessary and prudent by the Flagstaff City Council.

ENACTMENTS:

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

SECTION 1. That the language in strike-through type below be deleted, and the language in all-caps type below be added as amendments to Flagstaff City Code Section 7-03-001-0015:

CHAPTER 7-03

CITY WATER SYSTEM REGULATIONS

7-03-001-0015 CROSS CONNECTION CONTROL

~~Table of Contents~~

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A. Definitions

BACKFLOW PREVENTION ASSEMBLY APPROVAL: ANY BACKFLOW PREVENTION ASSEMBLY EQUIPPED WITH TEST COCKS SHALL HAVE BEEN ISSUED A CERTIFICATE OF APPROVAL BY THE USC FOUNDATION FOR CROSS-CONNECTION CONTROL AND HYDRAULIC RESEARCH. ANY BACKFLOW PREVENTION ASSEMBLY NOT EQUIPPED WITH TEST COCKS SHALL BE CERTIFIED BY A THIRD-PARTY ENTITY UNRELATED TO THE PRODUCT'S MANUFACTURER OR VENDOR AND APPROVED BY THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (ADEQ). A BACKFLOW PREVENTION ASSEMBLY NOT LISTED BY USC-FCCCHR CANNOT BE USED FOR CONTAINMENT, FIRE LINE OR LANDSCAPE PROTECTION.

BACKFLOW PREVENTION METHOD: A BACKFLOW PREVENTION METHOD MAY BE APPROVED BY THE CITY OF FLAGSTAFF IF IT IS CONTAINED IN THE MOST CURRENT EDITION OF THE USC-FCCCHR MANUAL OF CROSS-CONNECTION CONTROL.

CLOSE AS PRACTICABLE: IS THE POINT NEAREST THE SERVICE CONNECTION WHERE THE ASSEMBLY CAN BE INSTALLED. WHERE THE ASSEMBLY INSTALLATION LOCATION MAY INTERFERE WITH OBSTACLES SUCH AS DRIVEWAYS AND SIDEWALKS, THEN CLOSE AS PRACTICABLE IS THE NEAREST POINT AFTER THE OBSTACLE, BUT IN NO EVENT BEYOND THE FIRST TAP.

Compliance date: The annual date by which the annual backflow prevention assembly compliance test report must be received by the City of Flagstaff Cross Connection Control office. ~~and that the backflow assembly meets the requirements of the most current section of the Arizona Administrative Code (AAC) referencing cross connection control and the City of Flagstaff Cross Connection Control Code 7-03-001-0016. For violations of this code, the specified date by which a violation must be remedied.~~

Division: The City of Flagstaff, ~~Utilities~~ WATER SERVICES Division.

Public Water Supply System: All mains, pipes and structures owned and/or maintained by the City of Flagstaff, through which water is obtained and distributed to the public, including wells and well structures, intakes and cribs, pumping stations, treatment plants reservoirs, storage tanks and appurtenances, collectively or separate, actually used or intended for use for the purpose of

furnishing potable water.~~Any mains, pipes or structures connected to the above listed system and supplying potable water to the customers of the City of Flagstaff~~.

Reclaimed water: Wastewater that has been sufficiently treated by the City of Flagstaff's ~~Wastewater Treatment~~WATER RECLAMATION Plants for approved use, ~~e.g., irrigation,~~ and is provided through the City of Flagstaff's reclaimed water system.

B. Purpose and Application

1. To protect the public water supplies of the City of Flagstaff from the possibility of contamination or pollution by preventing the backflow of contaminants and pollutants into the public water supply systems.

2. To promote the elimination or control of cross-connections, actual or potential, between a customer's internal water systems, plumbing fixtures, industrial piping systems, and the public water supply.

3. To provide for a continuing program of cross-connection control which will prevent the contamination or pollution of the public water supply systems.

4. To implement the requirements of the most current AAC pertaining to the cross connection control program requiring public water systems to protect against backflow, and to this end, this ordinance shall be construed and applied consistently with the requirements of ~~this~~THE MOST CURRENT AAC.

C. General Requirements

2. Rights and Responsibilities of the Division. It shall be the right and responsibility of the Division to evaluate and investigate as deemed necessary, industrial and ~~other~~ COMMERCIAL properties served by the public water supply to determine whether actual or potential hazards to the public water supply exist. Such evaluations and investigations shall be repeated as often as the Division deems necessary.

It shall also be the right and responsibility of the Division to require the installation and ~~periodic~~ ANNUAL testing of backflow prevention assemblies at any premises or property where such potential or actual hazards are found to exist.

3. Responsibility of the Consumer. The consumer, as defined by Section 7-03-001-0015~~6~~(A), shall be responsible and financially obligated for the protection of the public water supply system from the possibility of contamination or pollution due to backflow or backsiphonage of contaminants through the customer's water service connection into the public potable water system.

~~If, in the judgment of the Division, an approved backflow prevention assembly is necessary for the protection of the public water system, the Division shall give notice to the consumer to install such. The consumer, after due written notice and within the prescribed time indicated on the notice, shall install such approved assembly(ies) at their own expense. Installation of such assembly(ies) shall be in accordance with the manufacturer's instructions, and the Division's installation requirements. The consumer shall provide for the maintenance, testing, and repair of the assembly(ies) and shall provide all reports as required by the City of Flagstaff. Failure, refusal or inability on the part of the consumer to install, have tested and/or~~

~~maintain said assembly(s) or failure of the consumer to file required reports shall constitute a ground for discontinuing water service to the premises until such requirements have been satisfactorily met.~~

~~It shall be the responsibility of the consumer to make arrangements for an authorized representative of the City of Flagstaff to, upon presentation of his or her credentials, have free access at all reasonable hours to any property served by a connection to the public water distribution system of the City of Flagstaff and/or any backflow assemblies on the property and any related records for the purpose of verifying the presence or absence of actual or potential cross-connections and/or required assemblies.~~

4. Existing facilities

C. IF AN EXISTING FACILITY UNDERGOES CONSTRUCTION FOR IMPROVEMENTS OR CHANGE OF USE, THE INSTALLED BACKFLOW ASSEMBLIES WILL BE EVALUATED FOR HAZARD. IF IT IS FOUND THE CURRENT BACKFLOW ASSEMBLY(S) IS INADEQUATE PROTECTION, THE CUSTOMER WILL BE REQUIRED TO REPLACE WITH A DEVICE SUITED FOR THE HAZARD.

5. New Facilities

a. ~~All facilities constructed after the effective date of this Ordinance,~~ NEW FACILITIES shall present their plans for review by an authorized representative of the Division for determination of cross-connection hazards.
b. All backflow prevention assemblies to be installed shall be shown on all required building and engineering plans. No installation of assemblies shall be made unless these plans are reviewed and approved by an authorized representative of the Division.
C. DURING CONSTRUCTION OF NEW FACILITIES, WATER SHALL NOT BE USED FOR CONSTRUCTION PURPOSES UNTIL THE CONTAINMENT BACKFLOW ASSEMBLY HAS BEEN TESTED.
d. All assemblies shall be inspected by an authorized representative of the Division upon installation and the consumer shall provide written verification that the assembly has been successfully tested as described in section (K~~D~~) of this Ordinance, prior to issuance of certification of occupancy. Water service may be withheld if the assembly is not installed and tested in accordance with this ordinance and Division requirements.

~~6. Backflow prevention is required~~

~~The following conditions shall warrant the installation of an approved backflow prevention assembly:~~

~~a. When the City of Flagstaff determines that the water supplied by the public water systems may be subject to contamination or pollution, an approved backflow prevention method shall be required at every service connection to a customer's water system. The customer shall install the required backflow protection within the time specified by the City of Flagstaff. In determining the time in which backflow protection shall be installed,~~

~~the City of Flagstaff shall consider the degree of hazard potential to the public water supplies.~~

~~b. The backflow prevention method required shall be determined by the City of Flagstaff. The method required by the City of Flagstaff shall be sufficient to protect against the hazard potential as stated in the most current edition of the University of Southern California Foundation for Cross-Connection Control and Hydraulic Research (USC-FCCCHR) Manual of Cross-Connection Control.~~

~~c. Premises with internal cross-connections which the Division determines to be non-correctable, or premises with plumbing systems so intricate that a cross-connection inspection is impossible or impractical.~~

~~d. Premises with security restrictions or other access prohibitions which make cross-connection inspections impossible or impractical.~~

~~e. Premises with an existing unprotected cross-connection or with a history of cross-connection violations.~~

~~The type of assembly required shall be determined by the Division according to the degree of hazard present as recommended by the most current USC-FCCHR Manual of Cross-Connection Control Containment and landscape assemblies shall be installed as close as possible to the service connection before the first branch line leading off the service line. Fire line backflow prevention assemblies may be installed in fire riser rooms with adequate drainage for the size of the assembly and the water pressure in that area of the system. All drains for fire risers with antifreeze and reduced pressure principle backflow prevention assemblies must go to the sanitary sewer system, not the storm drain system. In all cases, the backflow prevention assembly shall protect against the highest hazard present.~~

~~7~~6. Adoption of Public Record

The most current edition of the USC-FCCCHR Manual of Cross Connection Control.

D. List of Backflow Prevention Methods

A backflow prevention method shall be any assembly or other means designed to prevent backflow. The following are the recognized backflow prevention methods which the City of Flagstaff may require (IN ORDER OF DEGREE OF PROTECTION):

1. Air Gap (AG): The unobstructed vertical distance through the free atmosphere between the opening of the pipe or faucet supplying potable water to a tank, plumbing fixture or other device. An approved air gap shall be at least double the effective opening of the supply pipe or faucet and in no case less than one (1) inch above the flood rim.

2. Reduced Pressure Principle Assembly (RPA or RP): An assembly containing two (2) independently acting approved check valves together with a hydraulically operating, mechanically independent pressure differential relief valve located between the check valves, and at the same time, below the first check valve. The assembly shall include properly located test cocks and tightly closing shutoff valves located at each end of the assembly.

3. REDUCED PRESSURE PRINCIPLE DETECTOR ASSEMBLY (RPDA): AN ASSEMBLY COMPOSED OF A LINE SIZED APPROVED REDUCED PRESSURE PRINCIPLE ASSEMBLY WITH A BYPASS CONTAINING A SPECIFIC WATER METER AND AN APPROVED REDUCED PRESSURE PRINCIPLE ASSEMBLY.

4. Double Check Valve Assembly (DCVA or DC): An assembly composed of two (2) independently acting, approved check valves, including tightly closing shutoff valves located at each end of the assembly and fitted with properly located test cocks.

5. DOUBLE CHECK DETECTOR ASSEMBLY (DCDA OR DDCVA): AN ASSEMBLY COMPOSED OF A LINE SIZE APPROVED DOUBLE CHECK VALVE ASSEMBLY WITH A BYPASS CONTAINING A SPECIFIC WATER METER AND AN APPROVED DOUBLE CHECK VALVE ASSEMBLY.

~~4~~6. Pressure Vacuum Breaker Assembly (PVB): An assembly containing an independently operating, loaded check valve and an independently operating, loaded air inlet valve located on the discharge side of the check valve. The assembly shall be equipped with properly located test cocks and tightly closing shutoff valves located at each end of the assembly.

~~5~~7. Spill-resistant Pressure Vacuum Breaker (SVB): An assembly containing an independently operating internally loaded check valve and an independently operating loaded air inlet valve located on the discharge side of the check valve. The assembly shall be equipped with a properly located resilient seated test cock, properly located bleed/vent valve and tightly closing resilient seated shutoff valves located at each end of the assembly.

~~Double Check Detector Assembly (DCDA or DDCVA): An assembly composed of a line size approved double check valve assembly with a bypass containing a specific water meter and an approved double check valve assembly.Reduced Pressure Principle Detector Assembly (RPDA): An assembly composed of a line sized approved reduced pressure principle assembly with a bypass containing a specific water meter and an approved reduced pressure principle assembly.~~

~~8. Backflow prevention method: A backflow prevention method may be approved by the City of Flagstaff if it is contained in the most current edition of the USC-FCCCHR Manual of Cross-Connection Control. The current list of approved methods shall be available for inspection at the City of Flagstaff Industrial Waste Section to any customer required to install a backflow prevention assembly.~~

~~Backflow Prevention Assembly Approval: Any backflow prevention assembly equipped with test cocks shall have been issued a certificate of approval by the USC Foundation for Cross-Connection Control and Hydraulic Research. Any backflow prevention assembly not equipped with test cocks shall be certified by a third party entity unrelated to the product's manufacturer or vendor and approved by the Arizona Department of Environmental Quality (ADEQ). A backflow prevention assembly not listed by USC-FCCCHR cannot be used for containment, fire line or landscape protection.~~

E. Backflow Prevention Methods Required

1. THE FOLLOWING CONDITIONS SHALL WARRANT THE INSTALLATION OF AN APPROVED BACKFLOW PREVENTION ASSEMBLY:

A. WHEN THE CITY OF FLAGSTAFF DETERMINES THAT THE WATER SUPPLIED BY THE PUBLIC WATER SYSTEMS MAY BE SUBJECT TO CONTAMINATION OR POLLUTION, AN APPROVED BACKFLOW PREVENTION METHOD SHALL BE REQUIRED AT EVERY SERVICE CONNECTION TO A CUSTOMER'S WATER SYSTEM. THE CUSTOMER SHALL INSTALL THE REQUIRED BACKFLOW PROTECTION WITHIN THE TIME SPECIFIED BY THE CITY OF FLAGSTAFF. IN DETERMINING THE TIME IN WHICH BACKFLOW PROTECTION SHALL BE INSTALLED, THE CITY OF FLAGSTAFF SHALL CONSIDER THE DEGREE OF HAZARD POTENTIAL TO THE PUBLIC WATER SUPPLIES.

B. THE BACKFLOW PREVENTION METHOD REQUIRED SHALL BE DETERMINED BY THE CITY OF FLAGSTAFF. THE METHOD REQUIRED BY THE CITY OF FLAGSTAFF SHALL BE SUFFICIENT TO PROTECT AGAINST THE HAZARD POTENTIAL AS STATED IN THE MOST CURRENT EDITION OF THE UNIVERSITY OF SOUTHERN CALIFORNIA FOUNDATION FOR CROSS-CONNECTION CONTROL AND HYDRAULIC RESEARCH (USC-FCCCHR) MANUAL OF CROSS-CONNECTION CONTROL.

C. PREMISES WITH INTERNAL CROSS-CONNECTIONS WHICH THE DIVISION DETERMINES TO BE NON-CORRECTABLE, OR PREMISES WITH PLUMBING SYSTEMS SO INTRICATE THAT A CROSS-CONNECTION INSPECTION IS IMPOSSIBLE OR IMPRACTICAL.

D. PREMISES WITH SECURITY RESTRICTIONS OR OTHER ACCESS PROHIBITIONS WHICH MAKE CROSS-CONNECTION INSPECTIONS IMPOSSIBLE OR IMPRACTICAL.
E. PREMISES WITH AN EXISTING UNPROTECTED CROSS-CONNECTION OR WITH A HISTORY OF CROSS-CONNECTION VIOLATIONS.

2. Whenever the following items exist or activities are conducted on premises served by the public water systems, a potential hazard to the public water supplies shall be presumed, and a backflow prevention method of the type specified herein for that item or activity must be utilized or installed at each service connection for that premise. If an activity or item is not on the following list, it shall be evaluated by the City of Flagstaff and a method of backflow prevention will be determined.

~~1~~a. Cooling tower, boiler, condenser, chiller, and other cooling systems: RP

~~2~~b. Tank, vessel, receptacle, and all other water connections, including mobile units, except emergency vehicles and private swimming pools: RP

~~3~~c. Ice maker (other than a residential service): RP

~~4~~d. Water-cooled equipment, boosters, pumps or autoclaves: RP

~~5~~e. Water treatment facilities and all water processing equipment (other than residential water softeners): RP

~~6~~f. Bottle washer, bedpan washer, garbage can washer: RP

~~7~~g. Pesticide, herbicide, fertilizer, and chemical applicators (other than typical in-home use): RP

~~8~~h. Aspirator: RP

~~9~~i. Commercial dishwashers, food processing and/or preparation equipment, carbonation equipment or other food service processes: RP

~~10~~j. Decorative fountain, baptismal, non-residential swimming pool or spa, or any location water is exposed to atmosphere: RP

~~11~~k. X-ray equipment, plating equipment, or any other photographic processing equipment: RP

~~12~~l. Auxiliary water supply and/or connections to unapproved water supply systems: RP

~~13~~m. Reclaimed water sites with potable water connections: RP on the potable meter, AG between feed line from supplemental domestic water supply to a holding tank to reclaim water lines.

~~14~~n. Recreational vehicle dump stations (sewer), or any other location where water may be exposed to bacteria, virus or gas: RP

~~15~~o. Any premises on which chemicals, oils, solvents, pesticides, disinfectants, cleaning agents, acids or other pollutants and/or contaminants are handled in a manner by which they may come in direct contact with water, or there is evidence of the potential to contact water: RP

~~16~~p. Materials and piping systems unapproved by the currently adopted City of Flagstaff Plumbing Code or Environmental Protection Agency (EPA) for potable water usage: RP

~~17~~q. Separately metered or unprotected irrigation systems, and construction water services: RP or PVB/SVB as allowed.

~~18~~r. Any premises where a cross-connection is maintained or where internal backflow protection is required pursuant to the City of Flagstaff adopted plumbing code: RP

~~19~~s. Multimetered properties with more than one (1) meter connected to another or any building three (3) stories or greater than thirty-four (34) feet in height from service level: RP

~~20.~~t. Fire systems - AWWA Classes 1 and 2 and all systems constructed of a piping material not approved for potable water pursuant to the City of Flagstaff Plumbing Code: DCVA (DC) or Double Detector CVA (DCDVA): DC RESIDENTIAL FIRE SPRINKLERS SHALL BE EXEMPT FROM THIS REQUIREMENT.

~~21~~u. Fire systems – AWWA Class 3, 4, 5, 6: RP or RP with detector

v. Fire systems which require backflow protection and where backflow protection is required on the industrial/domestic service connection that is located on the same premises, both service connections will have adequate backflow protection for the highest degree of hazard affecting either system: RP

~~22~~w. Any premise which has a source of water supply that is not accepted by the public water system or not approved by the Arizona Department of Environmental Quality: RP or AG as determined by the City of Flagstaff

~~23~~x. Any premise where an unprotected cross-connection exists or where there has previously occurred a cross connection problem within the premises: AG or RP as determined by the City of Flagstaff

~~24~~y. Any premise where there is a significant possibility that a cross-connection problem will occur and entry onto the premises is restricted to the extent that cross-connection inspections cannot be made with sufficient frequency or on sufficiently short notice to assure that unprotected cross-connections do not exist: RP or AG as determined by the City of Flagstaff

~~25~~z. Multi-use commercial property: RP

~~26~~aa. Properties with active private wells: RP

~~27~~bb. Consecutive systems, when required by the City of Flagstaff: RP

~~28~~cc. Fire hydrant/construction water: RP

~~29~~dd. Jumper connection to new water mains: RP

~~30~~ee. Post mix soda machine with a carbonator: ~~Stainless Steel~~ ~~RP~~ASSE 1022

~~31~~ff. Shampoo sink: RP

gg.. BREWERY, DISTILLERY, MEADERY, OR ALCOHOL MAKING PROCESS: RP OR AG

hh. HOSPITALS AND MEDICAL OFFICES.: RP

~~a. When two (2) or more of the activities listed above are conducted on the same premises and served by the same service connection or multiple service connections, the most restrictive backflow prevention method required for any of the activities conducted on the premises shall be required to be installed at each service connection. The order of the most restrictive to least restrictive backflow prevention methods shall be as follows:~~

~~1. Air gap (AG).~~

~~2. Reduced pressure principle assembly (RP or RPA).~~

~~3. Reduced pressure principle detector assembly (RPDA).~~

~~4. Double check valve assembly (DCVA).~~

~~5. Double check detector assembly (DCDA).~~

~~6. Pressure vacuum breaker assembly (PVB).~~

~~7. Spill resistant pressure vacuum breaker (SVB).~~

F. Installation Requirements

1. The Division shall USE THE MOST CURRENT EDITION OF THE USC-FCCCHR MANUAL OF CROSS CONNECTION CONTROL FOR LIST OF APPROVED ASSEMBLIES.~~maintain a list of approved backflow prevention assemblies, by type and manufacturer. Any consumer required by the Division to install an approved backflow prevention assembly must utilize an assembly included in such list.~~

2. Backflow prevention assemblies shall have a diameter at least equal to the diameter of the service connection.

3. Backflow prevention assemblies shall be installed and maintained by the customer, at the customer's expense and in compliance with the standards and specifications adopted by the City of Flagstaff at each service connection. The customer is responsible for notifying the City of Flagstaff Industrial ~~Waste~~ PRETREATMENT Section of any installation, repair, relocation, REMOVAL, or replacement.

4. THE APPROVED ASSEMBLY SHALL BE INSTALLED ABOVE GROUND, AS CLOSE AS PRACTICABLE, TO THE SERVICE CONNECTION BEFORE THE FIRST BRANCH LINE LEADING OFF THE SERVICE LINE, AND IN A HOT BOX WITH ELECTRICITY FOR HEAT. THE HEATED ENCLOSURE MUST BE ASSE 1060 CERTIFIED OR SIMILAR. THE ELECTRICAL FOR THE HEAT MUST BE INSTALLED IN ACCORDANCE WITH CITY APPROVED BUILDING CODE AND CITY ENGINEER STANDARD DRAWING 19-02-025. ASSEMBLIES SHALL BE INSTALLED PER MANUFACTURER'S SPECIFICATIONS WITH ADEQUATE CLEARANCES FOR TESTING AND MAINTENANCE, AND NOT INSTALLED IN A METER BOX, PIT OR VAULT.

~~A backflow prevention assembly shall be installed as close as practicable to the service connection outside the building unless it is for a fire line.~~

A. WHERE CONTAINMENT AT THE PROPERTY LINE CANNOT BE ACHIEVED OR IS WAIVED BASED ON EXTENUATING CIRCUMSTANCES, INSTALLATION WITHIN A BUILDING CAN BE COMPLETED, ~~A waiver may be granted by the Industrial Waste Manager for the retrofit installation of a backflow prevention assembly inside the building~~ provided a City of Flagstaff Attorney approved "Backflow Prevention Assembly Hold Harmless Agreement" is signed by the property owner and notarized. This document must be received and approved the City of Flagstaff Industrial ~~Waste Manager~~ PRETREATMENT SUPERVISOR prior to the installation of the backflow prevention assembly. THE INTERIOR INSTALLATION OF A BACKFLOW ASSEMBLY MUST BE DONE AS CLOSE AS PRACTICABLE TO THE INCOMING WATER LINE.

B. INTERNAL INSTALLATIONS SHALL HAVE CLEARANCE ON ALL SIDES AND ENDS FOR TESTING AND MAINTENANCE. RP AND DC ASSEMBLIES MUST HAVE 12" BOTTOM CLEARANCE FROM LOWEST POINT ON THE ASSEMBLY (I.E. RELIEF VALVE ON RP STYLE).

~~c. RP's for fire line assemblies may be installed inside a fire riser room provided they have an adequate drain for a full port discharge for the size of the assembly per the manufacturer's specifications into the sanitary sewer system, not the storm water system. If a drain cannot be provided that can contain a full port discharge to the~~

~~sanitary sewer system from a fire line with chemical additives such as anti-freeze or glycerin, the assembly must be installed outside the building in an insulated enclosure with electricity for a heat source for freeze protection and a check valve must be installed in the system to prevent the discharge of antifreeze onto the ground.~~
~~The assembly shall be in an accessible location approved by the Division and protected from freezing. The RP, RPDA, DC, DCDA, PVB and SVB shall be installed above ground and per City of Flagstaff standard details. Backflow prevention assemblies shall not be installed in a meter box, pit or vault.~~

~~A double check valve assembly may be installed, upon approval of the Division, below ground in a vault which meets standard specifications established by the City.~~

5. When a customer requires a continuous water supply, two backflow prevention assemblies shall be installed parallel to one another at the service connection to allow a continuous water supply during testing, repair and/or maintenance of the backflow prevention assemblies. When backflow prevention assemblies are installed parallel to one another, the sum of the cross-sectional diameters of the assemblies shall be at least equal to the cross-sectional diameter of the service connection or service line piping at the point of installation and the assemblies shall be of the same type.

6~~5~~. For an AG installation all piping installed between the user's connection and the receiving tank shall be entirely visible unless otherwise approved in writing by the City of Flagstaff Industrial ~~Waste~~ PRETREATMENT Section.

~~6. It shall be unlawful for any person to bypass or remove a backflow prevention method without the approval of the Division.~~

7. Any property with more than one water service connection shall install backflow prevention assemblies on each service connection to the property, unless otherwise designated by the Division.

8. Fiberglass insulation cannot be wrapped or otherwise placed around a backflow prevention assembly as a form of freeze protection as it allows condensation to occur and subsequent degradation of the backflow prevention assembly. There must be adequate air flow around the backflow prevention assembly to prevent the formation of condensation on the assembly OR FOR A PURGE EVENT BY A RP RELIEF VALVE.

9. All test cocks and relief ports on a backflow prevention assembly must be accessible for testing and for release of water from the relief port during a discharge event.

10. PVB, AVB, OR RP BACKFLOW ASSEMBLIES ARE APPROVED FOR IRRIGATION SYSTEMS. VALVES SHALL NOT BE INSTALLED DOWNSTREAM FROM AN AVB. IF CHEMICALS WILL BE USED, A RP ASSEMBLY IS REQUIRED. ~~A PVB or SVB assembly may be installed for use on a landscape water irrigation system if:a. The water use beyond the assembly is for irrigation purposes only.~~

~~b. The PVB/SVB is installed in accordance with the manufacturer's specifications.~~

~~c. The irrigation system is designed and constructed to be incapable of inducing backpressure.~~

~~d. Chemigation, an injection of chemical pesticides and fertilizers, is not used or provided for in the irrigation system.~~

~~e. No other source of water is available on the premises.~~

~~f. Single family residences with testable backflow prevention assemblies will not need to test the assemblies on the landscape irrigation assemblies each year. Condominiums and townhomes that are part of a Home Owners Association (HOA) do need to test the backflow prevention assemblies on the landscape irrigation system each year.~~

~~If the criteria are not met, then an RP assembly is required.~~

~~11. No person shall alter, modify, bypass or remove a backflow prevention method without the approval of the City of Flagstaff Industrial Waste Section.~~

~~12.~~ ~~Installation of the backflow prevention assembly must be completed within the time specified in the notice to install or within forty-five (45) days of the water meter installation. A time extension may be granted by the City of Flagstaff provided no cross-connection hazards exist at the site.~~

1~~3~~1. If a customer fails to install a backflow prevention assembly pursuant to this article, the City of Flagstaff shall discontinue water service and assess a compliance fee pursuant to this article.

1~~4~~2. ~~All backflow prevention assemblies shall be installed with a y-strainer or fire line strainer unless the manufacturer states that the assembly cannot have one. The y-strainer or fire line strainer shall be installed directly upstream of the assembly.~~IF, IN THE JUDGMENT OF THE DIVISION, AN APPROVED BACKFLOW PREVENTION ASSEMBLY IS NECESSARY FOR THE PROTECTION OF THE PUBLIC WATER SYSTEM, THE DIVISION SHALL GIVE NOTICE TO THE CONSUMER TO INSTALL SUCH. THE CONSUMER, AFTER DUE WRITTEN NOTICE AND WITHIN THE PRESCRIBED TIME INDICATED ON THE NOTICE, SHALL INSTALL SUCH APPROVED ASSEMBLY(IES) AT THEIR OWN EXPENSE. INSTALLATION OF SUCH ASSEMBLY(IES) SHALL BE IN ACCORDANCE WITH THE MANUFACTURER'S INSTRUCTIONS, AND THE DIVISION'S INSTALLATION REQUIREMENTS. INSTALLATION OF THE BACKFLOW PREVENTION ASSEMBLY MUST BE COMPLETED WITHIN THE TIME SPECIFIED IN THE NOTICE TO INSTALL OR WITHIN FORTY-FIVE (45) DAYS OF THE WATER METER INSTALLATION. A TIME EXTENSION MAY BE GRANTED BY THE CITY OF FLAGSTAFF PROVIDED NO CROSS-CONNECTION HAZARDS EXIST AT THE SITE.

1~~5~~3. A backflow prevention assembly for containment or landscape may need to have a pressure reducing valve upstream of it if the water line pressure is higher than 80 psi. This does not apply to fire lines.

G. Installation of Backflow Prevention Assemblies for Fire Systems

~~Fire Systems~~

1. Fire protection systems may consist of sprinklers, hose connections, and hydrants for commercial, industrial or residential structures and services. Sprinkler systems may be dry or

wet, open or closed. Systems consisting of fixed-spray nozzles may be used indoors or outdoors for protection of flammable-liquid and other hazardous processes. It is standard practice, especially in cities, to equip automatic sprinkler systems with fire department pumper connections.

2. A meter (compound, detector check) should not ~~normally~~ be permitted as part of a backflow prevention assembly. An exception may be made if the meter and backflow prevention assembly are specifically designed for that purpose.

3. For cross-connection control, fire protection systems shall be classified ~~on the basis of~~ BASED ON water source and arrangement of supplies as follows:

a. Class 1: Direct connections from public water mains only; no pumps, tanks or reservoirs; no physical connection from other water supplies; no antifreeze or other additives of any kind; all sprinkler drains discharging to atmosphere, dry wells or other safe outlets.

b. Class 2: Same as class 1, except that booster pumps may be installed in the connections from the street mains. It is necessary to avoid drafting so much water that pressure in the water main is reduced below twenty (20) psi.

c. Class 3: Direct connection from public water supply main plus one (1) or more of the following: elevated storage tanks; fire pumps taking suction from above-ground covered reservoirs or tanks; and pressure tanks (all storage facilities are filled or connected to public water only, the water in the tanks to be maintained in a potable condition). ~~Otherwise, Class 3 systems are the same as class 1.~~ Class 3 systems will ~~generally~~ require minimum protection (approved double check valves) to prevent stagnant waters from backflowing into the public potable water system.

d. Class 4: Directly supplied from public mains ~~similar to~~ LIKE classes 1 and 2, and with an auxiliary water supply on or available to the premises; or an auxiliary supply may be located within seventeen hundred (1,700) feet of the pumper connection. Class 4 systems will ~~normally~~ require backflow protection at the service connection. The type (air gap or reduced pressure) will ~~generally~~ depend on the quality of the auxiliary supply.

e. Class 5: Directly supplied from public mains, and interconnected with auxiliary supplies, such as: pumps taking suction from reservoirs exposed to contamination, or rivers and ponds; driven wells, mills or other industrial water systems; or where antifreeze or other additives are used. Class 4 and 5 systems ~~normally would~~ WILL need maximum protection (air gap or reduced pressure) to protect the public water system.

f. Class 6: Combined industrial and fire protection systems supplied from the public water mains only, with or without gravity storage or pump suction tanks. Class 6 system protection would depend on the requirements of both industry and fire ~~protection, and~~ PROTECTION AND could only be determined by a survey of the premises.

4.. Installation of assembly

A. When a backflow assembly is required for a water service connection supplying water only to a fire system, the assembly shall be installed on the service line in compliance with standard specifications adopted by the city. Installation of DC or DCDVA may be

allowed on fire systems with the City of Flagstaff approval provided both the manufacturer's specifications and USC approval allow such an installation. ~~If an RP is needed for a fire line system and the RP is inside a structure, that room must have a drain large enough to contain the full port discharge volume for that size of assembly with that areas water pressure. The drain must go to the sanitary sewer and not the storm sewer.~~ RP'S FOR FIRE LINE ASSEMBLIES MAY BE INSTALLED INSIDE A FIRE RISER ROOM PROVIDED THEY HAVE AN ADEQUATE DRAIN FOR A FULL PORT DISCHARGE FOR THE SIZE OF THE ASSEMBLY PER THE MANUFACTURER'S SPECIFICATIONS INTO THE SANITARY SEWER SYSTEM, NOT THE STORM WATER SYSTEM. IF A DRAIN CANNOT BE PROVIDED THAT CAN CONTAIN A FULL PORT DISCHARGE TO THE SANITARY SEWER SYSTEM FROM A FIRE LINE WITH CHEMICAL ADDITIVES SUCH AS ANTI-FREEZE OR GLYCERIN, THE ASSEMBLY MUST BE INSTALLED OUTSIDE THE BUILDING IN AN INSULATED ENCLOSURE WITH ELECTRICITY FOR A HEAT SOURCE FOR FREEZE PROTECTION AND A CHECK VALVE MUST BE INSTALLED IN THE SYSTEM TO PREVENT THE DISCHARGE OF ANTIFREEZE ONTO THE GROUND.

5. ALL BACKFLOW ASSEMBLIES INSTALLED ON FIRE SPRINKLER SYSTEMS SHALL HAVE A CHAIN WITH A PADLOCK FROM THE FIRST O.S. & Y. VALVE TO THE SECOND O.S. & Y. VALVE, OR AN OPERABLE ALARM SYSTEM OR BOTH.

6. FOR LOOPED FIRE LINES, A DC OR RP BACKFLOW PREVENTION ASSEMBLY IS REQUIRED ON BOTH ENDS OF A PRIVATE WATER MAIN THAT IS CONNECTED TO THE PUBLIC WATER SERVICES AT TWO OR MORE LOCATIONS.

H. REMOVAL REQUIREMENT

1. IT SHALL BE UNLAWFUL FOR ANY PERSON TO ALTER, MODIFY, BYPASS OR REMOVE A BACKFLOW PREVENTION METHOD WITHOUT THE WRITTEN APPROVAL OF THE DIVISION.
2. IF A DEVICE IS REMOVED WITHOUT THE APPROVAL OF THE CITY, THE CITY RESERVES THE RIGHT TO VISUALLY INSPECT THE PIPING TO VERIFY THERE IS A PHYSICAL SEPARATION AND/OR NO PIPING IS CONNECTED BEFORE AN EXISTING BACKFLOW ASSEMBLY.
3. THE DEVICE AND PIPING SHALL BE REMOVED AS CLOSE AS POSSIBLE TO THE MAIN SERVICE CONNECTION AND ANY PROPERTY CONNECTIONS TO MITIGATE THE POSSIBILITY OF STAGNATING WATER IN THE PIPING.
4. A DEVICE WILL NOT BE DEACTIVATED IN THE CITY'S RECORDS UNLESS THERE IS A PHYSICAL SEPARATION BETWEEN THE PIPING AND NO POSSIBILITY OF CONNECTING THE TWO ENDS. AN INSPECTION OF THE REMOVAL BY THE CITY WILL NEED TO BE COMPLETED BEFORE REMOVAL FROM THE RECORDS.

~~H~~I. Inspections

1. A customer's water system shall ALWAYS be available ~~at all times~~ during business operations for premises inspection ~~and backflow prevention assembly testing~~ by City of Flagstaff personnel AND BACKFLOW PREVENTION ASSEMBLY TESTING, IF NECESSARY. The inspection shall be conducted to determine whether any cross-connection or other hazard potentials exist and to determine compliance with this article and modifications.

2. City of Flagstaff shall inspect all new sites, assembly installations, assembly relocations, ASSEMBLY REMOVAL and assemblies that have been repaired for compliance.

3. A waived premise is a property for which the City of Flagstaff has determined there are currently no hazard potentials. All waived premises shall be inspected periodically or when there has been a change in owner/tenant or there has been a use change.

4. If a customer refuses entry to a premise for inspection during business operations, the City of Flagstaff may discontinue water service, require backflow prevention or take any steps allowed by law to gain entry to the premises.

JI. ~~Permit~~ AUTHORIZATION

1. Installation ~~permits~~ AUTHORIZATIONS for the installation of all backflow prevention assemblies required by the City of Flagstaff shall be obtained from the City of Flagstaff prior to installation. ~~A separate permit shall be obtained for each required backflow prevention assembly to be installed, including replacement or relocation.~~

2. It shall be the duty of the person doing the work ~~authorized by the permit~~ to notify the City of Flagstaff, ~~orally or~~ in writing, that the work is ready for inspection. Such notification shall be given not less than twenty-four (24) hours before the work is to be inspected and shall be given only if there is reason to believe that the work done will meet current city codes and regulations.

3. Whenever any work is being done contrary to the provisions of the city'S ADOPTED plumbing code or this article, the City of Flagstaff or an authorized representative may order the work stopped by notice in writing served on any persons engaged in the doing or causing such work to be done; and any such person shall forthwith stop such work until authorized by City of Flagstaff to proceed with the work.

~~4. Any City of Flagstaff employee may, in writing, suspend or revoke a permit issued under provisions of this article, whenever the permit is issued in error or on the basis of incorrect information supplied, or in violation of any ordinance or regulation of any provision of the City Plumbing Code or this article.~~

K~~J.~~ Maintenance and Testing

1. The annual test compliance date shall be set by the City of Flagstaff Industrial Waste Section. The consumer shall have backflow prevention assemblies tested upon installation and at least once per year, or more frequently if deemed necessary by the Division, at the consumer's expense. ~~The customer shall arrange for repairs if the testing reveals the assembly to be defective or in unsatisfactory operating condition. If the testing reveals the assembly to be defective or in unsatisfactory operating condition, the customer shall arrange for repairs. The customer shall have performed, by an appropriately licensed contractor, any necessary repairs within 30 days or as directed by the Division, including replacement or overhaul of the assembly if necessary, which will return the assembly to satisfactory operating condition. The customer shall then have the assembly retested, within 30 days following repairs, until testing reveals no defects or unsatisfactory operating conditions.~~ If the Division determines that a health hazard exists, they may specify a more restrictive ~~repair~~ TESTING schedule. ~~All residences with fire line backflow prevention assemblies shall have the assemblies tested annually on the anniversary date. Single family residences with testable~~

~~backflow prevention assemblies will not need to test the assemblies on the landscape irrigation assemblies each year. Condominiums and townhomes that are part of a Home Owners Association (HOA) do need to test the backflow prevention assemblies on the landscape irrigation system each year.~~

2. The customer may request ~~orally or~~ in writing a change of the annual test compliance date for any assembly. No compliance date may be changed to be more than twelve (12) months after the most recent test.

3. The consumer shall be responsible for maintenance of all backflow assemblies at his/her expense. If the Division or customer learns or discovers, during the interim period between tests that an assembly is defective or in unsatisfactory operating condition, the customer shall arrange for repairs. The customer shall have any necessary repairs performed by an appropriately licensed contractor, including replacement or overhaul of the assembly, if necessary, which will return the assembly to satisfactory operating condition within 30 days of discovery. Such assembly shall be retested within 30 days following repairs, until testing reveals no defects or unsatisfactory operating conditions.

4. All testing shall be performed by an individual who holds a valid "General" Tester Certification issued by the California-Nevada American Water Works Association (Cal-Nev AWWA), the Arizona State Environmental Technical Training (ASETT) Center, or other certifying authority approved by the Division. A list of certified testers registered with the City of Flagstaff ~~shall be maintained by the City of Flagstaff Industrial Waste Section and~~ shall be available upon request to all persons required to install or maintain a backflow prevention assembly. Test procedures shall be performed as required by the ADEQ as set forth in ~~Chapter Nine of~~ the most current edition of the USC-FCCCHR Manual Cross-Connection Control. The tester shall provide a copy of the test report to the customer and to the City of Flagstaff Industrial ~~Waste~~ PRETREATMENT Section within five (5) working days from the date of the test and shall maintain a copy for their records for at least three years. ~~If the tester fails to submit a test result within 5 days from the date of the test, their name shall be removed from the tester list.~~

5. No existing backflow prevention assembly shall be altered, disconnected or replaced without prior approval of the Division.

6. ~~All backflow assemblies installed on fire sprinkler systems shall have a chain with a padlock from the first O.S. & Y. valve to the second O.S. & Y. valve, or an operable alarm system or both~~ DURING CONSTRUCTION, ANY NEW BACKFLOW ASSEMBLIES MUST BE TESTED BEFORE THE WATER IS USED FOR ANY PURPOSE, INCLUDING CONSTRUCTION USES.

7. Test cocks are to be used for testing only and shall be installed in accordance with Division requirements. Any unauthorized use of these test cocks is a violation of this code.

8. Each backflow prevention assembly shall be easily identified by displaying the following in a conspicuous manner on the assembly:

a. Manufacturer

b. Model Number

c. Serial Number

This information must also be provided to the Division by the consumer promptly upon installation.

9. The customer shall maintain records~~, on forms approved by the City of Flagstaff,~~ of the results of all tests and all servicing, repairs, or replacements of the backflow prevention assembly. A copy of the records shall be provided to the City of Flagstaff within five (5) days after completion of the activity for which the record is made.

10. The consumer shall notify and receive approval from the City of Flagstaff Fire Marshall, at least 24 hours in advance, of any maintenance or testing performed upon assemblies installed upon fire sprinkler systems which requires discontinuance of water supply to that system. Fire systems shall not be out of service for more than eight (8) consecutive hours due to testing, maintenance or repairs. The fire department shall be notified immediately of any changes in fire service status.

11. ~~City of Flagstaff may test any backflow prevention assembly at any time.~~IN LIEU OF DISCONTINUANCE OF SERVICE, CITY OF FLAGSTAFF MAY TAKE ACTION TO INSTALL, TEST, REPAIR, OR REPLACE A BACKFLOW DEVICE AT THE CUSTOMER'S POINT OF SERVICE AND BILL THE CUSTOMER FOR ALL COSTS ASSOCIATED WITH THE INSTALLATION, TEST, REPAIR, OR REPLACEMENT OF A BACKFLOW PREVENTION DEVICE.

12. The City of Flagstaff will return incomplete and erroneous test forms to the tester and customer for correction and resubmission by the compliance date. Information on submitted test forms can only be changed or modified by the tester who has signed the form and is responsible for that test. TEST REPORTS MUST HAVE A CLEAR DESCRIPTION OF THE LOCATION OF THE BACKFLOW DEVICE.

13. Test equipment shall be maintained and calibrated annually by an agency approved by the City of Flagstaff as required by the cross connection manual. A copy of the annual equipment calibration certificates shall be submitted to the City of Flagstaff Industrial ~~Waste~~ PRETREATMENT Section (OR PROCTOR) to maintain equipment registration and certification. ~~Test equipment for testing backflow prevention assemblies in the City of Flagstaff service area shall be registered with and approved by the City of Flagstaff.~~ Test equipment used on anything other than potable water backflow prevention assemblies shall not be used to test such assemblies and shall be identified as non-potable test equipment.

14. Testers shall register with the City of Flagstaff Industrial ~~Waste~~ PRETREATMENT Section (OR PROCTOR) if they are conducting backflow assembly testing in City of Flagstaff service area. Testers shall submit a current copy of their certification or recertification upon registration. ~~Testers, upon renewal of tester certification, shall be certified on all backflow prevention assemblies that may be used for service protection.~~ A City of Flagstaff registration issued to a backflow prevention assembly tester for testing backflow prevention assemblies in the City of Flagstaff service area may be revoked or suspended upon certification expiration or for improper testing, maintenance, reporting or other improper practices.

L~~K~~. ENFORCEMENT ~~General Penalty and Fees~~

1. ~~Violation of any section of this Ordinance shall constitute a misdemeanor and shall result in a fine of no less than one hundred dollars ($100.00) and not to exceed twenty-five hundred~~

~~dollars ($2,500.00) for any one offense. A separate offense shall be committed for each day of noncompliance with any of the requirements of this Ordinance.~~

2. When convicted of a violation of this Ordinance, any license previously issued to that person by the City may be revoked by the Flagstaff City Council or any proper court, if there may be reasonable relationship between the activities listed and the offense. Revocation of license shall not be considered a recovery of penalty so as to bar any other penalty being enforced.

3. The Division may deny or discontinue, after reasonable notice to the occupants thereof, the water service to anyone using the City of Flagstaff water distribution system or to any premise wherein any backflow prevention assembly or method required by these regulations is not installed, tested, maintained and repaired in a manner acceptable to the Division, or if required reports and/or records are not properly filed, or if it is found that the backflow prevention assembly or method has been removed or bypassed, or if an unprotected cross-connection exists on the premises. Reasonable notice shall be sent in writing at least two weeks prior to the disconnection, unless the Division determines that a potential for a severe health hazard exists.

4. If the Division determines that a potential for a severe health hazard exists, the Division may immediately discontinue water service without notice. Notice by telephone will be given as soon as possible and written notice will be sent within five (5) days, following discontinuance of water service. Water service to such premises shall not be restored until the consumer has corrected or eliminated such conditions or defects in conformance with these regulations and to the satisfaction of the Division.

5. Fire sprinkler systems shall not be subject to disconnection without the explicit approval of the City Fire Marshall, but will be subject to other penalties as provided for in this Ordinance.

~~L. Administrative appeal.~~

~~An administrative appeal may be taken whenever a question arises over any of the requirements of this article, and the applicant wishes to appeal the decision of the City of Flagstaff or seek a variance from the requirements of this article. The appeal may be made to the City of Flagstaff Industrial Waste Section Manager as follows:~~

~~1. The applicant shall file a written appeal on the forms provided by the City of Flagstaff Industrial Waste Section within ten (10) days from the date of the decision by the City of Flagstaff that the applicant wishes to appeal. The applicant shall set forth, in detail, and on the form provided, the basis for their request, and may attach additional documentation to the form.~~

~~2. The appeal will be heard by the hearing committee within seven (7) working days after receipt of the written appeal. Formal Arizona Rules of Evidence will not apply but any testimony or evidence offered must be relevant to the issue in question.~~

~~3. The hearing committee shall consist of at least one member of the Industrial Waste Section that is an active Cross Connection Control Specialist and one building inspector from the City of Flagstaff Community Development. If the question involves a fire line backflow~~

~~prevention assembly, a member of the City of Flagstaff Fire Department plan review team may also be present.~~

~~4. The applicant shall provide adequate information at the appeal hearing to fully describe the conditions in question and to establish the justification and basis for the applicant's request.~~

~~5. The applicant may, but is not required to, personally attend the hearing.~~

SECTION 2. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 3. Severability

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 4. Clerical Corrections

The City Clerk is hereby authorized to correct clerical and grammatical errors, if any, related to this ordinance, and to make formatting changes appropriate for purposes of clarity, form, or consistency with the Flagstaff City Code.

SECTION 5. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

8. E.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Bryce Doty, Real Estate Manager
Co-Submitter:	Dan Folke
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-11: An Ordinance of the City of Flagstaff amending easements on McMillan Mesa with Arizona Public Service Company (APS) and US West Wireless LLC, and approving an agreement for remediation services with APS, with conditions, providing for severability, authority for clerical corrections, and establishing an effective date; and **Consideration and Approval of Land Restoration Agreement** with APS for restoration of lands affected by easement boundary changes.

STAFF RECOMMENDED ACTION:

1) Read Ordinance No. 2021-11 by title only for the final time
2) City Clerk reads Ordinance No. 2021-11 by title only (if approved above)
3) Adopt Ordinance No. 2021-11
4) Approve the Land Restoration Agreement with APS to restore lands affected by the easement boundary changes.

Executive Summary:

Arizona Public Service Company (APS) is requesting a change in the boundaries of its Utility Easement located on McMillan Mesa that it uses to access the Mount Elden Substation. The boundary change will enable APS to access the substation with large-scale vehicles for emergency operations and to maintain an existing control cabinet. The proposed change will result in a reduction of the easement area burdening the open space lands by approximately 2.68 square feet.

The Open Spaces Commission supports the boundary change, as long as APS pays for the costs of restoring the open space area on McMillan Mesa affected by the easement boundary changes. The restoration work among other things includes reseeding and invasive weed control measures. APS has agreed to these conditions which are memorialized in the proposed agreement.

US West Wireless, LLC, owns a separate ingress and egress easement on McMillan Mesa, that coincides with the boundaries of the APS Utility Easement. This easement will also be amended in order to align with the new APS Utility Easement boundaries.

*****The referenced ordinance is still under review by Legal and will be attached and distributed to Council next week.*****

Financial Impact:

None. The City will not be receiving any funds in consideration for the easement boundary changes. APS will pay for the costs of restoring the land adjacent to and surrounding the Mt. Elden Substation that are affected by the easement area boundary change.

Policy Impact:

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Environmental Stewardship: Promote, protect & enhance a healthy, sustainable environment & its natural resources

Sustainable, Innovative Infrastructure: Deliver outstanding services to residents through a healthy, well maintained infrastructure system

Has There Been Previous Council Decision on This:

Previous Councils approved the existing easements.

Options and Alternatives:

Option 1: Approve the easement amendment with APS, approve the agreement for remediation services with APS, and approve the easement amendment with US West Wireless, LLC

Option 2: Deny the easement amendment with APS, deny the agreement for remediation services with APS, and approve the easement amendment with US West Wireless, LLC.

Option 3: Provide direction for additional consideration for amending the APS easement.

Background/History:

In 1985, the City of Flagstaff ("The City") sold a parcel of land on McMillan Mesa to Arizona Public Service Company ("APS") for development of an electrical substation, now known as Mount Elden Sub-station. The City granted a Utility Easement allowing access to the parcel in Ordinance No. 1377 ("Original Easement"). The City and APS agreed that the easement would terminate should future road alignment concerns arise. In such a case a replacement easement would be granted.

In 2000, The City granted a revocable access easement to US West Wireless LLC across the lands described in the Original Easement ("Wireless Easement") in order to access cell tower equipment located on the Mount Elden substation property.

In 2008, The City terminated the Original Easement and granted a replacement easement ("Replacement Easement"). The Wireless Easement was never aligned with the Replacement Easement.

In 2016, voters passed Proposition 413, setting aside, preserving, and designating the land subject to and surrounding the replacement easement, among other lands, to be used as open space for passive park purposes and providing for exceptions, severability, authority for clerical corrections.

APS desires to improve access to the Mount Elden Substation to accommodate large-scale vehicles. Large-scale vehicles are required in the event of emergency substation repairs and replacement. The location of a control cabinet, constructed within the Replacement Easement, prevents access to the substation from large-scale vehicles. APS desires to amend the Replacement Easement to modify the legal description to accommodate both the existing control cabinet as well as large-scale vehicles. Staff has worked with APS since 2019 to find a permanent solution to its access issues to the substation while ensuring that any solution is consistent with Proposition 413. APS has been cooperative in its

approach and have continued to accommodate its requests to address preservation concerns.

This issue was before the Open Spaces Commission twice, which provided stipulations and conditions to address preservation. The Open Spaces Commission recommendation to approve the amended easement captures these conditions. The amended easement and agreement with APS incorporate Open Spaces Commission recommendations and adds to the conservation of McMillan Mesa in the following ways:

1. Marginally reduces overall square feet burdened by the access easement
2. Provides costs for restoration efforts adjacent to and surrounding the Mt. Elden Substation
3. Prevents unauthorized vehicle entry across the easement

Additionally, while researching easements on McMillan Mesa related to APS's easement, staff identified an access easement for wireless services which is currently aligned an older terminated APS easement. This ordinance also amends this easement to align with the current and to-be amended APS easement, further reducing lands on McMillan Mesa burdened by easements.

Key Considerations:

Without an amended easement, in order to provide large-scale vehicle access to the Mount Elden Substation, APS will need to move existing infrastructure at an expense estimated in excess of $100,000.

Community Benefits and Considerations:

The amended easements and agreement reduce open space lands burdened by easements and provide restoration services on McMillan Mesa.

Attachments:

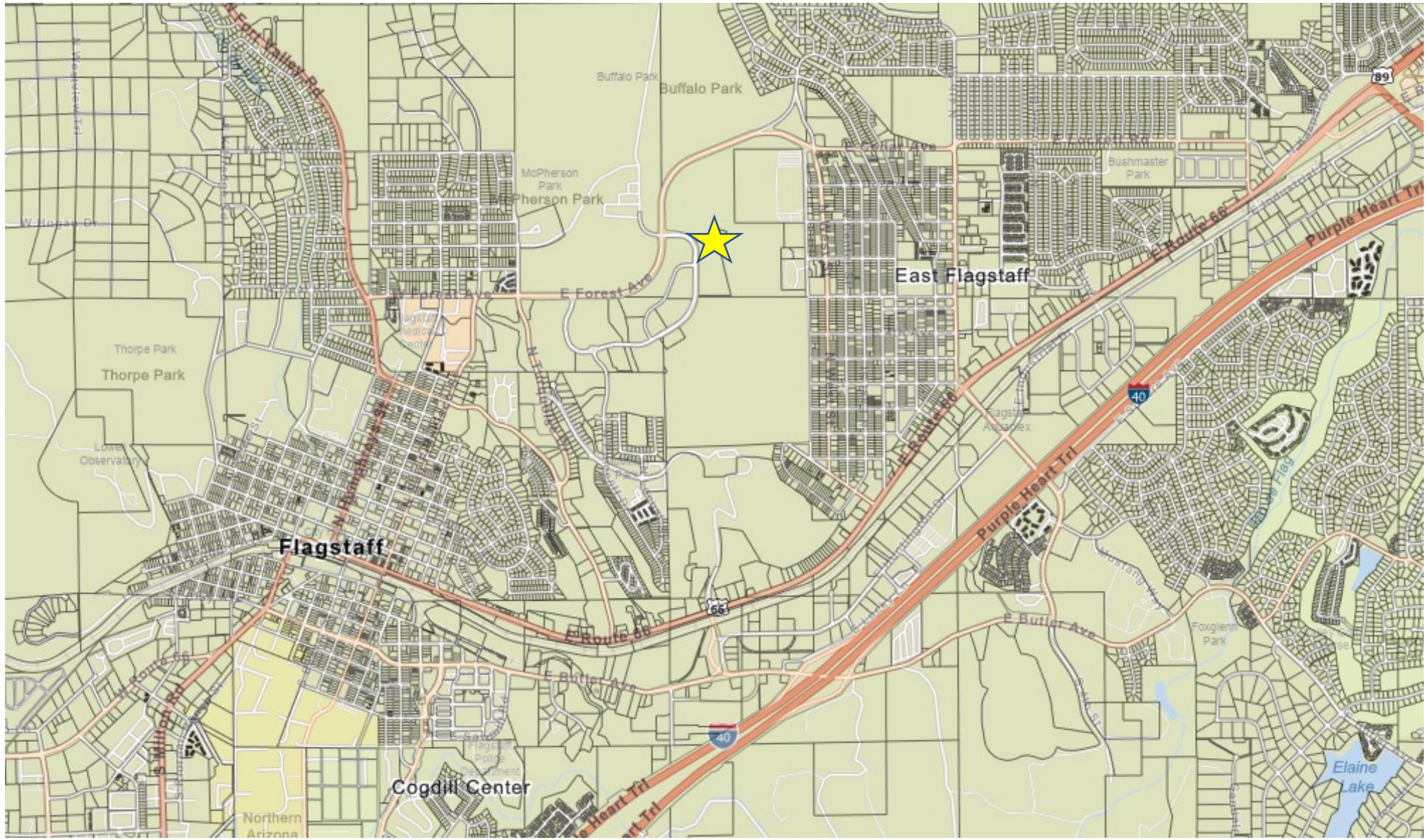
Presentation
Ord. 2021-11
Ordinance Exhibits
Open Spaces Commission Recommendation Letter
Restoration Agreement
Utility Easement Amendment

APS Easement Amendment

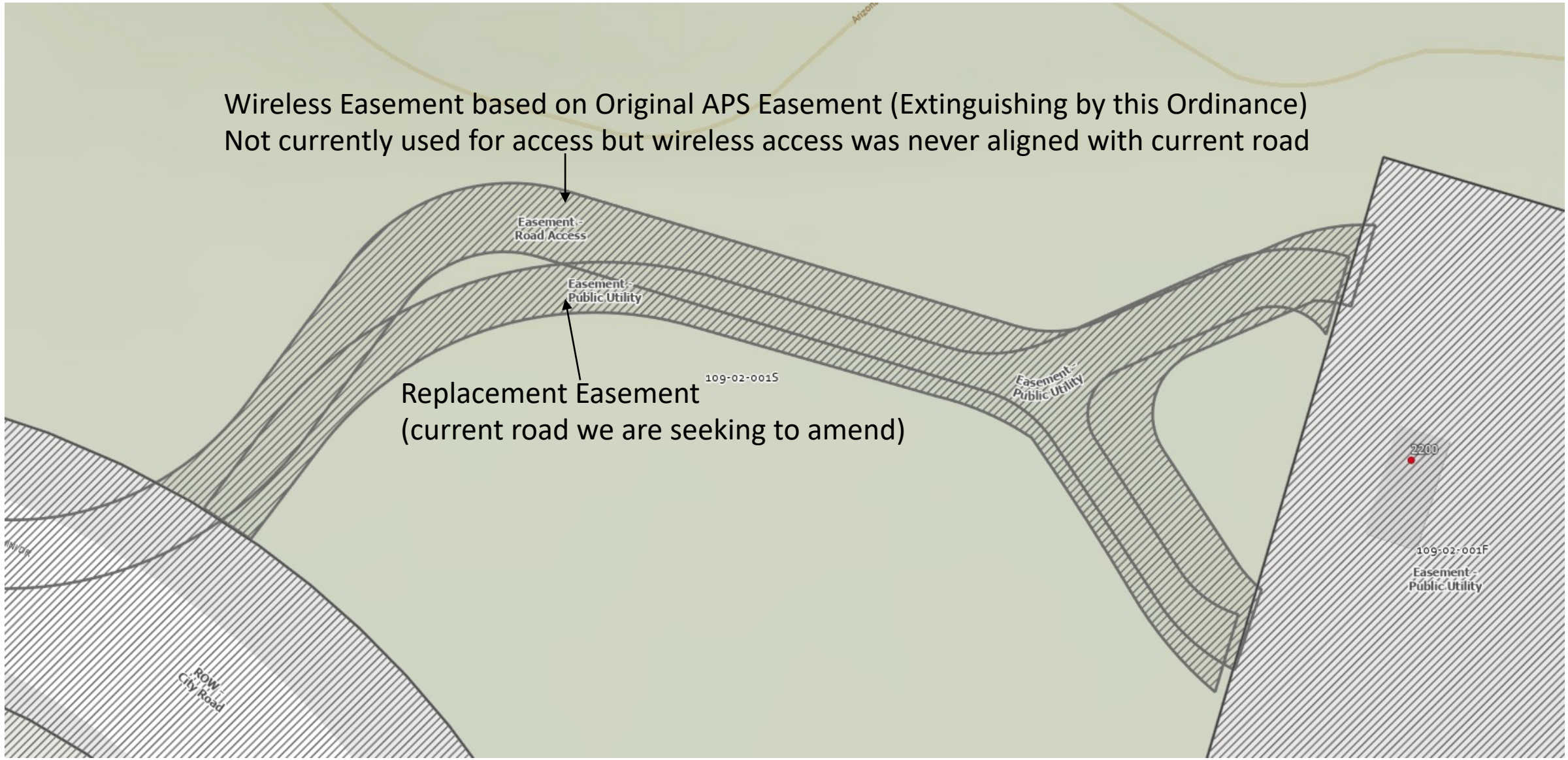
TEAM FLAGSTAFF

WE MAKE THE CITY BETTER

Vicinity Map

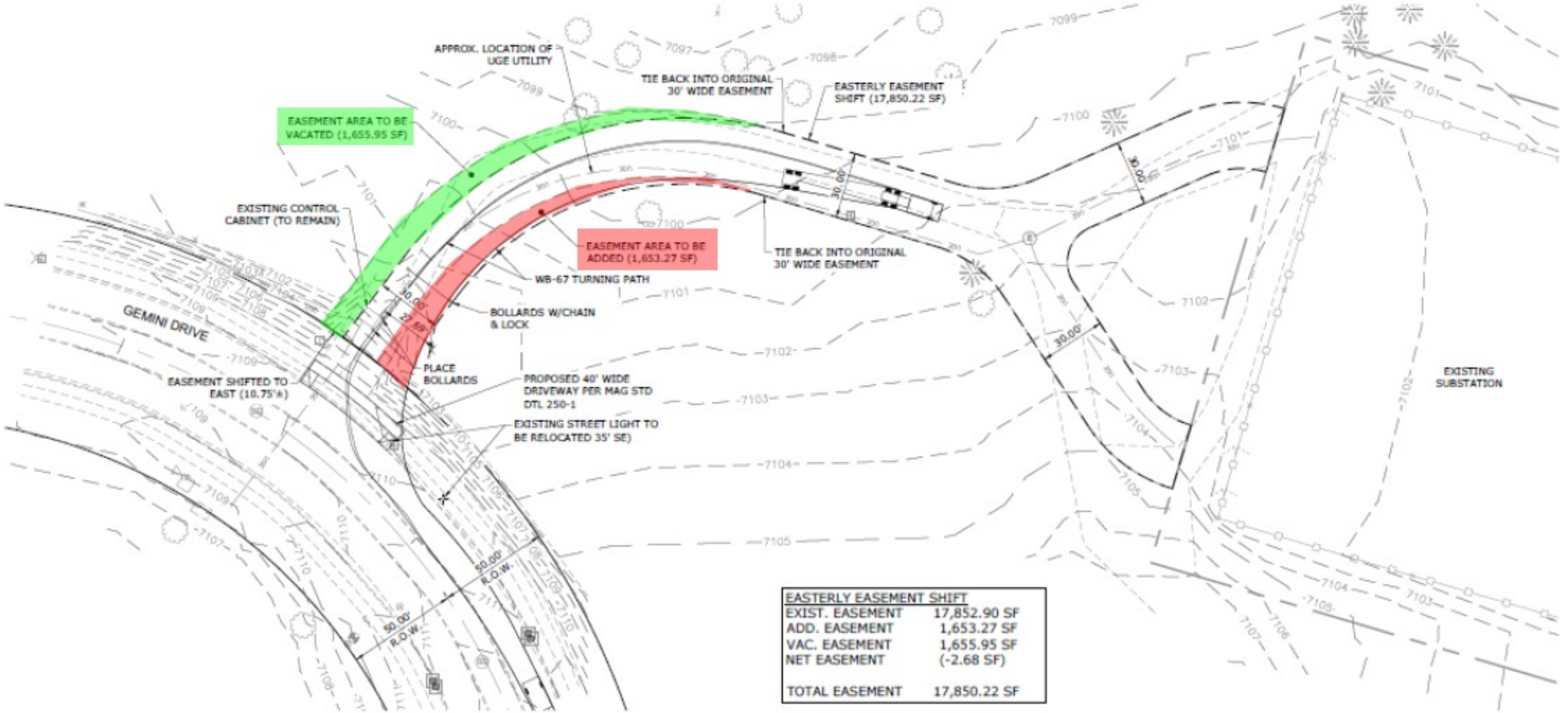


Existing Easements



Vicinity Map

Easement Amendment



ORDINANCE NO. 2021-11

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, APPROVING AMENDED EASEMENTS ON MCMILLAN MESA WITH ARIZONA PUBLIC SERVICE COMPANY (APS) AND US WEST WIRELESS LLC, APS, WITH CONDITIONS; PROVIDING FOR DELEGATION OF AUTHORITY, SEVERABILITY, AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, in order to accommodate large-scale vehicles to Arizona Public Service Company's Mount Elden Substation for emergency purposes, the City of Flagstaff and Arizona Public Service Company desire to amend that certain Utility Easement recorded in the official records of Coconino County on August 28, 2008 at Document No. 3498165; and

WHEREAS, in order to align existing access easements with Arizona Public Service Company's easement, The City of Flagstaff desires to amend that certain revocable ingress and egress easement ("Wireless Easement") to US West Wireless LLC recorded in the official records of Coconino County, Arizona on August 9, 2000 at Document No. 3059722.

ENACTMENTS:

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

SECTION 1. In General

The City of Flagstaff hereby approves the following amendments to easements:

1. First Amendment to Utility Easement attached hereto as Exhibit 1, contingent upon execution of that separate Land Restoration Agreement with Arizona Public Service Company; and
2. First Amendment to Ingress and Egress Easement attached hereto as Exhibit 2 and the easement as amended herein is accepted by City of Flagstaff.

The City Clerk shall cause the amendments to be recorded in the order set forth above.

SECTION 2. Delegation of Authority

The Mayor, City Manager, City Attorney, City Clerk, Finance Director, Real Estate Manager, or their delegates or agents, are hereby authorized and directed to take all steps and execute all documents necessary to carry out the purpose and intent of this ordinance.

SECTION 3. Repeal of Conflicting Ordinances

All ordinances and parts of ordinances in conflict with the provisions of the code adopted herein are hereby repealed.

SECTION 4. Severability

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 5. Effective Date

This Ordinance shall be effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

Exhibits:

First Amendment to Utility Easement
First Amendment to Ingress and Egress Easement

After recording, return to:
City Clerk
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

FIRST AMENDMENT TO UTILITY EASEMENT

THIS FIRST AMENDMENT TO UTILITY EASEMENT AGREEMENT is entered into by and between CITY OF FLAGSTAFF, an Arizona municipal corporation ("Grantor") and ARIZONA PUBLIC SERVICE COMPANY, an Arizona public service corporation ("Grantee").

Grantor and Grantee hereby agree to, and amend, that certain Utility Easement recorded in the official records of Coconino County on August 28, 2008 at document No. 3498165 ("the Easement"), for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, consent and agree to amend the Easement as follows:

1. The Utility Easement area is hereby modified and shall now consist of the property legally described and depicted in the attached Exhibit A.

2. This First Amendment shall be binding on the successors and assigns of the parties.

3. Except as specifically amended hereby, all terms and conditions of the Easement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this First Amendment and the terms and conditions of the Easement, the terms and conditions of this First Amendment shall control

IN WITNESS WHEREOF, Grantor and Grantee have caused this Utility Easement Amendment to be executed this ____day of_____, 2021.

GRANTOR: City of Flagstaff

_____
Paul Deasy, Mayor

GRANTEE: Arizona Public Service Company

_____
BY:

STATE OF ARIZONA)
)ss
County of Coconino)

ACKNOWLEDGMENT. On this ____ day of _____ 2021, 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 (s)he executed the same for the purposes therein contained.

_____
Notary Public

My Commission Expires:

_____

STATE OF ARIZONA)
)ss
County of Coconino)

ACKNOWLEDGMENT. On this ____ day of _____ 2021, 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 (s)he executed the same for the purposes therein contained.

_____
Notary Public

My Commission Expires:

_____

Exhibit "A"

January 13, 2021

LEGAL DESCRIPTION FOR
ELDEN SUBSTATION
INGRESS, EGRESS AND PUBLIC UTILITY EASEMENT

That part of the Southwest Quarter of Section 7, Township 21 North, Range 7 East of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in hand hole marking the intersection of the monument lines of Cedar Street and Gemini Drive, from which an Aluminum Cap stamped "Gemini" bears North 31°06'11" West, a distance of 1,292.81 feet;

Thence North 89°40'50" East, along the monument line of said Gemini Drive, a distance of 300.00 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southerly;

Thence Easterly, along said monument line and along said curve, through a central angle of 35°02'52", a distance of 183.51 feet;

Thence North 37°07'35" East, departing said monument line, a distance of 50.04 feet to the True Point of Beginning;

Thence continuing North 37°07'35" East, a distance of 45.64 feet to the beginning of a tangent curve of 159.54 foot radius, concave Southerly;

Thence Easterly, along said curve, through a central angle of 69°21'15", a distance of 193.12 feet;

Thence South 73°31'10" East, a distance of 81.96 feet to the beginning of a tangent curve of 54.30 foot radius, concave Northerly;

Thence Easterly, along said curve, through a central angle of 40°26'41", a distance of 38.33 feet;

Thence North 66°02'25" East, a distance of 70.10 feet to the beginning of a tangent curve of 69.30 foot radius, concave Southerly;

Thence Easterly, along said curve, through a central angle of 40°26'16", a distance of 48.91 feet to a point on the Westerly line of the Elden Substation as recorded in Docket 1038, Page 837, Records of Coconino County, Arizona;

Thence South 16°28'50" West, along said Westerly line, a distance of 30.00 feet to a point on a 39.30 foot radius non-tangent curve, whose center bears South 16°28'34" West;

Thence Westerly, along said curve, through a central angle of 40°26'09", a distance of 27.74 feet;

4550 N 12th Street | Phoenix AZ 85014 | 602.264.6831 | (F) 602.264.0928

CVL CONSULTANTS

Thence South 66°02'25" West, a distance of 58.02 feet; to the beginning of a tangent curve of 17.05 foot radius, concave Easterly;

Thence Southerly, along said curve, through a central angle of 99°07'10", a distance of 29.50 feet;

Thence South 33°04'45" East, a distance of 58.02 feet to the beginning of a tangent curve of 39.30 foot radius, concave Northeasterly;

Thence Southeasterly, along said curve, through a central angle of 40°26'09", a distance of 27.74 feet to a point on the Westerly line of said Elden Substation;

Thence South 16°28'50" West, along said Westerly line, a distance of 30.00 feet to a point on a 69.30 foot radius non-tangent curve, whose center bears North 16°28'59" East;

Thence Northwesterly, along said curve, through a central angle of 40°26'16", a distance of 48.91 feet;

Thence North 33°04'45" West, a distance of 70.10 feet to the beginning of a tangent curve of 54.30 foot radius, concave Southwesterly;

Thence Northwesterly, along said curve, through a central angle of 40°26'41", a distance of 38.33 feet;

Thence North 73°31'10" West, a distance of 81.96 feet to the beginning of a tangent curve of 129.54 foot radius, concave Southerly;

Thence Westerly, along said curve, through a central angle of 69°21'15", a distance of 156.80 feet;

Thence South 37°07'35" West, a distance of 15.58 feet;

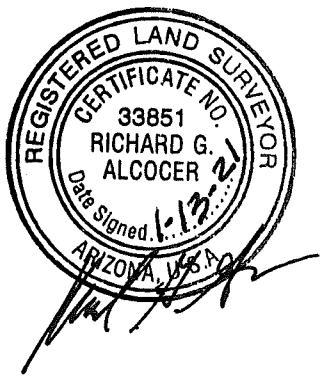
Thence South 11°37'38" West, a distance of 34.73 feet; to a point on a 350.00 foot radius non-tangent curve, whose center bears South 42°26'16" West;

4550 N 12th Street | Phoenix AZ 85014 | 602.264.6831 | (F) 602.264.0928

CVL CONSULTANTS

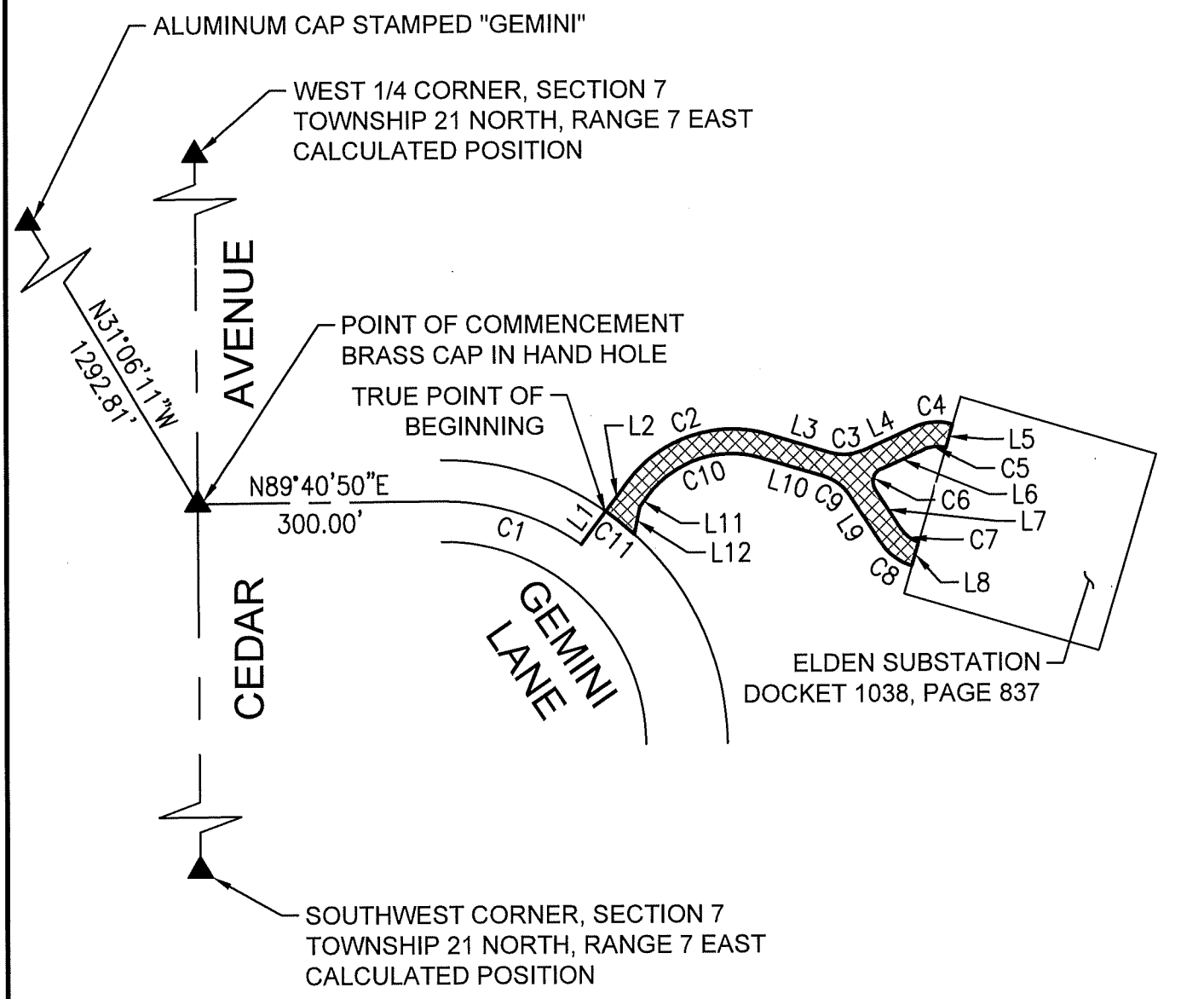
Thence Northwesterly, along said curve, through a central angle of 07°22'00", a distance of 45.00 feet to the True Point of Beginning.

Containing 17,853 Square Feet or 0.410 Acres, more or less.



4550 N 12th Street | Phoenix AZ 85014 | 602.264.6831 | (F) 602.264.0928

CVL CONSULTANTS



Registered Land Surveyor
CERTIFICATE NO.
33851
RICHARD G.
ALCOCER
Date Signed: 1-13-21
ARIZONA U.S.A.

SCALE 1" = 200'	ARIZONA PUBLIC SERVICE ELDEN SUBSTATION	CVL CONSULTANTS CELEBRATING 60 YEARS
EXHIBIT	INGRESS, EGRESS & PUBLIC UTILITY EASEMENT	1 OF 3
4550 North 12th Street Phoenix, Arizona 85014 Phone 602-264-6831 http://www.cvlci.com		

N:\01\0360301\CADD\Exhibits\VX.ACCESS.ESMT.dwg **TomD January 13, 2021**

After recording, return to:
City Clerk
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

FIRST AMENDMENT TO INGRESS AND EGRESS EASEMENT

RECITALS

A. Pursuant to City of Flagstaff Council Ordinance No. 1377 dated June 4, 1985, The City of Flagstaff, an Arizona Municipal Organization ("The City") granted to Arizona Public Service Company an access easement ("Original Easement") to its substation as set forth in Docket 1039, Pages 344 & 345, Records of Coconino County, Arizona.

B. Pursuant to City of Flagstaff Council Resolution No. 2000-57, The City of Flagstaff granted a revocable ingress and egress easement ("Wireless Easement") to US West Wireless LLC recorded in the official records of Coconino County, Arizona on August 9, 2000 at Document No. 3059722 across the lands described in the Original Easement

C. The City desires to amend the Wireless Easement

NOW, THEREFORE, the City, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, amends the Wireless Easement as follows:

1. The premises through and across which the Wireless Easement is granted are situated in the County of Coconino, State of Arizona and described as follows:

Over and across that parcel of land owned by Grantor, Assessor Parcel Number 109-02-001S, as legally described and depicted in the attached "Exhibit A".

2. Grantee, its successors and assigns shall have the right and privilege to use the Wireless Easement to the extent such use is not inconsistent or in conflict with the use and rights granted by that certain Utility Easement to Arizona Public Service Company, an Arizona corporation recorded in the official records of Coconino County on August 28, 2008 at Document No. 3498165 and any amendment thereto.

3. This Amendment shall be binding on the successors and assigns of the parties.

4. Except as specifically amended hereby, all terms and conditions of the Easement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Easement, the terms and conditions of this Amendment shall control

IN WITNESS WHEREOF, Grantor has caused this Easement Amendment to be executed this ____day of_____, 2021.

GRANTOR: City of Flagstaff

_____

Paul Deasy, Mayor

STATE OF ARIZONA)

)ss

County of Coconino)

ACKNOWLEDGMENT. On this ____ day of _____ 2021, 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 (s)he executed the same for the purposes therein contained.

_____

Notary Public

My Commission Expires:

_____

Exhibit "A"

January 13, 2021

LEGAL DESCRIPTION FOR
ELDEN SUBSTATION
INGRESS, EGRESS AND PUBLIC UTILITY EASEMENT

That part of the Southwest Quarter of Section 7, Township 21 North, Range 7 East of the Gila and Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

Commencing at the Brass Cap in hand hole marking the intersection of the monument lines of Cedar Street and Gemini Drive, from which an Aluminum Cap stamped "Gemini" bears North 31°06'11" West, a distance of 1,292.81 feet;

Thence North 89°40'50" East, along the monument line of said Gemini Drive, a distance of 300.00 feet to the beginning of a tangent curve of 300.00 foot radius, concave Southerly;

Thence Easterly, along said monument line and along said curve, through a central angle of 35°02'52", a distance of 183.51 feet;

Thence North 37°07'35" East, departing said monument line, a distance of 50.04 feet to the True Point of Beginning;

Thence continuing North 37°07'35" East, a distance of 45.64 feet to the beginning of a tangent curve of 159.54 foot radius, concave Southerly;

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4550 N 12th Street | Phoenix AZ 85014 | 602.264.6831 | (F) 602.264.0928

CVL CONSULTANTS

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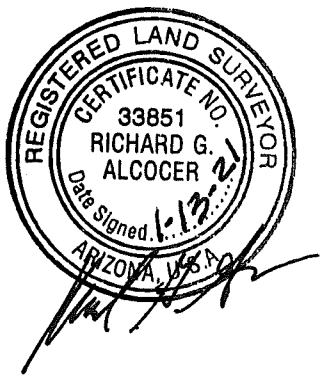
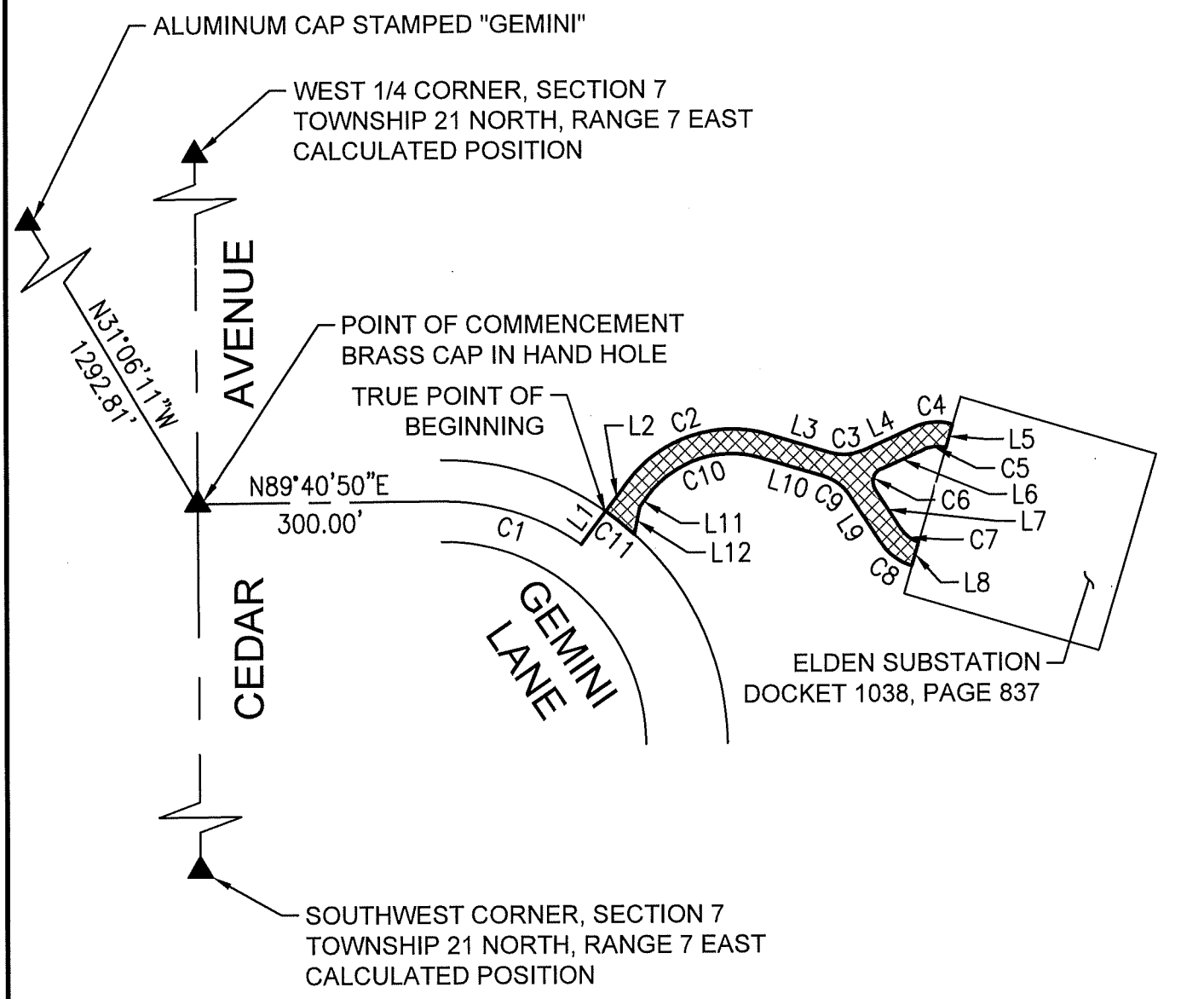
Containing 17,853 Square Feet or 0.410 Acres, more or less.



4550 N 12th Street | Phoenix AZ 85014 | 602.264.6831 | (F) 602.264.0928

CVL CONSULTANTS



Registered Land Surveyor
CERTIFICATE NO.
33851
RICHARD G.
ALCOCER
Date Signed: 1-13-21
ARIZONA U.S.A.

SCALE 1" = 200'	ARIZONA PUBLIC SERVICE ELDEN SUBSTATION	CVL CONSULTANTS CELEBRATING 60 YEARS
EXHIBIT	INGRESS, EGRESS & PUBLIC UTILITY EASEMENT	1 OF 3
4550 North 12th Street Phoenix, Arizona 85014 Phone 602-264-6831 http://www.cvlci.com		

N:\01\0360301\CADD\Exhibits\VX.ACCESS.ESMT.dwg **TomD January 13, 2021**

City of Flagstaff

Open Spaces Commission

January 25, 2021

ATTN: Flagstaff City Council
RE: McMillan Mesa Natural Area APS Elden Substation Easement Alteration Request
Open Spaces Commission Recommendation

Dear City Council Representatives,

The City of Flagstaff is the owner of McMillan Mesa Natural Area (Figure 1), which is partially located along N. Gemini Drive, Flagstaff, AZ 86001, assessor parcel number 109-02-001S. This City property is subject to Proposition 413, which states that it is to be used as open space for passive park purposes. Furthermore, the proposition says that the City shall use the property in a manner consistent with the "Neighborwoods" category of Open Space as outlined in the Open Spaces and Greenways Plan, any other use being inconsistent with the purposes of the ordinance and the intent of the voters.

Arizona Public Service (APS) is interested in revising their easement to improve access to the Mount Elden Substation surrounded by the McMillan Mesa Natural Area. This easement revision would be for regular maintenance and emergency access. This revision would expand the easement to the west of the current switch cabinet (35.213761, -111.629540) and return a small amount of property within the easement to the Natural Area. APS has reported that this change is needed to prevent having to move the electrical cabinet (#778552) that was mistakenly constructed in the center of their easement making the current access unusable for large-scale emergencies. The cost of moving this infrastructure is approximated at $100,000.

If the City is able to work with APS to modify the easement, it needs to ensure that adjustments are consistent with Prop. 413 and add to the conservation of McMillan Mesa. With attention to this factor, the Open Spaces Commission believes that a solution can be implemented, as proposed by APS in the document "Elden Turning Radius Proposed Change WB-67" (attached), to allow for the easement to be revised while staying consistent with the intent of Prop. 413 by benefiting the Natural Area through restoration efforts (Figure 2).

Open Spaces Commission understands APS's needs related to maintaining this substation and the importance of having adequate access for maintenance and emergencies to the Elden Substation. The Open Spaces Commission, therefore, recommends the Flagstaff City Council approve this easement adjustment with the following APS agreed upon stipulations:

- APS will carry out remediation work or cover the costs associated with the identified remediation work to the City of Flagstaff for restoration efforts identified in a scope of work prepared by the Open Space program for gravel removal, seedbed preparation, herbicide treatments, seeding, and mulching for the approximate locations identified in Figure 3 (approximately 0.75 acre), and the easement area that will be returned to the Natural Area, as approved by the City.
- Restoration efforts will adhere to the Seeding Restoration Guidelines (attached) provided by the Open Space Program
- APS will install a gate with a sign indicating 'Authorized Vehicles Only' at Gemini access point for Elden Substation to prevent illegal vehicle trespass (Figure 3)

In addition, to the restoration work identified in partnership with APS, the Open Spaces Commission recognizes a second location in need of renovation (Figure 4). The land included in the general utility easement #3526098 and approximately 40 feet beyond the easement to the south, is largely disturbed and infested with knapweed, one of the City Open Space program's target invasive species. Given these impacts, the Open Spaces Commission suggests this area also be considered for repairs. We suggest that the City Open Space Program evaluate the possibility of including this area in the restoration efforts identified in Figure 3 with the additional 0.2 acres (Figure 4) funded by their approved base budget. Refurbishment of this additional acreage and the placement of a gate to prevent illegal vehicle trespass would support APS restoration efforts and could be completed more economically if a contractor was mobilized for both projects simultaneously.

In summary, Open Spaces Commission understands APS's needs related to maintaining this substation and the importance of having adequate access for maintenance and emergencies to the Elden Substation. The Commission also looks forward to working with the Open Space Program to address additional restoration efforts. The Open Spaces Commission, therefore, recommends the Flagstaff City Council approve the easement adjustment with APS.

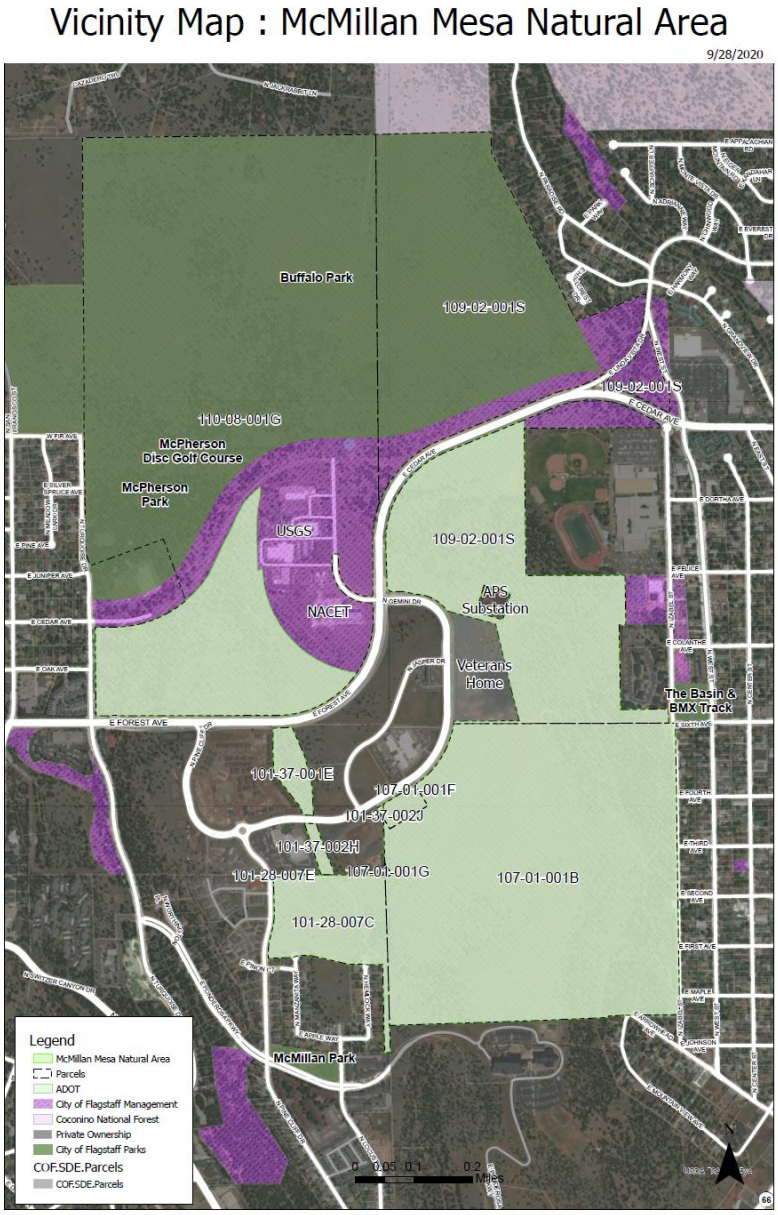


Figure 1: McMillan Mesa Natural Area Vicinity

Figure 2: McMillan Mesa Natural Area APS Restoration Areas

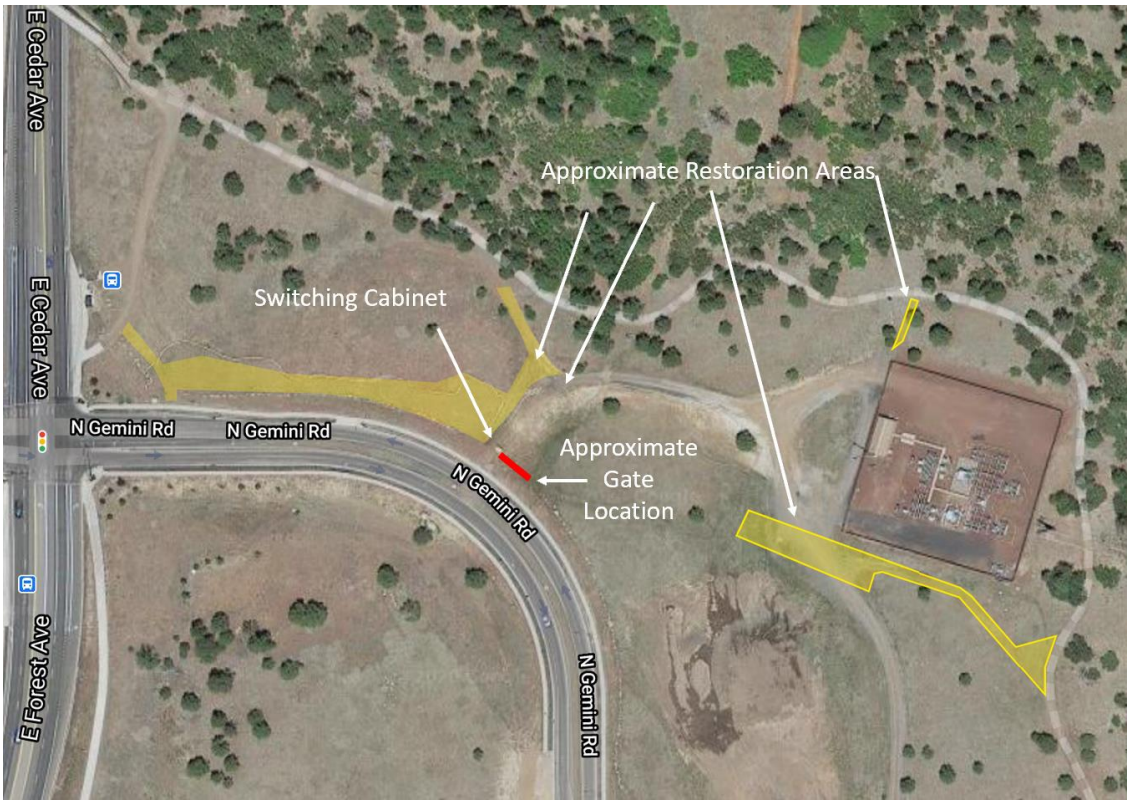


Figure 3: McMillan Mesa Natural Area APS Restoration Areas

Arizona Relay Service 7-1-1
211 West Aspen Avenue, Flagstaff, Arizona 86001
Main & TDD (928) 774-5281 • Fax (928) 779-7696

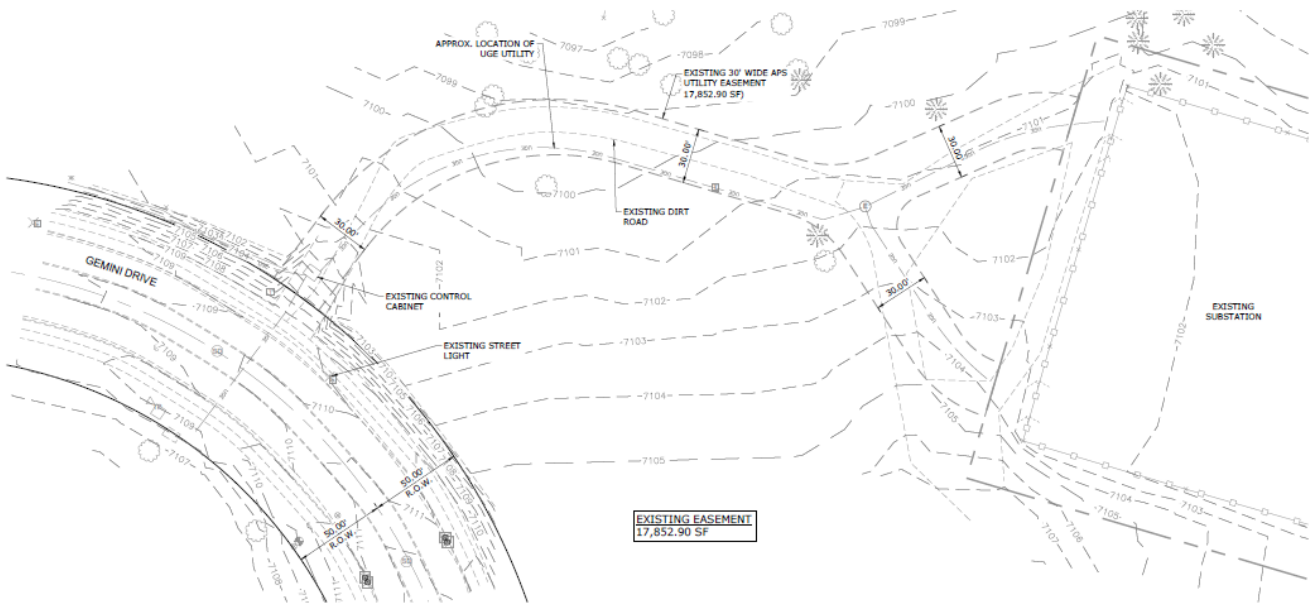
Figure 4: McMillan Mesa Natural Area Potential Open Space Program Restoration Area

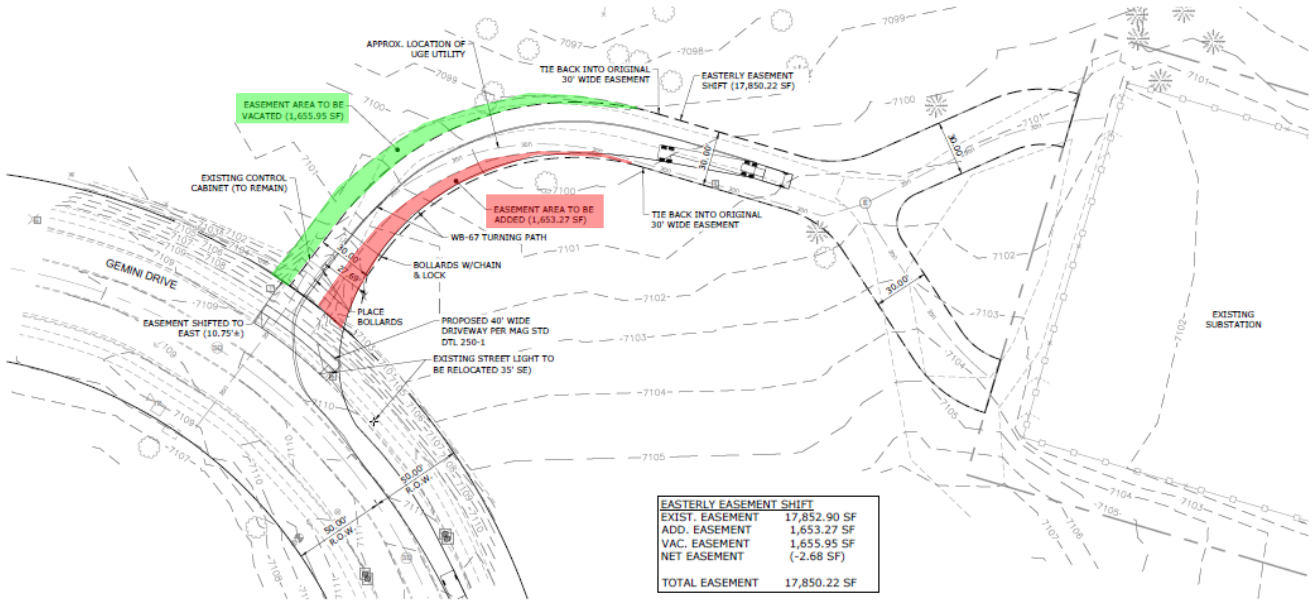
The Open Spaces Commission believes that APS is an important partner and looks forward to accommodating APS's easement revision request while restoring these small locations in the Natural Area. Thank you for considering the Commission's recommendation.

Sincerely,

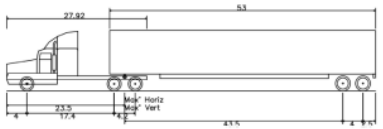
Wm. Michael Wilson
Open Spaces Commission Chair

City of Flagstaff
211 West Aspen Ave.
Flagstaff, AZ 86001



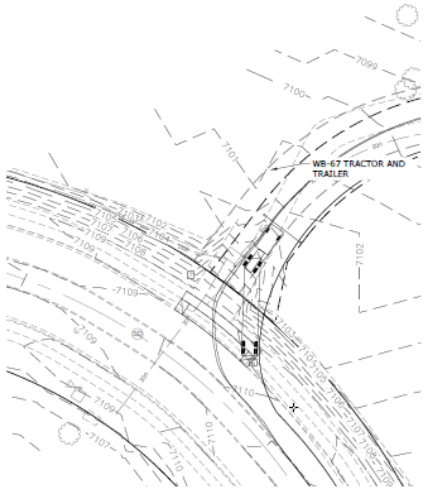


EASTERLY EASEMENT SHIFT	
EXIST. EASEMENT	17,852.90 SF
ADD. EASEMENT	1,653.27 SF
VAC. EASEMENT	1,655.95 SF
NET EASEMENT	(-2.68 SF)
TOTAL EASEMENT	17,850.22 SF



WB-67 – Interstate Semi-Trailer	
Overall Length	73.500ft
Overall Width	8.500ft
Overall Body Height	12.052ft
Min Body Ground Clearance	1.334ft
Max Track Width	8.500ft
Lock-to-lock time	6.00s
Max Steering Angle (Virtual)	28.40°

AASHTO WB-67 INFORMATION



DETAIL SHOWING BOLLARD AND CHAIN PLACEMENT SO THAT ENTIRE TRACTOR/TRAILER IS OFF GEMINI DRIVE ROADWAY

SCALE: 1" = 30'

CVL
4550 N. 12TH ST. PHOENIX, AZ
PHONE: 602.264.6831
COE & VAN LOO CONSULTANTS, INC.

PROFESSIONAL ENGINEER
CVL JOB # 1-01-03603001

NO.	DATE	REVISION	DWN	CHD	EXD	RVWD	W.A.

ACCESS EASEMENT EXHIBIT
ELDEN SUBSTATION
FLAGSTAFF, COCONINO COUNTY, AZ

aps

SCALE	AS NOTED
DATE	NOV 12, 2020
DRAWN	PM
CHECKED	RW
DESIGNED	RB
APPROVED	
RECEIVED	

E1.0
APS DRAWING NO.

SHEET 01 OF 01

This drawing is the property of Arizona Public Service Company. Use of this drawing and the specific design depicted thereon for any reason other than that related to Arizona Public Service Company is not authorized.

This is an electronic drawing, do not revise manually.

Seeding Restoration Guidelines

Complete revegetation work according to Flagstaff City Code Engineering Standards (Title 13, Chapter 17), https://www.codepublishing.com/AZ/Flagstaff/ *with the following changes*:

IMPACT PREVENTION

- Provide tree resource protection on the City Property. Work conducted shall include preventing physical injury to trunk and crown, root cutting, soil compaction, and smothering roots by adding soil. Temporary snow fencing shall be placed around each tree within the corridor and within 10 feet of the work area. Snow fencing shall be set approximately 6 inches from the trunk for each inch of trunk diameter. Snow fenced areas around trees shall be kept clear of building material, waste, and excess soil. No digging, trenching or other disturbance shall occur in the snow fenced zones.
- During project implementation, ensure exclusion of weed seed from entering the site on vehicles, in fill, on tools, etc.
- Notify the City immediately of any changes or plans that could affect the City Property, to include the Open Space Program (Robert.wallace@flagstaffaz.gov).

REHABILITATION

- Recontour disturbed areas by grading to restore the site to approximately the original contour of the ground.
- Uniformly spread topsoil over all the disturbed area. Spreading shall not be done when the ground or topsoil is frozen or wet. The work shall consist of seedbed preparation (surface ground has been tilled and then smoothed to break up large clods; also, areas that have been compacted by heavy materials or other operations should be ripped to a depth of at least 6 inches to ensure adequate permeability), create some depressions/topography to hold seed and water, sowing seed via broadcast seeding and lightly bury seed with some type of raking action, proper compaction of the seedbed, and covering seeding area with mulch or erosion control blankets
- Rake out tracks/signs of construction to reduce visibility at all points.
- Control erosion in accordance with Flagstaff City Code.
- Control erosion, sediment, and construction site debris/wastes on the project site by installing stormwater control measures (i.e., rock trackout pad, sediment wattles, silt fence, etc.) where appropriate.

SEED MIX/MULCH

- The type of mulch shall meet one of the following requirements:
  (a) Straw used for mulching shall be from oats, wheat, rye, or other approved grain crops and free from noxious weeds or other objectionable material.
  (b) Hay shall be of approved herbaceous mowings, free from noxious weeds or other objectionable material.
  (c) Erosion control blankets/matting free from noxious weeds or other objectionable material and biodegradable and safe for sensitive areas.
- Seed shall be planted in all disturbed areas with the seed mixture(s) listed below. The seed mixture(s) shall be planted in the amounts specified in pounds of pure live seed (PLS) per acre, at a rate of 25 pure live seeds per linear foot. There shall be no primary or secondary noxious weed seed in the seed mixture. Seed shall be tested, and the viability testing of seed shall be done in accordance with State law(s) and within three months prior to purchase. Commercial seed shall be either certified or registered seed. The seed mixture container

shall be tagged in accordance with State law(s).

- Seedbed preparation (surface ground has been tilled and then smoothed to break up large clods; also, areas that have been compacted by heavy materials or other operations should be ripped to a depth of at least 6 inches to ensure adequate permeability), sowing seed via drilling or broadcast seeding and lightly bury seed with some type of raking action (*hydroseeding shall not be used*), proper compaction of the seedbed, and covering seeding area with an erosion control blankets.
- Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (smaller/heavier seeds tend to drop to the bottom of the drill and are planted first). Appropriate measures to ensure this does not occur shall occur. Where drilling is not possible, seed shall be broadcast, and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by a 70% success rate or higher. Evaluation of growth will not be made before completion of the growing season after seeding.
- Seed mix shall consist of:
    - Little Bluestem @ 0.5 lbs./acre
    - Mutton grass @ 0.2 lbs./acre
    - Blue grama @ 0.5 lbs./acre
    - Sideoats grama @ 0.75lbs./acre
    - Prairie junegrass @ 0.2 lbs./acre
    - Arizona fescue @ 0.4 lbs./acre
    - Bottlerush squirrel tail @ 0.7 lbs./acre
    - Western wheatgrass @ 0.75 lbs./acre
- Sowing native seeds shall take place at the appropriate time to promote survival. The best time of year is considered late October – early November for the Flagstaff area. Considering this, work shall be completed as soon as feasible.
- Seeding shall be repeated if a satisfactory stand is not obtained as determined a 70% survival rate after the previous year's growing season.
- The contractor will provide a monitoring and maintenance plan approved by the Open Space Program for determining the seed survival rate and associated mitigation steps.

MAINTENANCE

- Provide invasive plant mitigation for two years prior to seeding, at the appropriate time of year to prevent seed dispersal targeting Scotch Thistle, Bull Thistle, Yellow Star Thistle, and Diffuse Knapweed. It typically takes about three years for grass plants to mature and fill the space, during which time, keeping weeds from being established in the disturbed area is critical.
- Remove all temporary snow fencing placed around trees within the corridor and around the work area. Snow fencing shall be set approximately 6 inches from the trunk for each inch of trunk diameter.
- Once seed cover has been established, remove all non-biodegradable stormwater control measures (i.e., rock trackout pad, sediment wattles, silt fence, etc.).

LAND RESTORATION AGREEMENT
between
ARIZONA PUBLIC SERVICE COMPANY
and the
CITY OF FLAGSTAFF

This Land Restoration Agreement (the "Agreement") is made this _____ day of _____, 2021, by and between the City of Flagstaff (the "City"), an Arizona municipal corporation with offices at 211 W. Aspen Avenue, Flagstaff, AZ 86001, and Arizona Public Service Company, an Arizona public service corporation ("APS"), collectively referred to as the "Parties".

RECITALS

A. The City is the owner of property located at 2100 N. Gemini Drive, Flagstaff, AZ 86001, Assessor Parcel Number 109-02-001S, located on the McMillan Mesa Natural Area, legally designated as open space ("the Property").

B. The Property is subject to requirements and policies outlined in City guiding documents (Legally Designated Open Space Management Plan, Flagstaff Area Open Spaces and Greenways Plan, Flagstaff Regional Plan 2030, Proposition 413).

C. In 2016 City voters through Proposition 413, an ordinance setting aside, preserving, and designating specific City-owned property, including the Property, to be used as open space for passive park purposes. This requires the City to protect the ecological and cultural integrity of the site.

D. In 2008 City granted to APS a Utility Easement for public utilities, ingress and egress to its Elden Substation ("Substation"), recorded in the official records of Coconino County on August 28, 2008 at document No. 3498165 attached hereto as Exhibit A ("the Easement").

E. APS desires to improve access to the Substation to accommodate large-scale vehicles. The location of a control cabinet, constructed within the Easement, prevents access to the Substation by large-scale vehicles. APS desires to modify the boundaries of the Easement to accommodate both the existing control cabinet as well as large-scale vehicles

F. The City is agreeable to modifying the boundaries of the Easement, which will result in a net reduction of the total Easement area, in consideration for restoration of open space areas on McMillan Mesa, and is authorized to enter into this Agreement under Article I, Section 3, of the Flagstaff City Charter.

WHEREFORE, the parties agree as follows:

1. **Restoration of Land.** APS at its own expense shall satisfactorily complete the land restoration services described in the scope of work prepared by the Open Space Program attached hereto as Exhibit B; adhere to the Seeding Restoration Guidelines provided by the Open Space Program attached hereto as Exhibit C; and install a gate with sign indicating "Authorized Vehicles Only" at the Gemini Drive Access point as depicted in the attached Exhibit E (collectively "the Services"). In the alternative, at City's option, APS will reimburse City the actual costs of the Services completed by City. The schedule

for completion of the Services will be mutually agreed upon in writing by the City Open Space Specialist and APS.

2. Indemnification

APS shall indemnify, defend, save and hold harmless, to the extent allowed by Law, the City, its officers, officials, agents and employees from and against any and all claims, demands, actions, liabilities, damages, losses, or expenses (including court costs, attorney's fees, and costs of claim processing, investigation and litigation) including but not limited to claims for personal injury (including death) or property damage caused by the acts, errors, omissions, or negligence of APS or any of APS's directors, officers, agents and employees.

3. Notices

All notices or other communications under this Agreement shall be in writing and shall be deemed to be delivered on the date of delivery if delivered in person or on the date of receipt indicated on the return receipt if delivered by U.S. Mail, certified or registered, return receipt requested, postage prepaid and addressed as follows:

If to City: City Real Estate Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

If to Grantee: Arizona Public Service Company
Land Services Department
P.O. Box 53933 Station 3286
Phoenix, AZ 85072-3999

or to such other address as a party may provide to the other by written notice.

4. Governing Law, Jurisdiction and Forum

This Agreement shall be construed and interpreted in accordance with the laws of the State of Arizona. The Parties agree that the courts of Arizona shall have exclusive jurisdiction and that Coconino County shall be the proper venue.

5. Relationship of the Parties

Nothing contained in this Agreement shall be construed as creating the relationship of principal or agent or of partnership or joint venture.

6. Cancellation

This Agreement is subject to the cancellation provisions of A.R.S. § 38-511.

7. Compliance with Laws and Regulations

APS shall obey all laws, ordinances, regulations, and rules of the federal, state, county, and municipal governments that may be applicable to performance of the Services.

In witness whereof, the Parties have caused this Agreement to be executed by their duly authorized representatives on the date(s) set forth below.

City of Flagstaff, Grantor	**Arizona Public Service Company, Grantee**
Paul Deasy, Mayor	Arizona Public Service Company
Dated:_____	Dated:_____
Attest:	
City Clerk	
Dated:_____	
Approved as to form:	
City Attorney	
Dated:_____	

C:\Users\awendel\OneDrive - City of Flagstaff\APS Restoration Agreement 2-26-21.docx

Official Records of Coconino County 3824338
Patty Hansen - Recorder 09/04/2018 12:11:37 PM Pgs: 3
SIMPLIFILE LC E-RECORDING CO $7.00

Exhibit "A"
The Easement

THIS EASEMENT IS BEING RE-RECORDED TO CORRECT A SCRIVENERS ERROR IN PARAGRAPH 4

"DOCKET 1030" IS HERBY CORRECTED TO READ "DOCKET 1039"

Unofficial Copy

Official Records of Coconino County 3498165
Candace Owens - Recorder 08/28/2008 10:39 AM Pgs: 2
CITY OF FLAGSTAFF E $11.00

When recorded, please return to:
APS
Mail Station 3016
P O Box 53933
Phoenix, AZ. 85037-3933
SW1121N R7E
BJH

UTILITY EASEMENT

CITY OF FLAGSTAFF, a Municipal Corporation, (hereinafter called "Grantor"), for and in consideration of One Dollar ($1.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to **ARIZONA PUBLIC SERVICE COMPANY**, an Arizona corporation, (hereinafter called "Grantee"), and to its successors and assigns, an easement for ingress and egress and public utility purposes **30.00** feet in width, upon, over, under, through and across the lands hereinafter described, to use for ingress and egress and public utility purposes and for all other purposes connected therewith.

The premises through and across which this Easement is granted are situated in the County of Coconino, State of Arizona, and described as:

That parcel of land owned by the City of Flagstaff, lying within the Southwest Quarter of Section 11, Township 21 North, Range 7 East of the Gila and Salt River Base and Meridian, Arizona, also referred to as a portion of Coconino County Parcel No. 109-02-001L on August21, 2008. Said 30 feet wide Ingress and Egress/PUE Easement being more particularly delineated on Exhibit "A" attached hereto and made a part of.

The City of Flagstaff granted to Arizona Public Service Company an access easement to its substation as set forth in Docket 1030 Pages 344 & 345, Records of Coconino County, Arizona. Pursuant to the terms of that Easement and Ordinance No. 1377 dated June 4, 1985, that easement is hereby terminated. The former easement, approved by the Flagstaff City Council, provided that the City would grant a substitute easement to Arizona Public Service Company to provide access to the substation in the event that the former easement was terminated. This Easement, therefore, replaces the former easement.

Grantor shall not erect or construct, or permit to be erected or constructed any building or other structure, plant any trees or drill any well, within the limits of said Easement. The Grantor shall not grant any other easement, which is inconsistent or in conflict with the use and rights granted to the Grantee herein. Grantee shall have the right to trim, cut, and clear away trees and brush; whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted.

Grantor shall have the right and privilege to use the easement to the extent such use is not inconsistent with the Grantee's use thereof. In the event the Grantee permanently abandons the use of said easement, the Grantee shall record with the county Recorder, an instrument abandoning the rights herein granted.

CITY OF FLAGSTAFF

By: _____

Title: Mayor

STATE OF ARIZONA }
} ss.
County of Coconino }

This instrument was acknowledged before me this 27th day of August, 2008 by Sara Presler, Mayor IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission Expires:
4/24/2012

OFFICIAL SEAL
LAURA MATTHEWS
Notary Public - State of Arizona
COCONINO COUNTY
My Comm. Expires April 24, 2012

Laura Matthews
Notary Public

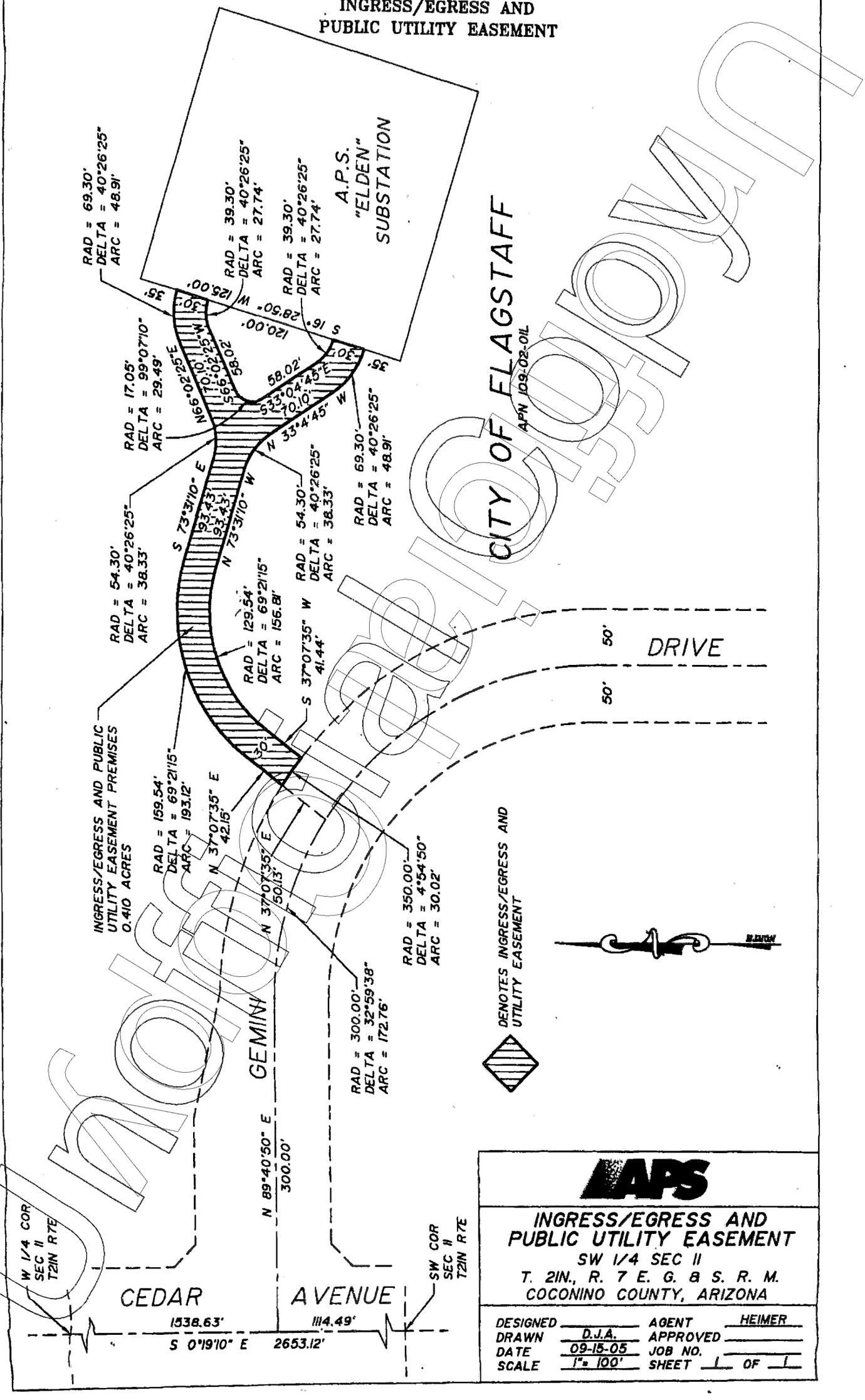
Unofficial Document

3498165 Pages: 2 of 2 08/28/2008 10:39:18 AM

3824338 Pages: 3 of 3 09/04/2018 12:11:37 PM

EXHIBIT "A"

SKETCH SHOWING LOCATION AND LIMITS OF INGRESS/EGRESS AND PUBLIC UTILITY EASEMENT



APS

INGRESS/EGRESS AND PUBLIC UTILITY EASEMENT

SW 1/4 SEC 11

T. 21N., R. 7 E. G. & S. R. M.

COCONINO COUNTY, ARIZONA

DESIGNED		AGENT	HEIMER
DRAWN	D.J.A.	APPROVED	
DATE	09-15-05	JOB NO.	
SCALE	1" = 100'	SHEET	1 OF 1

Unofficial Document

Exhibit "B"

Project Definition **Scope of Work**

Client and Project Information

Name of Client/Organization	**Name of Project**	
City of Flagstaff. Open Space Program	McMillan Mesa Invasive Plant Mitigation and Restoration	
Name of Contact Person Robert Wallace	**Project Location** McMillan Mesa Natural Area is located at 2100 N. Gemini Drive, Flagstaff, AZ 86001, Assessor Parcel Number 109-02-001S (see attached map – Exhibit A).	**Project No.** **OMWS-2021**
Contact's Mailing Address City of Flagstaff Parks, Recreation, and Open Space 211 West Aspen Ave.	**City** Flagstaff	**State** Arizona

City	**State**	**Postal Code**	**E-mail Address of Contact Person**
Flagstaff	Arizona	86001	Robert.wallace@flagataffaz.gov

Telephone Number:
928-213-2154

Requesting a Quote of Services from:

Project Description:
This project encompasses site rehabilitation, invasive plant treatment for two years prior to seeding, and reseeding with native vegetation for approximately 0.75 acres identified in exhibit A. Revegetation work will be completed according to Flagstaff City Code Engineering Standards (Title 13, Chapter 17, https://www.codepublishing.com/AZ/Flagstaff/) with the additions that are identified in the attached document, "Restoration Guidelines - Elden Substation."

YEAR 1 (2021):
Rehabilitation

- Remove gravel and road base from ~ 0.24 acres down to the level of the topsoil.
- Recontour disturbed areas by grading to the approximate original contour of the ground.

Maintenance

- Treat Class A and Class B species, and Puncturevine (*Tribulus terrestris*) in Class C on the most recent 2020 Arizona State Noxious Weed List (link provided in Restoration Guidelines - Elden Substation attachment) for approximately 0.75 acres identified in exhibit A. The herbicide treatment will consist of at least one treatment, timed to be the most effective.

YEAR 2 (2022):
Maintenance

- Treat Class A and Class B species, and Puncturevine (*Tribulus terrestris*) in Class C on the most recent 2020 Arizona State Noxious Weed List for approximately 0.75 acres identified in exhibit A. The herbicide treatment will consist of at least one treatment, timed to be the most effective.

YEAR 3 (2023):

Rehabilitation

- Prepare seedbed for the identified area to ensure adequate permeability, and the creation of some depressions/topography to hold seed and water.

Seeding and Mulching

- Sow seed via broadcast seeding and lightly burying seed. Sowing of native seeds shall take place at the appropriate time to promote survival. The best time of year is considered late October – early November for the Flagstaff area. Considering this, work shall be completed as soon as feasible.
- Seed mix should adhere to the outline provided in the Restoration Guidelines - Elden Substation.
- Seed shall be planted in all disturbed areas. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS) per acre, at a rate of 25 pure live seeds per linear foot. There shall be no primary or secondary noxious weed seed in the seed mixture. Seed shall be tested, and the viability testing of seed shall be done in accordance with State law(s) and within three months prior to purchase. Commercial seed shall be either certified or registered seed.
- Apply mulch to seeded area ~ 0.75 acres.
- Control erosion, sediment, and construction site debris/wastes on the project site by installing stormwater control measures (i.e., rock trackout pad, sediment wattles, silt fence, etc.) where appropriate.
- Rake out tracks/signs of construction to reduce visibility at all points.
- Provide a monitoring and maintenance plan approved by the Open Space Program for determining the seed survival rate and associated mitigation steps.

All project work needs to be completed in a manner that minimizes impacts to property and vegetation.

Timeline, Start of Project:

Start Date for Project:

Spring 2021 (~May-July)

Timeline, Completion of Project:

Completion Date for Project:

All work needs to be completed and billed by December 2023.

Additional Requirements and /or Conditions:

Please feel free to reach out with questions.

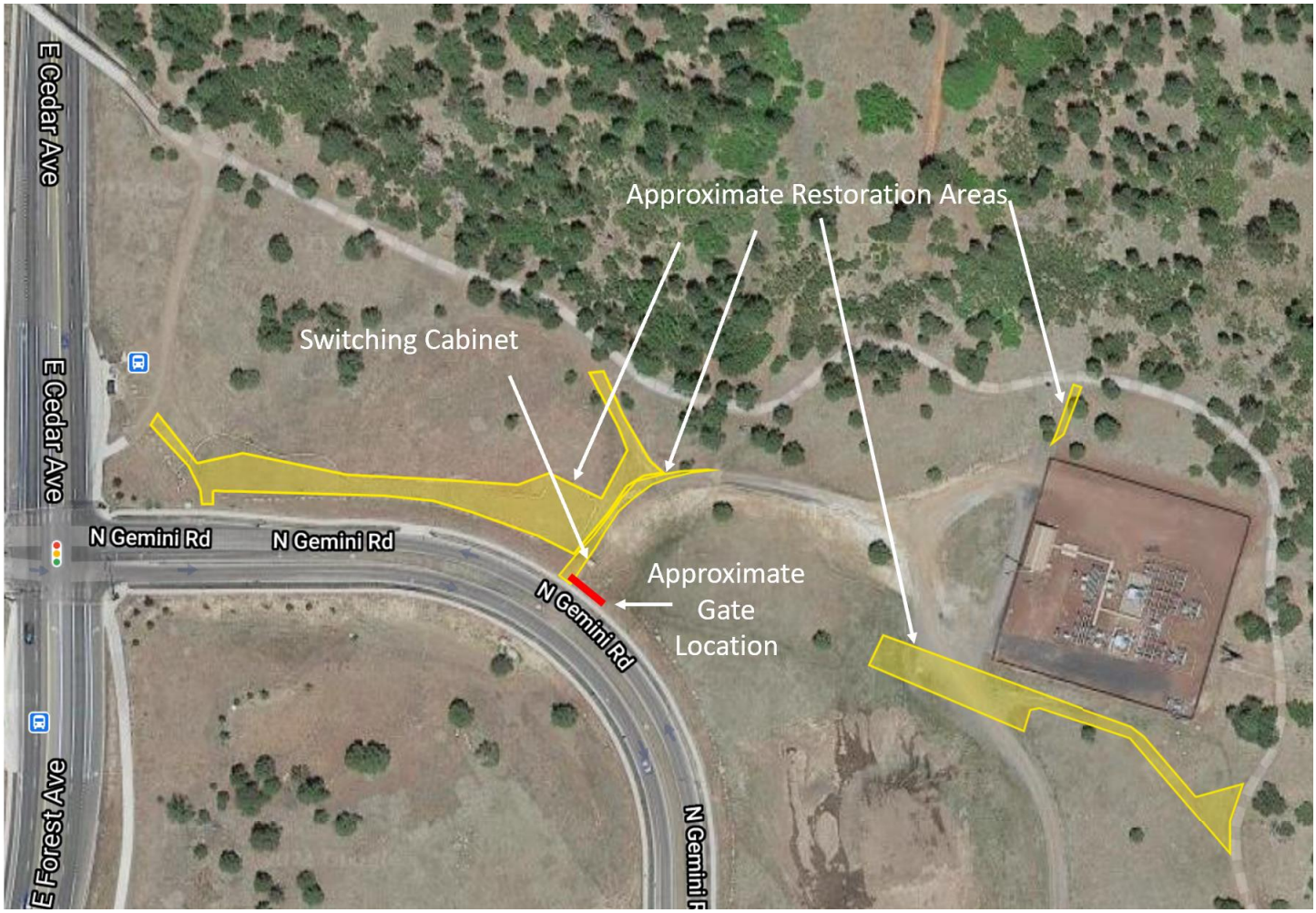
How to be Considered:

Please submit a Quote of Services that outlines the project work to be completed within the requirements, your availability, qualifications, and a cost estimate. This needs to be submitted to the Open Space Program, preferably via e-mail (Robert.wallace@Flagstaffaz.gov) within two weeks (May ___, 2021 COB).

Selection Process and Notification:

The Quote of Service will be reviewed including the project work outlined, your availability, qualifications, and the cost estimate. The Open Space Program may follow up this review with specific questions that pertain to the work project completion, your experience, your ability to complete the work, and your familiarity and comfort level of completing work in the proposed area.

You will be notified regarding your quote submission via e-mail.



Map/Exhibit A: McMillan Mesa restoration areas and vicinity map.

Exhibit "C"

Seeding Restoration Guidelines

Complete revegetation work according to Flagstaff City Code Engineering Standards (Title 13, Chapter 17), https://www.codepublishing.com/AZ/Flagstaff/ *with the following changes*:

IMPACT PREVENTION

- Provide tree resource protection on the City Property. Work conducted shall include preventing physical injury to trunk and crown, root cutting, soil compaction, and smothering roots by adding soil. Temporary snow fencing shall be placed around each tree within the corridor and within 10 feet of the work area. Snow fencing shall be set approximately 6 inches from the trunk for each inch of trunk diameter. Snow fenced areas around trees shall be kept clear of building material, waste, and excess soil. No digging, trenching or other disturbance shall occur in the snow fenced zones.
- During project implementation, ensure exclusion of weed seed from entering the site on vehicles, in fill, on tools, etc.
- Notify the City immediately of any changes or plans that could affect the City Property, to include the Open Space Program (Robert.wallace@flagstaffaz.gov).

REHABILITATION

- Recontour disturbed areas by grading to restore the site to approximately the original contour of the ground.
- Uniformly spread topsoil over all the disturbed area. Spreading shall not be done when the ground or topsoil is frozen or wet. The work shall consist of seedbed preparation (surface ground has been tilled and then smoothed to break up large clods; also, areas that have been compacted by heavy materials or other operations should be ripped to a depth of at least 6 inches to ensure adequate permeability), create some depressions/topography to hold seed and water, sowing seed via broadcast seeding and lightly bury seed with some type of raking action, proper compaction of the seedbed, and covering seeding area with mulch or erosion control blankets
- Rake out tracks/signs of construction to reduce visibility at all points.
- Control erosion in accordance with Flagstaff City Code.
- Control erosion, sediment, and construction site debris/wastes on the project site by installing stormwater control measures (i.e., rock trackout pad, sediment wattles, silt fence, etc.) where appropriate.

SEED MIX/MULCH

- The type of mulch shall meet one of the following requirements:
  (a) Straw used for mulching shall be from oats, wheat, rye, or other approved grain crops and free from noxious weeds or other objectionable material.
  (b) Hay shall be of approved herbaceous mowings, free from noxious weeds or other objectionable material.
  (c) Erosion control blankets/matting free from noxious weeds or other objectionable material and biodegradable and safe for sensitive areas.
- Seed shall be planted in all disturbed areas with the seed mixture(s) listed below. The seed mixture(s) shall be planted in the amounts specified in pounds of pure live seed (PLS) per acre, at a rate of 25 pure live seeds per linear foot. There shall be no primary or secondary noxious weed seed in the seed mixture. Seed shall be tested, and the viability testing of seed shall be done in accordance with State law(s) and within three months prior to purchase. Commercial seed shall be either certified or registered seed. The seed mixture container

shall be tagged in accordance with State law(s).

- Seedbed preparation (surface ground has been tilled and then smoothed to break up large clods; also, areas that have been compacted by heavy materials or other operations should be ripped to a depth of at least 6 inches to ensure adequate permeability), sowing seed via drilling or broadcast seeding and lightly bury seed with some type of raking action (*hydroseeding shall not be used*), proper compaction of the seedbed, and covering seeding area with an erosion control blankets.
- Seed shall be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area (smaller/heavier seeds tend to drop to the bottom of the drill and are planted first). Appropriate measures to ensure this does not occur shall occur. Where drilling is not possible or inappropriate, seed shall be broadcast, and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre noted below are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by a 70% success rate or higher. Evaluation of growth will not be made before completion of the growing season after seeding.

Seed mix shall consist of:

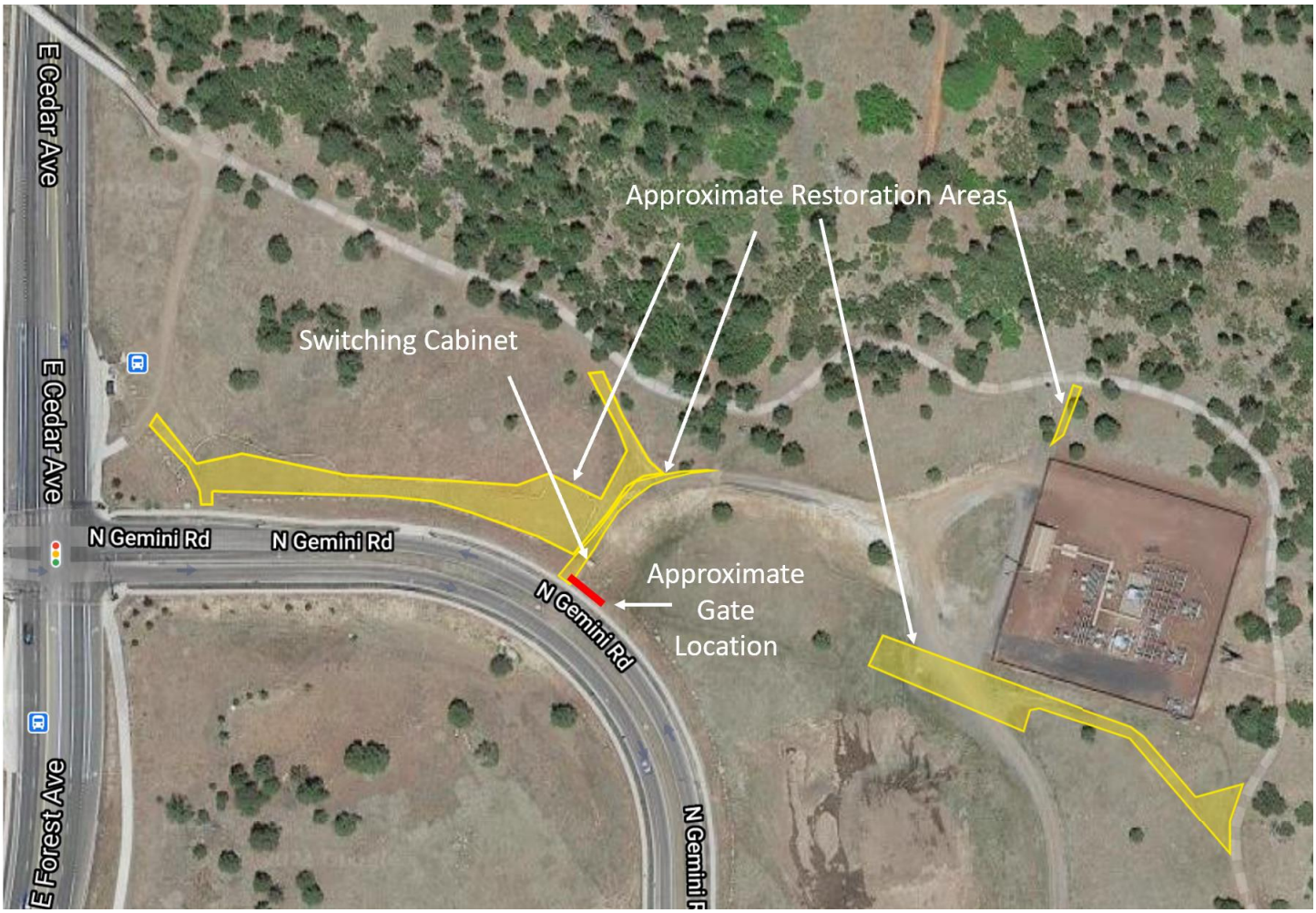
Common Name	Species Name	lbs PLS/acre
Sideoats grama	Bouteloua curtipendula	2.9
Blue Grama	Bouteloua gracilis	1.1
Little Bluestem	Schizachyrium scoparium	1.7
Bottlebrush Squirreltail	Elymus elymoides	3.6
Arizona Fescue	Festuca arizonica	1.2
Prairie junegrass	Koeleria macrantha	0.5
Western wheatgrass	Pascopyrum smithii	4.3
Muttongrass	Poa fendleriana	0.7

- Sowing native seeds shall take place at the appropriate time to promote survival. The best time of year is considered late October – early November for the Flagstaff area. Considering this, work shall be completed as soon as feasible.
- Seeding shall be repeated if a satisfactory stand is not obtained as determined a 70% survival rate after the previous year's growing season.
- The contractor will provide a monitoring and maintenance plan approved by the Open Space Program for determining the seed survival rate and associated mitigation steps.

MAINTENANCE

- Provide invasive plant mitigation for two years prior to seeding, at the appropriate time of year to prevent seed dispersal targeting Scotch Thistle, Bull Thistle, Yellow Star Thistle, and Diffuse Knapweed. It typically takes about three years for grass plants to mature and fill the space, during which time, keeping weeds from being established in the disturbed area is critical.
- Remove all temporary snow fencing placed around trees within the corridor and around the work area. Snow fencing shall be set approximately 6 inches from the trunk for each inch of trunk diameter.
- Once seed cover has been established, remove all non-biodegradable stormwater control measures (i.e., rock trackout pad, sediment wattles, silt fence, etc.).

Exhibit "D"
Approximate Gate Location



After recording, return to:
City Clerk
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

FIRST AMENDMENT TO INGRESS AND EGRESS EASEMENT

The Ingress and Egress Easement granted by the City of Flagstaff, an Arizona municipal corporation ("Grantor"), to US West Wireless LLC, an Arizona limited liability company ("Grantee") and recorded in the official records of Coconino County, Arizona on August 9, 2000 at Document No. 3059722, is hereby amended as follows.

1. The easement area shall consist of that area legally described and depicted in the attached "Exhibit A". For reference purposes, the easement area is located in Coconino County Assessor Parcel Number 109-02-001S.

All other terms and conditions of the easement remain unchanged.

IN WITNESS WHEREOF, Grantor has caused this First Amendment to Ingress and Egress Agreement to be executed this ____day of _____, 2021.

GRANTOR: City of Flagstaff

_____
Paul Deasy, Mayor

STATE OF ARIZONA)
)ss
County of Coconino)

ACKNOWLEDGMENT. On this ____ day of _____ 2021, 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 (s)he executed the same for the purposes therein contained.

_____
Notary Public

My Commission Expires:

_____

8. F.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Paul Santana, IT Manager
Co-Submitter:	Stacey Brechler-Knaggs
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Lease Amendment: Lease No: GS-09B-LAZ00170 to issue a Notice to Proceed and provide lump sum payment procedures, to provide underground fiber and conduit installation, for the United States Geological Survey (USGS) facilities located at 2255 North Gemini Drive, Flagstaff, AZ 86001

STAFF RECOMMENDED ACTION:

Approve the Lease Amendment No 1 to incorporate the Section 7.02 - NOTICE TO PROCEED - Underground Conduit Installation.

Executive Summary:

The General Services Administration (GSA), under clause 552.270-21 - Changes of the lease, may make changes which Lessor must accept. The clause provides for monetary allowances for any changes which cause an increase in costs associated with the performance of the lease. The amendment submitted by the GSA places a prohibition on contracting for certain telecommunications and video surveillance services and equipment. We are already in compliance with this change and will remain in compliance of this change without any additional costs associated with performing our obligations under the lease.

This lease amendment is to include Section 7.02 Notice to proceed - Underground Conduit Installation. This work includes a cost estimate in the amount of $238,676.84 for fiber and conduit installation at the USGS facility, to be completed by Aspen Communications. City will contract for this work, and USGS will reimburse City. The conduit will be used for USGS, and the City may use excess capacity for City purposes.

Financial Impact:

None anticipated. Approval of this lease amendment will allow fiber and conduit work to move forward at the USGS facility, in the amount of $238,676.84. The USGS (GSA) leasee will make a lump sum payment to City of Flagstaff in the amount of $238,676.84, to cover the entire cost of the work to be performed by Aspen Communications (a State Contract service provider).

Policy Impact:

None

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Sustainable, Innovative Infrastructure:
Deliver outstanding services to residents through a healthy, well-maintained infrastructure system.

Robust Resilient Economy:
Grow and strengthen a more robust, diverse, and resilient economy.
Maintain and enhance an effective business recruitment, retention, and expansion program.
Attract employers that provide high quality jobs and have a low community impact

Regional Plan

None

Has There Been Previous Council Decision on This:

Yes, the original Lease dates back to 1996, and ten amendments/extensions have been approved over the years. Copies of the Lease and amendments thereto are on file with the City Clerk, and available for public inspection upon request.

Background/History:

The USGS Campus was established at its current location in 1963. Originally, it was the base of operations for scientists involved in astrogeology related to the Space Program. Since that time, the campus has expanded to include scientists involved in geology, geography and water resources, as well as astrogeology. Today, the USGS Campus employs over 200 scientific personnel. The City of Flagstaff owns the buildings on the USGS campus with the General Services Administration (GSA) under lease.

This lease amendment will allow critical infrastructure updates to be performed at the USGS facility. Upgrading to dedicated fiber connections in a City-owned conduit will allow for a much faster connection to the USGS facilities, which will bring the facility's network capabilities up to date to allow for greater bandwidth, data processing, and productivity.

Expanded Financial Considerations:

The agreement will allow a lump sum payment to cover the entire construction costs from USGS GSA, directly to the City of Flagstaff. The City will manage the project and contract the work out to Aspen Communications, a State Contract service provider.

Community Benefits and Considerations:

The amendment will allow for critical infrastructure improvements to the USGS facility, a City of Flagstaff-owned property. Eventually, this work will also benefit the Northern Arizona Center for Entrepreneurship and Technology (NACET) facility, by providing a pathway for fiber to the facility.
The USGS Campus has provided an array of economic benefits to the Flagstaff community. Currently, the facility employs over 200 people in the scientific sector, most of which are in high-paying jobs. There is a strong connection between NAU and the USGS Campus that creates a synergy for the growth of both facilities.

Attachments: Lease Amendment
USGS Map

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1 TO LEASE NO. GS-09B-LAZ00170
ADDRESS OF PREMISES 2255 North Gemini Drive Building 6 Flagstaff, AZ 86001	PDN Number:PS0048751

THIS AMENDMENT is made and entered into between

City of Flagstaff

whose address is: 211 West Aspen Avenue, Flagstaff, AZ 86001

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to issue a Notice to Proceed and provide lump sum payment procedures.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective **upon execution by the Government** as follows:

Section 7.02- NOTICE TO PROCEED- UNDERGROUND CONDUIT INSTALLATION, is hereby added to the lease as follows:

"**Section 7.02 NOTICE TO PROCEED- UNDERGROUND CONDUIT INSTALLATION**

A. The Lessor has provided a Cost Estimate for the work defined by the cost proposal hereby attached to this lease amendment in the amount of **$238,676.84**. The Government has reviewed the Lessor's Cost Estimate and has determined the costs to be fair and reasonable. A Notice to Proceed for the associated work is hereby issued."

This Lease Amendment contains 3 pages.

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

_____

Name: _____

Title: _____

Entity: _____

Date: _____

FOR THE GOVERNMENT:

_____

Name: _____

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

WITNESSED FOR THE LESSOR BY:

_____

Name: _____

Title: _____

Date: _____

B. At the request of the Government, the Lessor shall provide construction, inclusive of all ancillary and related costs and services necessary for the alteration work, pursuant to the Government approved design; and in accordance with this Lease Amendment No 1 GS-09B-LAZ00170.

C. The Government upon receipt of an acceptable invoice shall make a "LUMP SUM" payment, within 30 days, after completion and acceptance of the work by the Government. Payment will be due only for items which are set forth herein or changes requested in writing by the Contracting Officer.

D. The Lessor shall have no right to require the Government to restore the Premises upon termination of the Lease, and waives all claims against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the Premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Premises regardless of whether such alterations are performed by the Lessor or by the Government. At its sole option, the Government may abandon property in the Space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

E. INVOICING FOR COMPLETION OF WORK: The invoice shall annotate the name and address of the Lessor (the Lessor must match the name and address in the Governments vendor file), a "PS Number" will be sent to you after the Government executes this Lease Amendment. The Lessor shall submit an original and one copy of the invoice for the construction drawings, which must annotate the "PS Number." The Original Invoice shall be submitted either electronically to the Finance website at HTTP://WWW.FINANCE.GSA.GOV or mailed to:

GSA, Greater Southwest Finance Center (7BCP)
P.O. Box 17181
Fort Worth, TX 76102

A copy of the invoice shall be simultaneously submitted to the Contracting Officer electronically at:

ANDREW.PAULSEN@GSA.GOV

F. Lessor will own and maintain the conduit in good condition for benefit of Government. Additional conduit space may be used for additional services in the future by Lessor City or other community partner, subject to Government written approval."

USGS Underground Conduit Installation Pricing Proposal is hereby attached to this lease amendment.

USGS Underground Conduit Installation Pricing Proposal Attached to GS-09B-LAZ00170

PROJECT SPECIFIC EXCLUSIONS

- 120V AC Raceways and Outlets
- Building Grounding Source
- Active Components (ie: Routers, Switches, UPS's, Computers, Etc.)

Labor Line Items

16750 - BUILDING ENTRANCE TERMINAL/DATA CENTER TELECOM ROOM (BET/TR) BUILDOUT
INSTALL FIBER OPTIC CABLE TERMINATION HARDWARE AT BUILDING 6 DATA CENTER (DC)/TELECOMMUNICATIONS ROOM (TR)-663
16700 - CABLE PATHWAYS
INSTALL (1) NEMA 3R WALL-MOUNTED PULL BOX ON NORTHWEST OUTSIDE CORNER OF BUILDING 6, ROOM 652
INSTALL (2) 4" EMT CONDUITS (100') FROM WALL-MOUNTED OUTSIDE PULL BOX TO DCTR-663
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (800') - EXISTING HAND HOLE #7510 (EHH-7510) TO NEW PULL BOX #3 (NPB#3)
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (800') - EXISTING HH7510 TO NPB#3
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (400') - NPB#3 TO NEMA 3R AT BUILDING 6 OUTSIDE WALL
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (400') - NPB#3 TO NEMA 3R AT BUILDING 6 OUTSIDE WALL
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (100') - NEMA 3R AT BUILDING 6 OUTSIDE WALL TO DCTR-663
PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (100') - NEMA 3R AT BUILDING 6 OUTSIDE WALL TO DCTR-663
16720 - OSP FIBER CABLE PLACING
PLACE (1) 24 SINGLEMODE OSP FIBER CABLE (1,400') - EHH-7510 TO BUILDING 6 DCTR-663
PLACE (1) 96 SINGLEMODE OSP FIBER CABLE (1,250') - NEW HAND HOLE #1 (NHH#1) TO BUILDING 6 DCTR-663
16740 - TELECOM ROOM TERMINATIONS/SPLICING
TERMINATE (120) SINGLEMODE OSP CABLE FIBERS AT BUILDING 6 DCTR-663
16770 - TESTING
OLTS TEST (120) SINGLEMODE OSP FIBER STRANDS
16760 - LABELING
LABEL (2) OSP FIBER CABLE ENDS & TERMINATION HARDWARE AT BUILDING 6 DCTR-663
LABEL (2) OSP FIBER CABLES AT (5) HAND HOLES/PULL BOXES

Materials Line Items

MFG.	*PART #*	*DESCRIPTIONS*	*QUANTITY*
CORNING	096EUC-T4101D20	96 STRAND, SINGLEMODE (OS2), LLT, ARMORED, ALTOS FIBER CABLE	1,300'
CORNING	024EUC-T4101D20	24 STRAND, SINGLEMODE (OS2), LLT, ARMORED, ALTOS FIBER CABLE	1,400'
CORNING	CCH-04U	RACK-MOUNTED, 4RU, CLOSET CONNECTOR HOUSING (CCH)	1
CORNING	CCH-02U	RACK-MOUNTED, 2RU, CLOSET CONNECTOR HOUSING (CCH)	1
CORNING	CCH-CP12-B3	CCH, 12 FIBER APC, SINGLEMODE, LC CONNECTOR HOUSING PANEL	10
CORNING	95-200-99	UNICAM, SINGLEMODE, APC, LC CONNECTOR	120
CORNING	FAN-BT36-12	12 FIBER BUFFER TUBE FAN-OUT KIT, 36" LEGS	10
CORNING	FDC-CABLE-GRND	ARMORED CABLE GROUNDING KIT	4

MAXCELL	MXE86383BL2650	MAXCELL EDGE, 4.00", 3-CELL STANDARD, BLUE WITH 1250# TAPE	5,200'
FIBERPLUS	DVT-S3	BARE FIBER ADAPTER KIT	1
ALLIED	101790	4" EMT CONDUIT	200'
ZORO	RHC242408	NEMA 3R PULL BOX - 24"x24"x8"	1
CPI	10250-712	12"X10' UNIVERSAL CABLE RUNWAY	1
CPI	11421-712	WALL ANGLE SUPPORT KIT, CABLE RUNWAY - 12"	1
CPI	11302-701	JUNCTION-SPLICE KIT	2
CPI	10608-701	VERTICAL WALL BRACKET	2
CPI	40164-001	CABLE RUNWAY GROUNDING KIT	2
CPI	11309-001	FOOT KIT, CABLE RUNWAY	1
ARNCO	BLWP12-1000	1250 lbs. HIGH STRENGTH CONDUIT MEASURING "MULE" TAPE	2
		LOCKJAW PULL BOX SECURITY COVER	2
CONDUMEX	5K-0601-5	#6 AWG, STRANDED, GROUND WIRE - GREEN INSULATION	100'
		CONSUMABLES (VELCRO, MOUNTING HARDWARE, LABELS, ETC.)	1

OSP FIBER OPTIC CABLING & PATHWAYS INSTALLATION PRICE

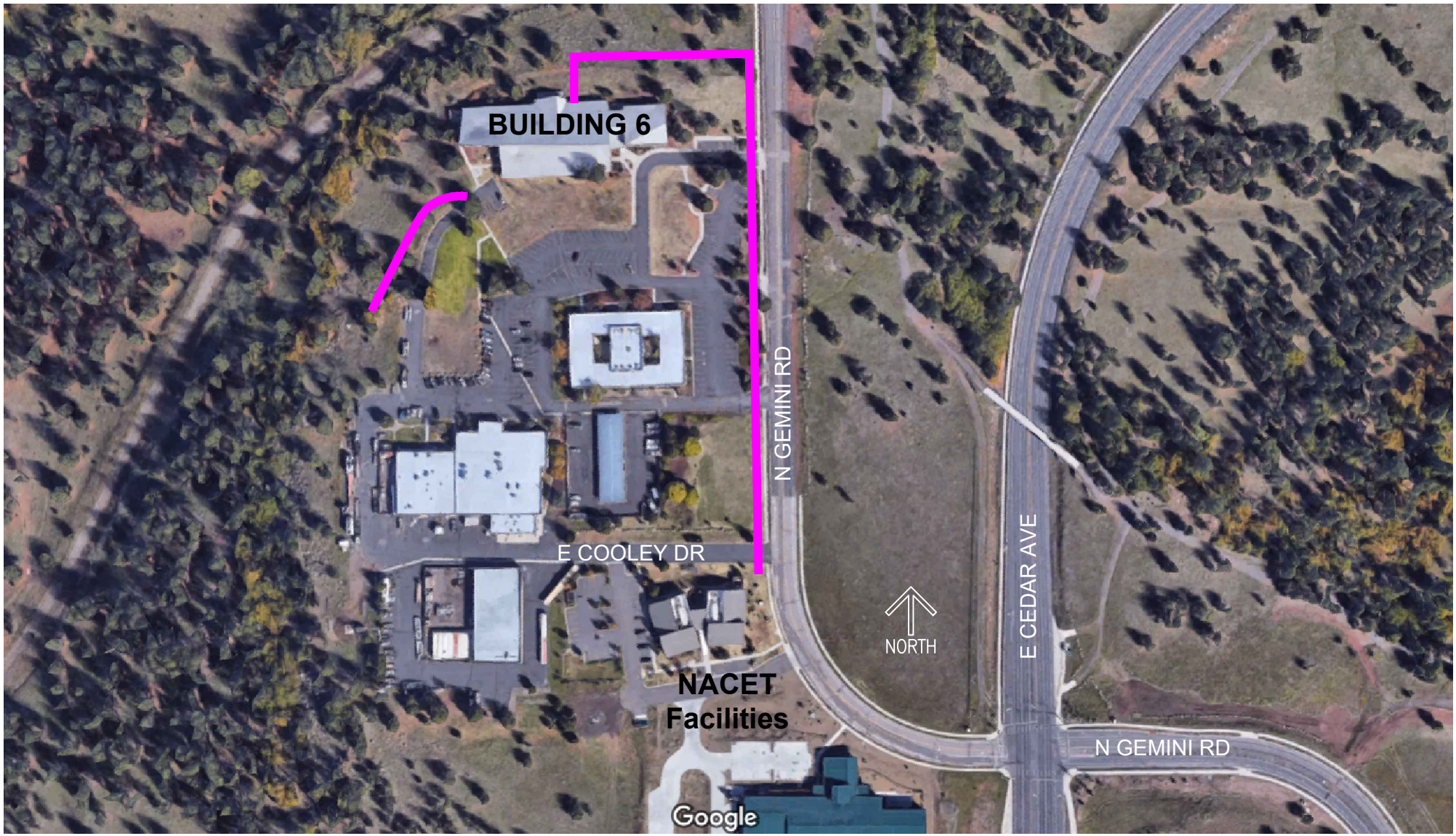
Aspen Communications Labor:		$37,625.92
Aspen Communications Materials:		$35,265.92
Excavation Subcontractor (Labor & Materials):		$169,704.00
Total (Installation)		**$242,595.84**
USGS Service Provider OSP Cabling Credit		
Labor	$2,464.00	
Materials	$1,455.00	
	–	$ 3,919.00
GRAND TOTAL		**$238,676.84**

Execution: All work to be performed by BICSI and/or product-specific certified Installers and Technicians. Project Site Manager will be a BICSI certified Technician with OSHA 30. Project oversight will be provided by a BICSI certified Registered Communications Distribution Designer with Outside Plant certification. Technicians are OSHA Certified.

Standards and Codes: Complete structured cabling system will conform to TIA/EIA-568A, TIA/EIA-569B, TIA/EIA-606A, TIA/EIA-607A, TIA/EIA-72, TIA/EIA-67, TIA/EIA-TSB75, TIA/EIA-758 and all applicable State and local codes.

Warranty: Manufacturer warranty will apply plus Aspen's standard 1-year workmanship warranty.

Access: Owner will provide unhindered access to all work areas during the course of the job. Unwarranted delays, acts of God excluded, will be subject to additional charges.


BUILDING 6
N GEMINI RD
E COOLEY DR
NORTH
E CEDAR AVE
NACET
Facilities
N GEMINI RD
Google

8. G.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Paul Santana, IT Manager
Co-Submitter:	Stacey Brechler-Knaggs
Co-Submitter:	Stacey Brechler-Knaggs
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Contract: Approval of a cooperative purchase contract with Aspen Communications for the completion of underground conduit and fiber installation at United States Geological Survey (USGS) Building 6 located at 2255 North Gemini Drive, Flagstaff, AZ 86001.

STAFF RECOMMENDED ACTION:

1) Approve the agreement with Aspen Communications to provide underground conduit and fiber installation work at the USGS Building 6, in the amount of $238,676.84; and
2) Authorize the City Manager to execute all necessary documents.

Executive Summary:

Per the USGS lease agreement NO: GS-09B-LAZ00170 recently amended to include Section 7.02 NOTICE TO PROCEED - UNDERGROUND CONDUIT INSTALLATION, the City of Flagstaff will manage the project of adding underground conduit and fiber at the USGS Building 6, a City owned property. The work will be performed by Aspen Communications, an AZ State Contract service provider (Contract No. ADS017-169124, Cabling Communication Systems-Northern AZ Region), in the amount of $238,676.84. Per the amended lease agreement, General Services Administration (GSA) will make a lump sum payment to the City of Flagstaff to cover all construction costs associated with the project.

Financial Impact:

Work will be performed by Aspen Communications, an AZ State Contract service provider, in the amount of $238,676.84. Per the lease amendment #1, General Services Administration (GSA) on behalf of USGS will make a lump sum payment to the City of Flagstaff to cover all construction costs associated with the project. The budget for this project is in the USGS Facility Section in account 001-06-153-0536.

Policy Impact:

None.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Sustainable, Innovative Infrastructure:
Deliver outstanding services to residents through a healthy, well-maintained infrastructure system.

Robust Resilient Economy:
Grow and strengthen a more robust, diverse, and resilient economy.
Maintain and enhance an effective business recruitment, retention, and expansion program.
Attract employers that provide high quality jobs and have a low community impact.

Has There Been Previous Council Decision on This:

None.

Background/History:

The USGS Campus was established at its current location in 1963. Originally, it was the base of operations for scientists involved in astrogeology related to the Space Program. Since that time, the campus has expanded to include scientists involved in geology, geography, and water resources, as well as astrogeology. Today, the USGS Campus employs over 200 scientific personnel. The City of Flagstaff owns the buildings on the USGS campus with the General Services Administration (GSA) under a lease.

This contract approval will allow critical infrastructure updates to be performed at the USGS facility. Upgrading to dedicated Fiber connections in City-owned conduit will allow for a much faster connection to the USGS facilities, which will bring the facility's network capabilities up to date to allow for greater bandwidth, data processing, and productivity.

Expanded Financial Considerations:

The agreement will allow a lump sum payment to cover the entire construction costs from GSA, directly to the City of Flagstaff. The City will manage the project, and contract the work out to Aspen Communications, an AZ State Contract service provider.

Community Benefits and Considerations:

This contract approval will allow for critical infrastructure improvements to the USGS facility, a City of Flagstaff owned property. Eventually this work will also benefit the Northern Arizona Center for Entrepreneurship and Technology (NACET) facility, by providing a pathway for fiber to the facility.
The USGS Campus has provided an array of economic benefits to the Flagstaff community. Currently, the facility employs over 200 people in the scientific sector, most of which are in high paying jobs. There is a strong connection between NAU and the USGS Campus that creates a synergy for the growth of both facilities.

Attachments:

COF coop contract 2021-95
USGS Scope of Work w/ diagram
Exhibit A - USGS Cost Proposal
Exhibit B - Aspen State Contract
Aspen Contract Amendment
Aspen Contract Extension
USGS Map

COOPERATIVE PURCHASE CONTRACT
Contract No. 2021-95

This Cooperative Purchase Contract is made and entered into this _____ day of _____, 20_____by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and Aspen Communications, a state of Arizona Limited Liability Corporation ("Contractor").

necessary

RECITALS:

A. The Contractor is a fully authorized vendor of communication cabling systems;

B. Contractor holds a Contract No. # ADS017-169124 with the State of Arizona Procurement Department, Public Sector to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process; and

C. Contractor is a dealer as described in the Agency Contract; and

D. The City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract.

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Materials and or Services Purchased: Contractor shall provide to City the materials and or services, as specified in the Purchase Order(s) and/or Scope of Work submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased:

Underground conduit and fiber installation at
United States Geological Survey (USGS) Building 6

2. Specific Requirements of City: Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or ***Exhibit A***, **Scope of Work**, attached hereto and incorporated by reference.

3. Payment: Payment to the Contractor for the materials and or services provided for **two hundred thirty-eight thousand, six hundred and seventy-six dollars and eighty-four cents ($238,676.84) including other fees and taxes**; made in accordance with the price list and terms set forth in the Agency Contract.

4. Terms and Conditions of Agency Contract Apply: All provisions of the Agency Contract documents, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein. The Agency Contract documents are set forth in ***Exhibit B*** attached hereto and incorporated by reference. Contractor is responsible for promptly notifying City in

writing of any changes to the Agency Contract, including, specifically changes in price for the materials.

5. Certificates of Insurance: All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance required by the Agency Contract.

6. Term: This Cooperative Purchase Contract shall commence upon execution by the parties and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

7. Renewal: This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

Aspen Communications:

By:_____

Title:_____

CITY OF FLAGSTAFF

By:_____

Title:_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
City Attorney's Office

EXHIBIT A
SCOPE OF WORK

Quote from Aspen Communications (attached)

EXHIBIT B
AGENCY CONTRACT

Arizona State Contract # ADS017-169124 (attached)

Scope of Work
Trenching Project

Location: The Department of Interior - DOI
U.S. Geological Survey - USGS
Flagstaff Science Campus - FSC
2255 North Gemini Drive
Flagstaff, Arizona 86001

Scope: The Contractor shall dig and/or bore a trench to install conduit and data fiber for the relocation of the campus data server. The Contractor shall dig and/or bore a trench to install conduit and communication wire to relocate the campus Telecommunication Demarcation point. The Contractor shall provide all supervision, labor, materials, and equipment and any other items necessary to complete the construction services required at the Flagstaff Science Campus.

Data Fiber Relocation: Data trench shall be routed from HH7510 to the north side of building 6, where it will enter the building and terminate at room 663. Room 663 will be the new location of the campus server.

- Dig and/or bore a trench from existing HH 7510 (Depicted in Figure 1) at the SW corner of Gemini and Cooley Drive. The new Data path will run along Gemini Dr north and turn 90 degrees west to the North side of Building 6.
- Data Trench: Install approximately 1,200 linear feet – 1 1/2" HDPE (High-Density Polyethylene) schedule 40 innerduct conduit along data path.
- Data Trench: Install approximately 1,200 linear feet - 4" HDPE (High-Density Polyethylene) schedule 40 innerduct conduit along data path.
- Primary 4 - inch diameter conduit for data path should be provided with 7 each 1 inch or 1-1/4 - inch diameter innerducts with a pull cord (Mule Tape) in each innerduct.
- Fiber Optic cables shall be provided by contractor, installed and tested.
- The data connections will need to be tested and verified prior to any cutover. This will mean concurrent access during the testing phase.

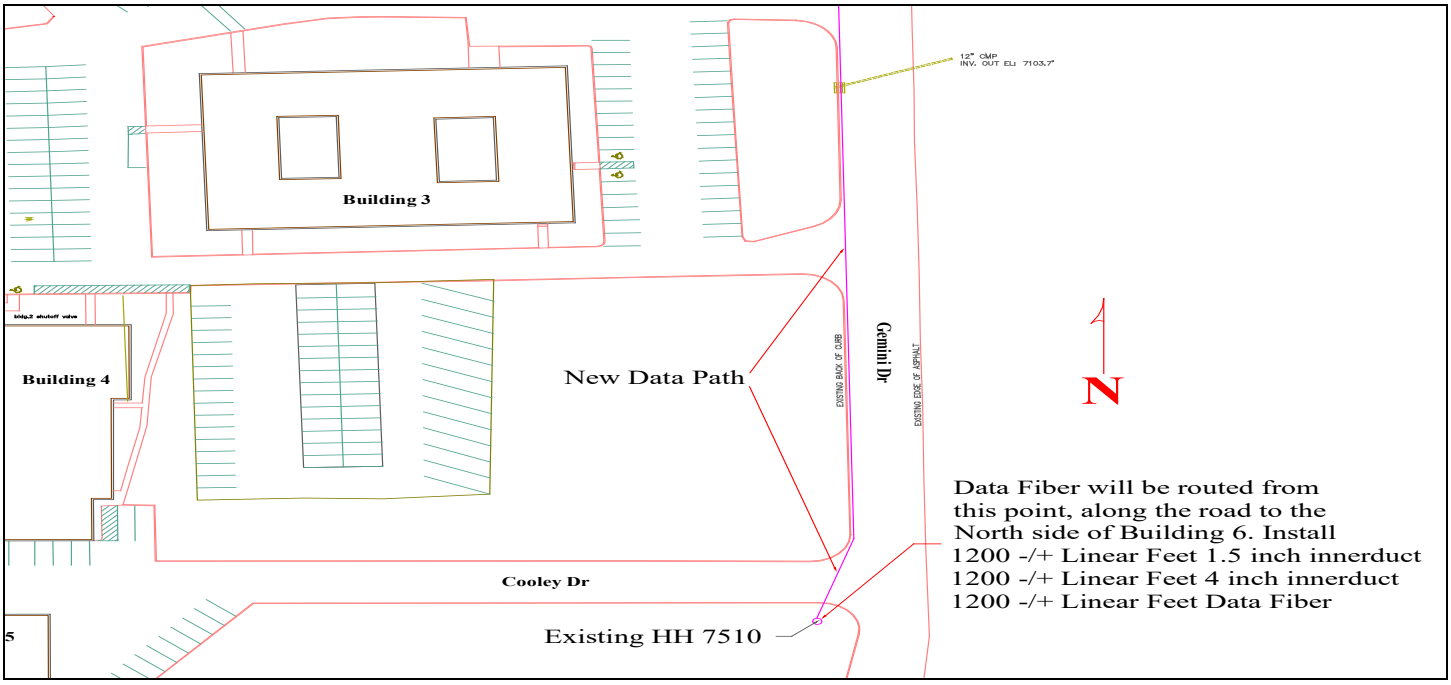


Figure 1: SE Section of Campus: *The current data service is provided out of the US West Handhole Box 7510 at the SW corner of N Gemini Dr. and Cooley Dr.*

- An approved weather proof fiber cable junction box shall be installed above ground, at the exterior NW corner of room 652. The conduit and fiber installation will continue into building 6 from this point, (see figure 2).
- The exterior surface mounted 4” and 1.5” conduit shall be made of steel material, schedule 80, to prevent crushing or damage of fiber cable.
- The conduit shall penetrate the soffit at the northwest corner of room 652 and travel through the ceiling to terminate in room 663, see figure 2.
- The data path enters building 6 at the NW corner of room 652 (Depicted in Figure 2). The 4” and 1.5” conduit for the fiber run will continue into the building above ground and above the suspended ceiling from this point and terminate in room 663.
- An appropriate junction box shall be installed on the east wall at the termination of the Fiber cable, in room 663.

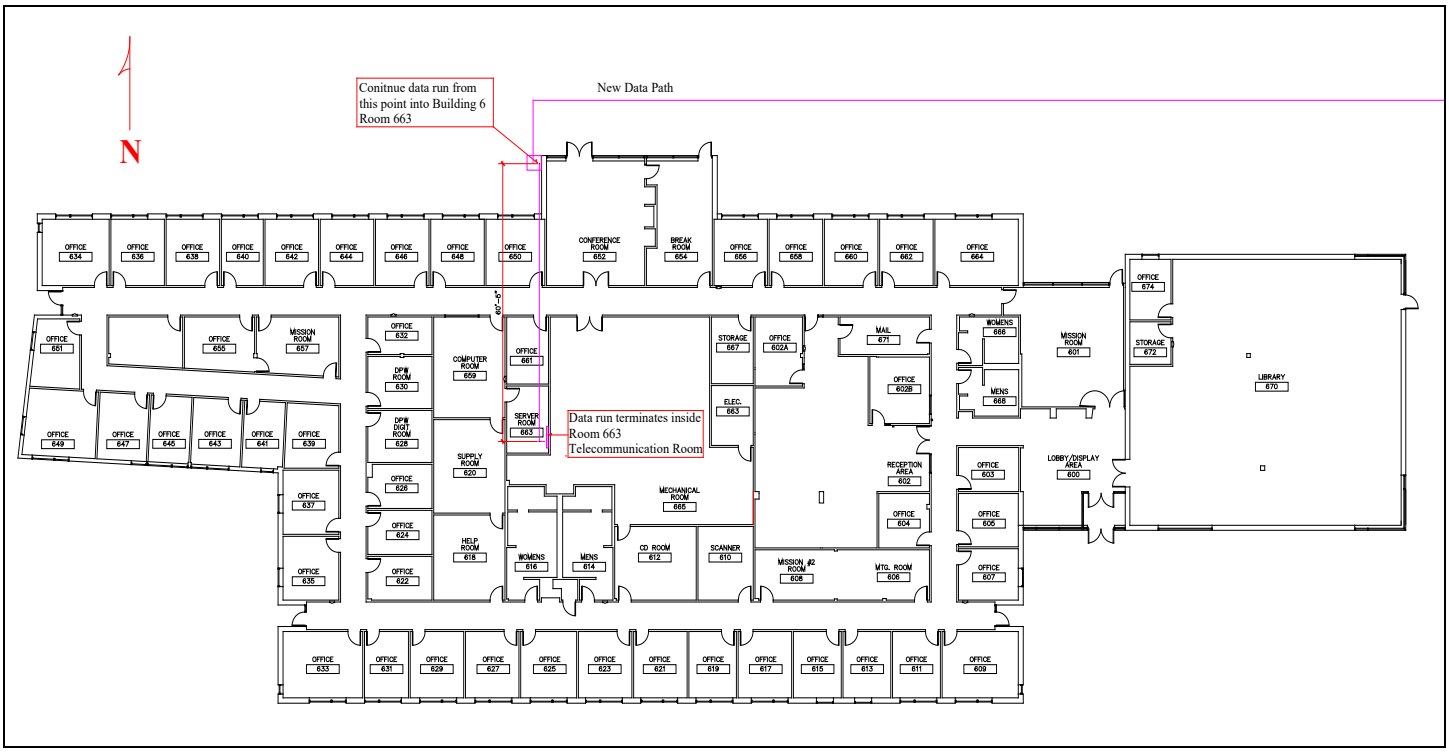


Figure 2: *Building 6 Data Fiber Installation*

Communication DMARC Relocation: The Contractor shall dig and/or bore a trench from the telephone riser located on the West side of the Campus (Depicted in Figure 3). Install a 4" HDPE schedule 40 conduit and stub up conduit next to the existing handhole at the SW corner of Building 6, also depicted in figure 3. Conduit will be stubbed up for a pedestal.

- Install approximately 260 linear feet - 4" HDPE schedule 40 conduit for telecommunication path (Southwest of Building 6)
- Install approximately 900 Linear feet – 2 each approximately 450 linear feet - 600 pair Telecommunication cable to relocate DMARC to Building 6.

The current DMARC on the south side of Building 4 (Depicted in Figure 4) connects to the telephone riser on the West side of campus. (See Figure 3). The telecommunication service will be rerouted from the telephone riser to building 6. The DMARC will be relocated to Building 6, south wall in room 663. The contractor shall Install approximately 260 linear feet of 4" HDPE schedule 40 conduit and stub the conduit up next to the existing handhole, depicted in the drawing below. The contractor shall also install 2 each, approximately 450 linear feet of 600 pair telecommunication cables to relocate DMARC to Building 6, room 663.

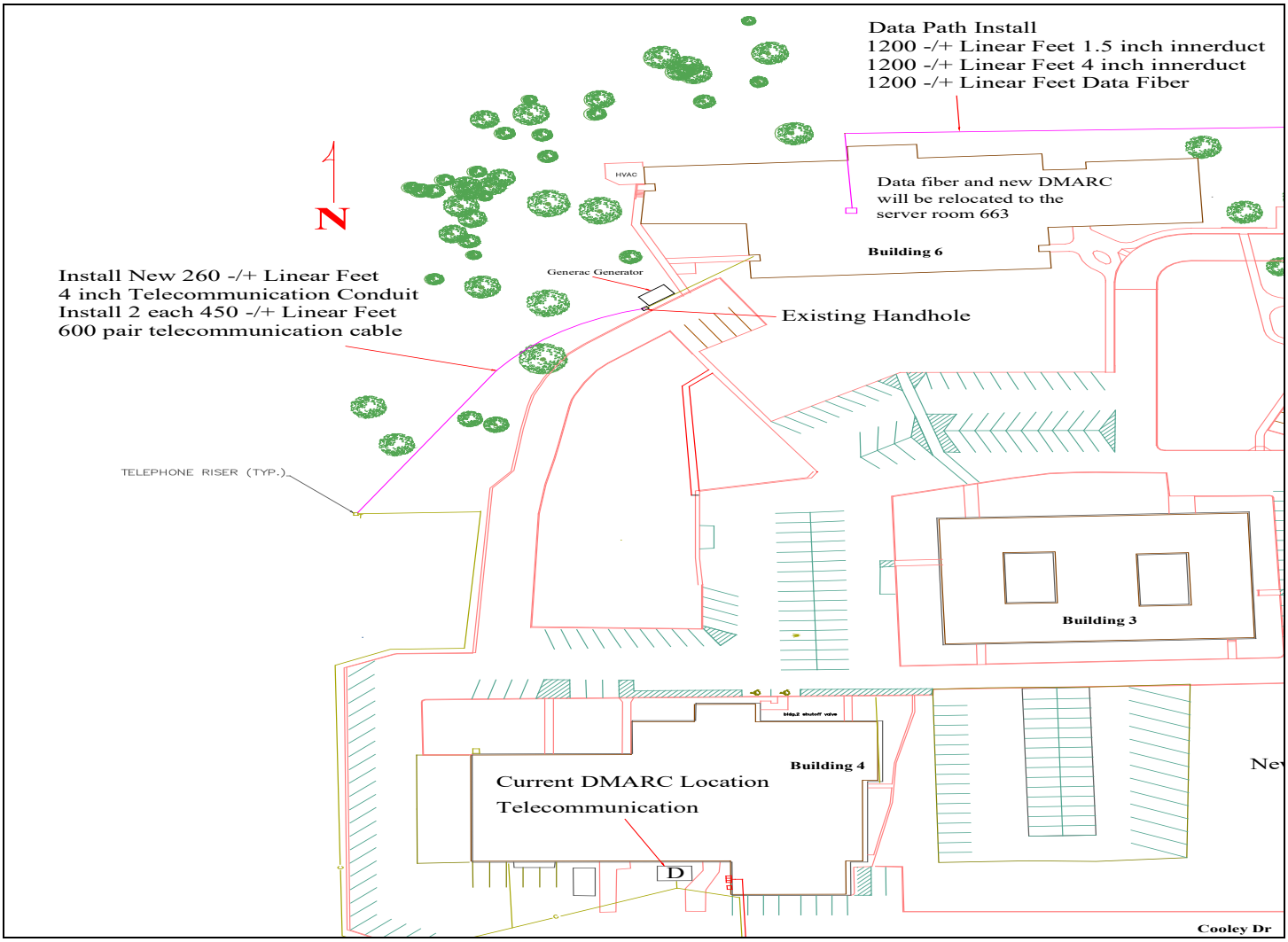


Figure 3: *NW Section of USGS Campus, Telecommunication Trench, proposed path of communication service to relocate DMARC.*

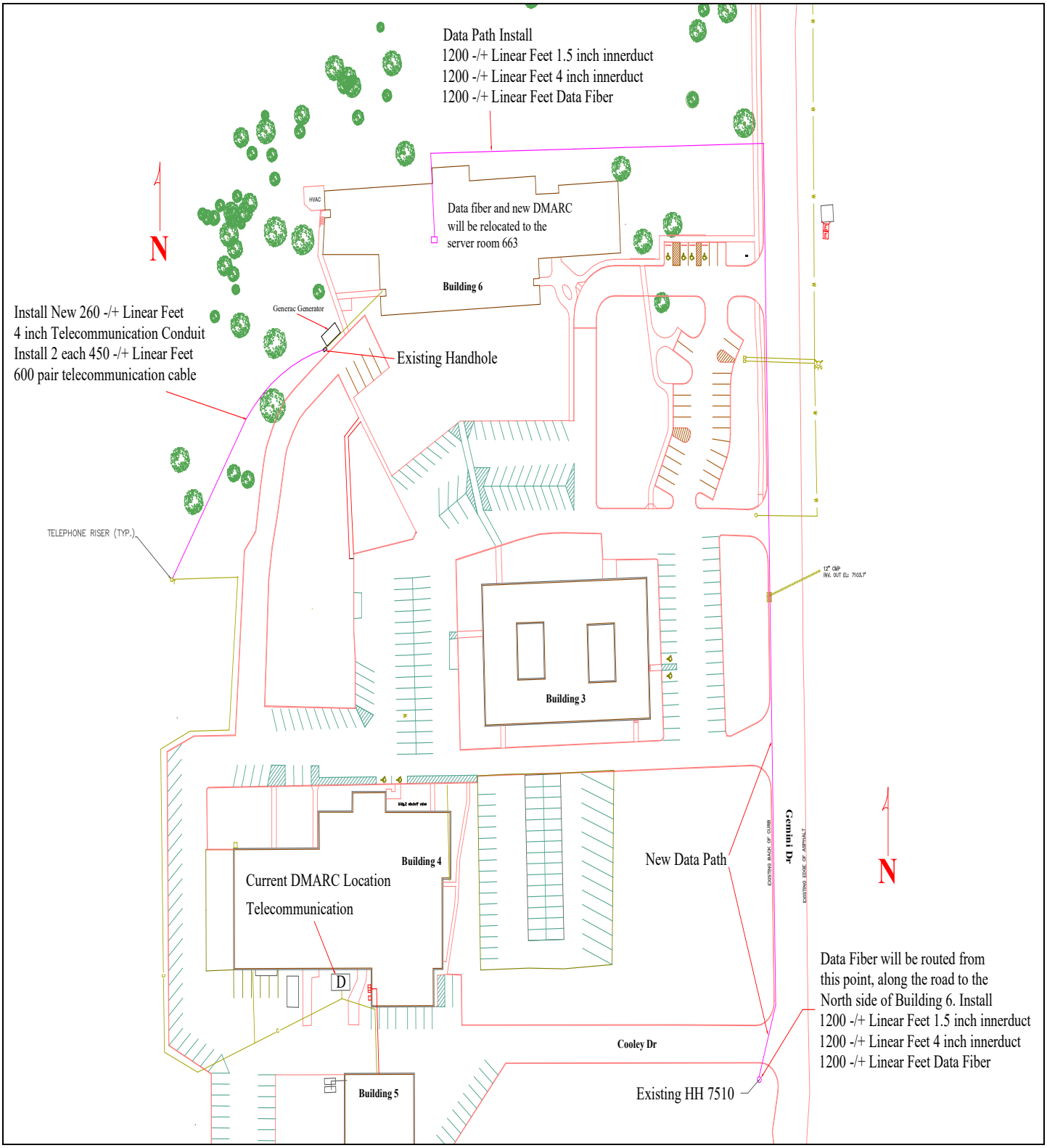


Figure 4: *Flagstaff Science Campus – Current telecommunication and data plan. Includes proposed path for Data and communication service.*

Deliverables:

The contractor shall provide engineered signed drawings to be approved by USGS and the City of Flagstaff.

The Contractor shall provide all supervision, labor, materials, and equipment and any other items necessary to complete the construction services required at the Flagstaff Science Campus.

Meeting Minutes: The Contractor shall take minutes of all conferences and other meetings with the USGS to include site visits, pre-construction meetings and shall provide a copy to the Technical Liaison for a concurrence signature.

Provide access points/handholes along the conduit path in accordance with telecommunication codes and standards for ease of fiber/cable installation.

Requirements:

Structures, including asphalt, pavement, concrete curb and gutter, concrete sidewalks that are damaged or removed for the purpose of this installation, shall be replaced in kind. There shall be no dirt mounds left behind. Disturbed landscape shall blend in with surrounding landscape.

The Contractor shall perform operation and testing and submit reports to the City of Flagstaff. The City of Flagstaff shall complete the final inspection.

A blue stake must be performed prior to any excavation or trenching of the data and communication path.

Conduits will be placed in each trenched and/or bored path. Each conduit will also be buried in sand (a layer above and a layer below). The conduits to be at a depth below the freeze line (36 inches). A tracer wire and warning tape must be installed 12 inches below the surface of the ground directly above each conduit, which will provide a way of locating and identifying the cable, its specific locations, and helps with damage prevention. If the pipes should be bored in, the pipe shall have a tracer wire attached.

Only steel conduits and fittings are accepted for above ground installation. Die cast, PVC or pot metal material is not acceptable. Schedule 80 steel pipe shall be used on exterior building surface.

Internal conduits that run exposed or in drop ceiling areas must be supported by trapeze type hangers. Unistrut or equal support systems are acceptable. If conduits run exposed on sheet rock or other surfaces, only two-hole straps are acceptable.

Coordinate with existing providers for accessibility to existing start points. CenturyLink (Voice) and Verizon (Data)

Conduits will not cross the central part of the campus.

Conduits to be installed parallel with building lines.

All junctions must have smooth edges to prevent wear on the cable.

All materials provided by contractor to be new and of premium quality.

Any electrical shut down to be preapproved by the USGS, at least 24hour notice prior to actual shut down date.

All curves and junction boxes will allow for the minimum required fiber bend radius. The minimum bend radius will be in accordance with the ANSI/TIA-568-C.0 standard.

Upon completion of exterior work, contractor to remove all trash from site and leave site landscaping as found.

Provide protection for existing trees in the area during construction.

Store all equipment and tools when not in use after each shift. USGS will not be held responsible for lost or stolen property.

All work will be performed Monday- Friday 7 AM to 4:30 PM unless prearranged.

Administrative:
Post award and issuance of the Notice to Proceed, a site visit shall be coordinated through the Technical Liaison.

All work shall comply with all Local, State and Federal requirements.

Contractor must have obtain all pertinent permits to work within local and state boundaries.0

Contractor shall obtain ROW (Right of Way) permit/permits through City of Flagstaff. This will require the contractor to submit a complete ROW application, construction drawings and/or site plan, traffic control plan and a copy of a certificate of Commercial General Liability Insurance at limits of a minimum of $1,000,000 per occurrence, naming the City as an additional insured per section 13-15-001-0001.B of the Engineering Standards.

Contractor shall coordinate and notify City Facilities and Roads Department of any demolition, modifications, new construction or temporary closures of City facilities prior to any construction.

Pre-construction Meeting:
Contractor will schedule and conduct a mandatory post award meeting, on site, with the Technical Liaison and FSC staff to review the requirements and conditions of this contract and to receive inputs and suggestions for scheduling specific elements of the work, mobilization, deliveries, etc. The Contractor's project manager, field superintendent and all subcontractors shall attend. An initial walk through safety inspection shall be performed at the post award meeting and prior to work beginning.

Time and Period of Performance:
All Contractor employees shall follow the FSC visitor sign-in procedures. The Contractor shall employ enough personnel and equipment to begin the work of this contract within ten (10) work days of the Notice to Proceed. Contractor shall notify the Technical Liaison in writing, seven (7) days prior to when construction is scheduled to begin. The Contractor shall submit a progress schedule within seven (7) days after receipt of the Notice to Proceed. The progress schedule shall be a chart which graphically depicts the proposed sequence to accomplish each work feature or operation. It shall show start dates and completion dates for each event on a horizontal time scale. The progress schedule time scale shall begin with the Notice to Proceed and indicate the number of days to completion. The schedule will be the reference to which the Contractor's progress and effort are compared. The Contractor shall not work Saturdays, Sundays, legal holidays, or non-normal working hours unless authorized by the Contracting Officer. Requests to work outside normal working hours shall be made in writing.

Safety:
On-site personnel reserve the right to stop work for any safety or environmental violation.

All open trenches are to be barricaded or otherwise guarded to prevent injury to persons.

Contractor shall have all protective equipment necessary to proceed and shall take all necessary precautions and measures to prevent injuries to anyone working in or entering the facilities.

Contractor shall take all necessary measures and precautions to control, protect, and avoid damage to or loss of any property on the work site.

Contractor operations shall be conducted in a safe and professional manner.

Contractor shall submit immediate notification and information concerning any accidents and incidents to the Technical Liaison. Detailed reports of all accidents or incidents shall be reported in writing within one week of occurrence to the Program Manager. Contractor shall provide OSHA Form 300, A Summary of Work-Related Injuries and Illnesses pertaining to their work to the Technical Liaison.

Demolition:
The Contractor shall schedule all demolition with the Technical Liaison prior to starting. The Contractor shall remove all materials as set forth in the Specifications and Plans.

New construction:
The contractor shall complete all work as specified in the Written Specification and as shown on the Drawings. The Contactor shall do field verifications to verify all measurements and quantities. The contractor shall point out any discrepancies between the Specification, Drawings, Statement of Work and existing conditions and drawings during the site tour.

Phasing:
The Contractor shall coordinate with the Technical Liaison on all phases of the project from start to finish.

Measurements:
It is the responsibility of the Contractor to field verify all measurements (including counting of items). All work listed shall be coordinated with the Technical Liaison.

Outages and Interruptions: The facility will continue normal operations during the performance of the contract. The Contractor shall notify the facility manager one week in advance if it becomes necessary to interrupt any function at the FSC. Any work that requires shutting down of a facility system, mechanical, electrical, etc., shall be planned for early morning or late afternoon to the maximum extent possible, to minimize the impact on the facility's operation. This would be least disruptive to staff. Work shall be performed when the demands on the system best permit, even to the extent of working outside of normal working hours at no additional cost to the government.

The Contractor shall not proceed without the written approval of the facility manager and not until such time, as provisions are made to modify the Center operations as required. All work as mentioned above shall be coordinated with the Technical Liaison and the facility manager. The contractor shall notify the Technical Liaison and facility manager in writing, one week in advance of the intended date to perform this work.

Organization at the Site:
Contractor parking will be in the dirt parking lot. The Contractor shall utilize the areas only within the project limits to perform work and for the storage of equipment, materials and trailers during the life of the contract.

Storage will be confined to areas approved by the facility manger or the Technical Liaison. The Contractor shall be responsible for the security of all tools, material and equipment.
The Contractor shall be responsible for making all arrangements for the receipt of materials and supplies at the job site. Government personnel are not permitted to receive or to sign for items delivered to the site. Deliveries may be received near the Building 5 Warehouse, but a clear lane must be maintained for other traffic, and vehicles may not permanently park in that area.

The Technical Liaison shall designate areas where the Contractor can store or place materials and equipment for short-term storage. There is limited on-site storage space of Contractor equipment and materials, and there is no indoor storage space available. Storage and security of materials and equipment as required for the performance of the contract requirements is the responsibility of the Contractor.

Transporting of Debris and Material:
The Contractor shall provide all equipment necessary for transporting construction debris from the job site to the dumpsters and for the stocking and transporting of materials to the job site.

Environmental Protection:
All work shall be accomplished in such a manner that all waste materials, pollutants, and potential pollutants shall be completely retrievable for disposal in a manner suitable to the Technical Liaison and in accordance with all applicable regulations and laws. At no time shall operations be attempted or permitted where or when such operations present a possibility of fouling the facility with waste materials, pollutants, or potential pollutants.

Site Cleanliness:
The Contractor shall clean up and dispose of daily, all rubbish and accumulated waste.

The Contractor shall provide dust protection and shall maintain cleanliness of the work site by promptly removing debris, tools and excess material, vacuuming carpeted floors, and wet-mopping tile floors.

The Contractor shall provide plastic sheeting and shall cover any & all remaining nearby furniture, carpet tile, floor tile, and computer and lab equipment to prevent any dust from settling directly on these items.

The Contractor shall remove tools and equipment and leave the premises clean at the completion of the project.

The Contractor shall repair or otherwise return to original condition, any parts of the existing facilities or grounds which becomes damaged, as a result, of the Contractor's work, except as otherwise specified and shall restore the site to its original condition, as approved by the Technical Liaison or Center Director and no additional cost to the Government.

There shall be no smoking in the FSC buildings. All personnel that smoke will do so in the designated smoking area.

Utilities:
The Government shall provide electricity to the contractor, only as a convenience, from existing Government outlets. The Government will not provide electrical assistance if Contractor's equipment does not conform to FSC's electrical power supply. Any long term or large capacity power supply requirements shall be provided by the Contractor. The Contractor shall provide portable restroom facilities for workers.

Specifications and Drawings: The Contractor shall submit to the Technical Liaison for review and approval, shop drawings of enough detail to indicate proposed materials conformance to specifications listed above. Shop drawings shall

also indicate proposed methods of connection to existing systems or structures. Contractor will deliver all submittals, Requests for Information (RFIs) and schedules to the Technical Liaison. Any request shall be presented to the site Technical Liaison for routing and approvals.

City of Flagstaff

Date: 7/20/2020
To: Whom it may concern
From: City of Flagstaff
Re: Flagstaff USGS Fiber Project Cost Proposal

The City of Flagstaff is responding to a Request for Proposal for the Flagstaff USGS per Lease LAZ00170.

The City of Flagstaff accepts your proposal. By accepting this proposal, we will need to enter into a contract for services and/or a reimbursable agreement. Please let us know who to work with regarding this agreement. In addition, this will require council approval since the amount exceeds our procurement threshold.

Per the proposal terms we will contract out the Scope of Work per our procurement rules and provide Project Management oversight on the job.

The costs breakdown is as follows:

- Cost of Fiber subcontractor (see attached quote) - $238,676.84
- City of Flagstaff Admin Fee (14%) - ~~$33,414*~~

*Admin fee waved as "in-kind" contribution from the City of Flagstaff as the conduit is installed on City owned property. This additional conduit space may be utilized for additional services in the future by the City or other community partner.

Grand Total = $238,676.84

Thank you,

Greg Clifton
City Manager

Information Technology
211 West Aspen Avenue, Flagstaff, Arizona 86001
Help Desk (928) 213-2800

The primary points of contacts for this project will be the following:

CJ Perry – IT Director
928-213-2821
cperry@flagstaffaz.gov

Secondary Contacts:

Craig Smith – Facilities Manager
928-213-2160
craig.smith@flagstaffaz.gov

Stacey Brechler-Knaggs, Grant/Contracts Mgr.
(928) 213-2227
sknaggs@flagstaffaz.gov

Aspen Engineering & Contracting
7 Kiji-Dava Circle, Suite A, Prescott, AZ 86301
www.aspentelco.com
P: 928.774.0992 | F: 928.214.9202

Date:	**July 20, 2020**
Project Name:	**U.S. Geological Survey (USGS) OSP Fiber Optic Cabling/Pathways Project**
Solicitation Number:	**Scope of Work & Installation Pricing Proposal**
Proposed for:	**U.S. Geological Survey (USGS)** **Flagstaff Science Campus** **2255 N. Gemini Drive** **Flagstaff, Arizona 86001**

Confidential Information: This document is privileged, confidential information, and protected from disclosure. As the recipient of this document, if you are an employee or partner responsible for delivering this to the intended party, you are hereby notified that dissemination, distribution, or copying of this information is strictly prohibited. If you have received this document in error, please notify Aspen immediately at 928-774-0992.

Aspen's Qualifications: Aspen provides design/build engineering, construction, and consulting solutions to the Federal, State and Local Government and commercial sector that increases flexibility, efficiency, resiliency, and reliability. We have partnered with large, medium and small firms to maximize the collective expertise to attain these goals. Our senior staff has served well over half a century in the Armed Forces and fully understands team concepts and accomplishing the mission. We offer only the very best in design, engineering, and construction. Our commitment to excellence has rewarded our customers with outstanding solutions for general construction and renovation projects, disaster response/recovery operations, and intricate work at historic sites.

Aspen Communications, LLC, doing business as Aspen Engineering & Contracting, founded in Arizona in 1999, is a licensed, bonded, and insured B-1 General Commercial Contractor (ROC297066), Low Voltage Electrical Contractor, (ROC145414), and Commercial Electrical Contractor (ROC248277), meeting all Arizona licensed contractor qualifications. Aspen offers solutions in design/build of Information Technology, Communications and Security Transport Infrastructure, computer network and IT services, intrusion detection and security systems, programmable logic control systems, specialty power systems, structured cabling and fiber optic installations, and technology consulting.

Aspen is a certified Service Disabled Veteran Owned Small Business (SDVOSB) and SBA 8(a) and HUBZone Company. A Baldrige Quality firm, Aspen adheres to quality as a byword in everything we do.

Aspen holds a GSA IT Schedule 70 Contract #GS-35F-0601W and GSA Security Schedule 84 Contract # GS07F184DA and is on Arizona State Cabling Contract.

Project Assumptions/Qualifications:

- It is assumed that the USGS will be supplying any information concerning safety issues with regard to any hazardous materials for disclosure to all ASPEN employees working on this Project.
- Any additional labor or materials requested by the owner not included in the scope of this response would constitute an adjustment to the scope of work and priced accordingly. All requests for a change order will be in writing and approved by the owner representative with the authority to do so. ASPEN will proceed when all parties agree.

Project Scope of Work

UNDERGROUND/INTRA-BUILDING PATHWAYS & SPACES

- ASPEN, in conjunction with USGS personnel, conducted a Site Survey of the proposed OSP Fiber Optic Cable Pathway for the Flagstaff Science Campus, located at 2250 North Gemini Drive. Based on this Site Survey, the following information was obtained in order to facilitate a new underground pathway that will accommodate (2) new OSP Fiber Optic Cables running between an existing hand hole (7510), and the existing Building Entrance Terminal (BET)/Data Center Telecommunications Room (DCTR) in Building 6, Room 663.

    1. One (1) new underground pathway will be installed running northbound, between the Existing Hand Hole #7510 (EHH-7510) located in the southwest corner area of the intersection at N. Gemini and Cooley Drives, and the north end of the Astrogeology Science Center (Building 6). The new underground pathway will be installed by utilizing both the Horizontal Directional Drill (Bore) and Trench/Backfill methods (refer to Design Drawing 1 of 3 for locations). Total length of this new underground run is approximately 1,200'.

    2. Along the run, two (2) new ADOT#7 type Pull Boxes, and (1) new ADOT#9 type Hand Hole, will be installed between the existing EHH-7510 and Building 6. Two (2) new 4" Schedule-40 PVC Conduits will be placed between EHH-7510 and a newly installed Pull Box #3 (NPB#3). Total length of this new run is approximately 800'.

    3. Two (2) new 4" Schedule-40 PVC Conduits will be placed between NPB#3 and a newly installed NEMA 3R wall-mounted pull box mounted on the outside

wall of Building 6, Room 652. Total length of this new run is approximately 400'

4. Two (2) 4" EMT Conduits will be installed up and overhead between the newly installed wall-mounted NEMA 3R Pull Box, and the Data Center (DC)/Telecommunications (TR) in Room 663. The EMT conduits will be routed into Building 6, via the interstitial space above the drop ceilings. Total length of this new run is approximately 100'.

5. Each newly installed underground 4" Schedule-40 Conduit and 4" EMT Conduit will contain (2) 4" 3-cell Fabric Innerduct Packs, thereby providing (6) pathways per 4" Conduit, to accommodate fiber optic cables and/or low pair-count copper cables. The Fabric Innerduct provided, will be manufactured by Maxcell Corporation, Wadsworth, Ohio.

OUTSIDE PLANT (OSP) FIBER OPTIC CABLING SYSTEM

- ASPEN will provide and install (1) 24 strand, Singlemode, Armored, OSP Fiber Optic Cable, in (1) of the newly installed 4" conduits between HH7510 and DCTR 663. This new OSP Fiber Optic Cable will be placed in (1) cell of a 3-cell Maxcell Innerduct Pack. An additional 30' of Fiber Optic Cable slack will be left in the DCTR 663 and also inside HH7510 for future splicing by others. Ten feet of Fiber Optic Cable slack will be left in each of the newly installed Pull Boxes and Hand Hole. Total length of run is approximately 1,400'. This newly installed 24 strand Fiber Optic Cable will be dedicated for use by the USGS Data Service Provider. The 24 strand, Singlemode, Armored, OSP Fiber Optic Cable provided, will be manufactured by Corning Cabling Systems.

- ASPEN will provide and install (1) 96 strand, Singlemode, Armored, OSP Fiber Optic Cable, in (1) of the newly installed 4" conduits between new NHH#1 and DCTR 663. This new OSP Fiber Optic Cable will be placed in (1) cell of a 3-cell Maxcell Innerduct Pack. An additional 30' of Fiber Optic Cable slack will be left in the DCTR 663 and also inside NHH#1 for future splicing. Ten feet of Fiber Optic Cable slack will be left in each of the newly installed Pull Boxes and Hand Hole. Total length of run is approximately 1,250'. This newly installed 96 strand Fiber Optic Cable will be dedicated for use for the USGS Campus-wide Fiber Optic Network. The 96 strand, Singlemode, Armored, OSP Fiber Optic Cable provided, will be manufactured by Corning Cabling Systems.

DCTR ROOM 663 BUILDOUT & FIBER TERMINATIONS

- ASPEN will provide and install (1) Rack-Mounted 4RU Fiber Optic Closet Connector Housing (CCH), populated with (8) Connector Housing Panels, each pre-loaded with 12 Singlemode Fiber Optic LC type Adapters. All (96) Singlemode Fiber Optic Cable strands will be terminated with Singlemode LC type Fiber Connectors and placed into the Fiber Optic LC type Connector Housing Panel. This CCH will be dedicated for use for the USGS Campus-wide Fiber Optic Network. Closet Connector Housing,

Singlemode LC Connector Housing Panels and LC Singlemode Connectors installed are manufactured by Corning Cable Systems.

- ASPEN will provide and install (1) Rack-Mounted 1RU Fiber Optic Closet Connector Housing (CCH), populated with (2) Connector Housing Panels, each pre-loaded with 12 Singlemode Fiber Optic LC type Adapters. All (24) Singlemode Fiber Optic Cable strands will be terminated with Singlemode LC type Fiber Connectors and placed into the Fiber Optic LC type Connector Housing Panel. This CCH will be dedicated for use for the USGS Data Service Provider. Closet Connector Housing, Singlemode LC Connector Housing Panels and LC Singlemode Connectors installed are manufactured by Corning Cable Systems.

- ASPEN will provide and install the required amount of Cable Runways (ladder racks), with associated mounting brackets and hardware to adequately manage the inbound OSP Fiber Optic Cables in DCTR 663. The Cable Runways and associated mounting hardware provided will be manufactured by CPI.

GROUNDING/BONDING

- ASPEN will provide and install grounding conductors (#6AWG) with bonding components within the DCTR Room 663, and bond to the existing Equipment Rack, the (2) new CCH's and the OSP Fiber Optic Cable metallic shields to the existing Telecommunications Main Grounding Busbar (TMGB). Grounding will conform to the ANSI/TIA/EIA-607A Standard in addition to the manufacturer's grounding requirements.

FIBER OPTIC CABLE TESTING

- ASPEN will provide labor and equipment to test all Singlemode, Armored, OSP Fiber Optic Cable strands for both Fiber Optic Cables, post installation. These tests will include end to end attenuation (loss) tests utilizing an Optical Loss Test Set (OLTS) measured at 1310nm and 1550nm. These tests will verify the OSP Fiber Optic Cabling System performance per the requirements as outlined in the ANSI/TIA/EIA-455 and the ANSI/TIA/EIA-567-7 Standards, in addition to the Corning Cabling System recommendations. Documentation depicting the OLTS test results will be provided in both hard copy and electronic formats.

LABELING

- ASPEN will label both of the Fiber Optic Cable ends and each of the Closet Connector Housings/Connector Panels in the DCTR 663. Additionally, both Singlemode, Armored, OSP Fiber Optic Cables will be labeled inside all (4) of the existing and newly installed in-ground Hand Holes, through which they pass. ASPEN will develop and implement, in conjunction with the USGS FSC IT Department, a comprehensive labeling scheme that will be both practical and ANSI/TIA/EIA-606A compliant. Documentation for the labeled OSP Fiber Optic Cabling System will be provided in both hard copy and electronic formats.

Aspen Engineering & Contracting
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PROJECT SPECIFIC EXCLUSIONS

- 120V AC Raceways and Outlets
- Building Grounding Source
- Active Components (ie: Routers, Switches, UPS's, Computers, Etc.)

Labor Line Items

16750 - BUILDING ENTRANCE TERMINAL/DATA CENTER TELECOM ROOM (BET/TR) BUILDOUT

INSTALL FIBER OPTIC CABLE TERMINATION HARDWARE AT BUILDING 6 DATA CENTER (DC)/TELECOMMUNICATIONS ROOM (TR)-663

16700 - CABLE PATHWAYS

INSTALL (1) NEMA 3R WALL-MOUNTED PULL BOX ON NORTHWEST OUTSIDE CORNER OF BUILDING 6, ROOM 652

INSTALL (2) 4" EMT CONDUITS (100') FROM WALL-MOUNTED OUTSIDE PULL BOX TO DCTR-663

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (800') - EXISTING HAND HOLE #7510 (EHH-7510) TO NEW PULL BOX #3 (NPB#3)

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (800') - EXISTING HH7510 TO NPB#3

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (400') - NPB#3 TO NEMA 3R AT BUILDING 6 OUTSIDE WALL

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (400') - NPB#3 TO NEMA 3R AT BUILDING 6 OUTSIDE WALL

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#1 (100') - NEMA 3R AT BUILDING 6 OUTSIDE WALL TO DCTR-663

PLACE (2) 3-CELL MAXCELL INNERDUCT PACKS IN CONDUIT#2 (100') - NEMA 3R AT BUILDING 6 OUTSIDE WALL TO DCTR-663

16720 - OSP FIBER CABLE PLACING

PLACE (1) 24 SINGLEMODE OSP FIBER CABLE (1,400') - EHH-7510 TO BUILDING 6 DCTR-663

PLACE (1) 96 SINGLEMODE OSP FIBER CABLE (1,250') - NEW HAND HOLE #1 (NHH#1) TO BUILDING 6 DCTR-663

16740 - TELECOM ROOM TERMINATIONS/SPLICING

TERMINATE (120) SINGLEMODE OSP CABLE FIBERS AT BUILDING 6 DCTR-663

16770 - TESTING

OLTS TEST (120) SINGLEMODE OSP FIBER STRANDS

16760 - LABELING

LABEL (2) OSP FIBER CABLE ENDS & TERMINATION HARDWARE AT BUILDING 6 DCTR-663

LABEL (2) OSP FIBER CABLES AT (5) HAND HOLES/PULL BOXES

Materials Line Items

MFG.	*PART #*	*DESCRIPTIONS*	*QUANTITY*
CORNING	096EUC-T4101D20	96 STRAND, SINGLEMODE (OS2), LLT, ARMORED, ALTOS FIBER CABLE	**1,300'**
CORNING	024EUC-T4101D20	24 STRAND, SINGLEMODE (OS2), LLT, ARMORED, ALTOS FIBER CABLE	**1,400'**
CORNING	CCH-04U	RACK-MOUNTED, 4RU, CLOSET CONNECTOR HOUSING (CCH)	**1**
CORNING	CCH-02U	RACK-MOUNTED, 2RU, CLOSET CONNECTOR HOUSING (CCH)	**1**
CORNING	CCH-CP12-B3	CCH, 12 FIBER APC, SINGLEMODE, LC CONNECTOR HOUSING PANEL	**10**
CORNING	95-200-99	UNICAM, SINGLEMODE, APC, LC CONNECTOR	**120**
CORNING	FAN-BT36-12	12 FIBER BUFFER TUBE FAN-OUT KIT, 36" LEGS	**10**
CORNING	FDC-CABLE-GRND	ARMORED CABLE GROUNDING KIT	**4**

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MAXCELL	MXE86383BL2650	MAXCELL EDGE, 4.00", 3-CELL STANDARD, BLUE WITH 1250# TAPE	**5,200'**
FIBERPLUS	DVT-S3	BARE FIBER ADAPTER KIT	**1**
ALLIED	101790	4" EMT CONDUIT	**200'**
ZORO	RHC242408	NEMA 3R PULL BOX - 24"x24"x8"	**1**
CPI	10250-712	12"X10' UNIVERSAL CABLE RUNWAY	**1**
CPI	11421-712	WALL ANGLE SUPPORT KIT, CABLE RUNWAY - 12"	**1**
CPI	11302-701	JUNCTION-SPLICE KIT	**2**
CPI	10608-701	VERTICAL WALL BRACKET	**2**
CPI	40164-001	CABLE RUNWAY GROUNDING KIT	**2**
CPI	11309-001	FOOT KIT, CABLE RUNWAY	**1**
ARNCO	BLWP12-1000	1250 lbs. HIGH STRENGTH CONDUIT MEASURING "MULE" TAPE	**2**
		LOCKJAW PULL BOX SECURITY COVER	**2**
CONDUMEX	5K-0601-5	#6 AWG, STRANDED, GROUND WIRE - GREEN INSULATION	**100'**
		CONSUMABLES (VELCRO, MOUNTING HARDWARE, LABELS, ETC.)	**1**

OSP FIBER OPTIC CABLING & PATHWAYS INSTALLATION PRICE

Aspen Communications Labor:	$37,625.92
Aspen Communications Materials:	$35,265.92
Excavation Subcontractor (Labor & Materials):	$169,704.00
Total (Installation)	**$242,595.84**

USGS Service Provider OSP Cabling Credit

Labor	$2,464.00	
Materials	$1,455.00	
		$ 3,919.00
GRAND TOTAL		**$238,676.84**

Execution: All work to be performed by BICSI and/or product-specific certified Installers and Technicians. Project Site Manager will be a BICSI certified Technician with OSHA 30. Project oversight will be provided by a BICSI certified Registered Communications Distribution Designer with Outside Plant certification. Technicians are OSHA Certified.

Standards and Codes: Complete structured cabling system will conform to TIA/EIA-568A, TIA/EIA-569B, TIA/EIA-606A, TIA/EIA-607A, TIA/EIA-72, TIA/EIA-67, TIA/EIA-TSB75, TIA/EIA-758 and all applicable State and local codes.

Warranty: Manufacturer warranty will apply plus Aspen's standard 1-year workmanship warranty.

Access: Owner will provide unhindered access to all work areas during the course of the job. Unwarranted delays, acts of God excluded, will be subject to additional charges.

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8(a) Certified

Don Richardson, MBA, RCDD/OSP
President/CEO
drichardson@aspentelco.com

Eric Bedell, BICSI Technician
Vice President/COO
ebedell@aspentelco.com

Aspen Communications, LLC DBA Aspen Engineering & Contracting

A SDVOSB, 8(a) and HUBZone Company

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Term: This budgetary proposal is good for 30 days, based on the date reflected on page 1 of this document.

Notes:

Please feel free to contact us if have any questions regarding this proposal. We can be reached at (928) 774-0992.

ACCEPTANCE

Proposal Accepted By: _____

Date: July 29, 2020

Printed Name/Title: Greg Clifton, City Manager

Email: Greg.Clifton@flagstaffaz.gov

Phone: (928) 213-2053

Cabling

Communications Systems

Bid # ADSPO17-00007125

Prepared for

ADOA-SPO

State Procurement Office

Submitted by Aspen Communications LLC

Aspen COMMUNICATIONS

Solicitation Amendment

Solicitation No.: **ADSPO17-00007125** Description: **Cabling Communication Systems**	Page 1	State of Arizona State Procurement Office 100 N. 15TH Avenue, Suite 201 Phoenix, AZ 85007
Amendment No.: **One (1)**	OF	

Pursuant to the Uniform Instructions to Offerors, Solicitation Amendments, the above referenced solicitation shall be amended as follows:

1. Exhibit 1 of Part 2-B Pricing Document: Pricing Sheet is deleted and replaced with the attached Exhibit 1 v2 of Part 2-8 Pricing Document: Pricing Sheet.
2. For the avoidance of doubt, the following clarifications have been made to the Pricing Sheet:
   a. Column 3, the Item Description may be used to describe one product or a category of products;
   b. Column 4, Price List Title & Date/No refers to any Product Lists or catalogues that the Offeror maintains. If no such list exist, please mark as N/A;
   c. Column 5, if a Price List is provided, or of the Offeror chooses to Cost plus , the Offer is not required to fill in the List Price column and should mark as N/A;
   d. The Offeror may choose to submit their offer for each Item below as Discount % off List Price OR Cost Plus but not both;
   e. GIS Mapping and BIM Modelling are optional, the Offeror may choose whether to offer or not.
   f. GIS Mapping is using Geographic Information Systems (GIS) to map out where fiber or other cables are installed and used to allow the State to see where it can better connect into a fiber (or other cabling) system.
   g. Building Information modelling (SIM) involves the generation and management of digital representations of physical and functional characteristics of places;

ALL OTHER PROVISIONS OF THE SOLICITATION SHALL REMAIN IN THEIR ENTIRETY.

Offeror hereby acknowledges receipt and understanding of the above amendment.	The above referenced amendment is hereby executed this date by the State.
Signature 3/17/2017 Date Don Richardson President/CEO Printed/Typed Name and Title	Signature Date Reem Prendiville State Procurement Manager

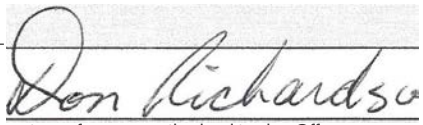
Attachment 1

Offer and Acceptance Form

SUBMISSION OF OFFER: Undersigned hereby offers and agrees to provide Error! Reference source not found. to in compliance with the Solicitation indicated above and our Offer indicated by the latest dated version below:

Initial Offer:	**1.** 3/17/2017 date	DR initial					
Revised Offers:	**2.** date#1	initial	**3.** date#1	initial	**4.** date #1	initial	
	5. date#4	initial	**6.** date #5	initial	**7.** date#6	initial	
Best and Final Offer:	**8.** date	initial					

Aspen Communications
Offeror company name


Signature of person authorized to sign Offer

Initials

- :<iii Dava Circle Suite A
Address

Don Richardson, President/CEO
Printed name and title

; -:-es cott I AZ I 86301
City I State I ZIP

Shawn Al-Maskeen, Capture Manager
Contact name and title

86-0948761
Federal tax identifier (EIN or SSN)

smaskeen@aspentelco.com
Contact Email Address

9282552754
Contact phone number

CERTIFICATION: By signature in the above, Offeror certifies that it:

1. will not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, [Arizona) State Executive Order 2009-9 or A.RS.§§ 41-1461 through 1465;
2. has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause will result in rejection of the Offer. Signing the Offer with a false statement will void the Offer, any resulting contract, and may be subject to legal penalties under law;
3. complies with A.RS.§ 41-3532 when offering electronics or information technology products, services, or maintenance; and
4. is not debarred from, or otherwise prohibited from participating in any contract awarded by federal, state, or local government.

ACCEPTANCE OF OFFER: State hereby accepts the initial Offer, Revised Offer, or Best and Final Offer identified by number at the top of this form, and which was dated date (the Accepted Offer). Offeror is now bound (as Contractor) to carry out the Work under the attached Contract, of which the Accepted Offer forms a part. Contractor is cautioned not to commence any billable work or to provide any material or perform any service under the Contract until Contractor receives the applicable Order or written notice to proceed from Procurement Officer.

State's Contract No. is: A0 S PO17-0000 7125 **The effective date of the Contract is:** 4/10/2017 **Contract awarded**

Procurement Officer signature

Procurement Officer, Reem Prendiville

Attachment 2-A

Experience and Capacity Questionnaire

STATE MAY DETERMINE YOUR PROPOSAL IS NON-RESPONSIVE IF YOU DO NOT ANSWER ALL QUESTIONS FULLY.

The Offeror shall provide a narrative response to each question that demonstrates their understanding of the Scope of Work requirements and describes your company's overall method of approach for providing the service stated in this solicitation. If there is a question that is not applicable to the services required by the Scope of Work, you may mark it N/A.

EXPERIENCE AND CAPACITY QUESTIONS:

Question 1: Company Profile

The Offeror must include a detailed narrative description of its organization. The narrative must include the following:

1.1 Brief overview of business operations, with an emphasis on experience providing call center services, services software/technological solutions, telecommunications, experienced call center personnel deployment, and personnel training.

1.2 Date established;

1.3 Ownership (public, partnership, subsidiary, etc.);

1.4 Location in which the Offeror is incorporated;

1.5 Office location(s) responsible for performance of proposed tasks;

1.6 Offeror's organizational chart relevant to this project, specifically identifying the key point of contact for all questions related to the submitted offer;

1.7 Full disclosure of any potential conflict of interest (e.g. serving as a reseller of computer hardware, software or business relationships between the Offeror and any State employee who functions or has responsibilities in the review or approval of the undertaking or carrying out of the project);

1.8 A Statement of whether, in the last ten (10) years, the Offeror has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, orassignee for the benefit of creditors, and if so, an explanation providing relevant details;

1.9 A Statement of whether there are any pending Securities Exchange Commission investigations involving the Offeror, and if such are pending or in progress, an explanation providing relevant details and an attached opinion of counselas to whether the pending investigation(s) may impair the Offeror's performance in a Contract under this RFP;

1.10 A Statement documenting all open or pending litigation initiated by Offeror or where Offeror is a defendant or party inany litigation that may have a material impact on Offeror's ability to deliver the contracted services;

1.11 A Statement documenting all open or pending litigation initiated by Offeror or where Offeror is a defendant or party inany litigation with a public sector client;

1.12 Full disclosure of any public sector contracts terminated for cause or convenience in the past five (5) years; and

1.13 Full disclosure of any criminal or civil offense.

1.14 Offeror shall provide evidence of any Arizona required business license to provide these services.

1.15 Offeror shall provide copies of any professional or industry certifications that represent the services detailed in this RFP.

Offeror Response:

Aspen Communications, LLC, is an Information and Communications Technology Infrastructure Design/Build Integrator founded and incorporated in Flagstaff, Arizona in March of 1999 as a partnership (LLC-P). ***(Q1.2, Q1.3, Q1.4)*** Aspen's industry certified design and installation experts work in concert to provide customer focused solutions that are designed to increase flexibility, efficiency, and reliability for current and next generation IT, Network, Software/Technological and personnel training needs. We also train all of our customers on basic maintenance of upkeep of the systems we install, and our systems are in place with discerning clients all over Arizona. **(Q1.1)**

Our commitment to excellence through certification, credentialing, and ongoing education has allowed Aspen to become a leading Telecommunications and Security company. Aspen is an SBA certified Service Disabled Veteran Owned (SDVOSB), HUBZone (Historically Underutilized Business Zone), and 8(a) (socially and economically disadvantaged) company. A Baldrige Quality firm, Aspen adheres to quality as a byword in everything we do. Aspen is licensed, bonded and insured.

Aspen Communications maintains two strategically located permanent offices from which to execute performance of this contract, an office in Prescott, AZ, in Yavapai County and another in Flagstaff, AZ, in Coconino County. **(Q1.5)**

Aspen Communications, in the last ten (10) years, has not filed or had filed against it, any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. **(Q1.7)**

There are no pending Securities Exchange Commission investigations involving Aspen Communications. **(Q1.8)**

There is no open or pending litigation initiated by Aspen Communications or where Aspen Communications is a defendant or party in any litigation that may have a material impact on Aspen Communications' ability to deliver the contracted services. **(Q1.10)**

There is no open or pending litigation initiated by Aspen Communications or where Aspen Communications is a defendant or party in any litigation with a public sector client. **(Q1.11)**

Aspen has not had any public sector contracts terminated for cause or convenience in the past five years. **(Q1.12)**

Aspen has not been accused of or convicted of any criminal or civil offenses. **(Q1.13)**

(Q1.6)

ASPEN ORGANIZATION CHART

Don Richardson - President/CEO - Sales and Capture/Business Development - BSBA/MBA from NAU - Retired USN CWO4 – BICSI RCDD/OSP

Sheila Richardson –Executive Vice President/CFO – BA English/History from ASU, Graduate Accounting and Finance from NAU - Oversight of all financial actions.

Eric Bedell – Vice President/COO – BSBA/CIS from NAU –Project Manager - BICSI Technician - Oversees all operations, and all projects. Supervises all personnel within the Operations Department. Nick Roach assists Eric in Flagstaff as required.

Shawn Al-Maskeen – BSBA (Finance) Comptroller, Capture Manager, Proposal Writer

- **Cindy Spheeris** – Administrative Assistant

FLAG OFFICE

Nick Roach – Lead Technician/Network Specialist – BS GIS, NAU
BICSI Technician

Kiel Yellowhair – Lead Installation Tech - BICSI Technician - Journeyman

Orlando Yellowhair – Installer – BICSI Level 2 Installer

Brandon Mazzone – Installer - Apprentice

John Rivera – Electrician - Journeyman (PT)

PRESCOTT OFFICE

Dan Beppu – Senior Design and Estimator, RCDD

Jon Decker – Engineering technician and Lead Installation Tech – BICSI Technician - Journeyman

Dave Fisher – Lead Installation Tech – BICSI Technician - Journeyman

Dave Brisco – BSTM/MS from DeVry – Trainer,
BICSI Level 2 Fiber Installer

Jesi Martinez – Fiber Installer - Apprentice

Stylianos Sheridan – Labor

(Q1.6)

Anthony Hartsook, BS, MS - Director Business Development/Capture Management
Works for Aspen under a Professional Services Agreement

Vern Reed – BSEE/MSSE from Naval Postgraduate School – Specialty: Telecommunications Engineer
Works for Aspen under a Professional Services Agreement

Steve Randall – **RCDD** – Audio/Visual (A/V) Design and Project Manager
Works for Aspen under a Professional Services Agreement

Steve Fowler – **RCDD** – Military and OSP Design and Project Manager
Works for Aspen under a Professional Services Agreement

(Q1.14)

3/20/2017 Contractor Information ROC297066 Aspen Communications LLC B-1 COMMERCIAL 297066

DISCLAIMER

The data supplied below is based on your specific request(s) and is correct to the best of our knowledge as of the date and time it was extracted from our data files. The information is provided without personal research or analysis. The data is subject to change on a daily basis. You may obtain additional public records related to any licensee, including dismissed complaints and nondisciplinary actions and orders, by contacting the ROC directly. If this information is required for legal purposes, you may request an affidavit or certified copies for a fee as specified in A.R.S. 32-1104A3. Please read our Standard Disclaimer at www.azroc.gov/Legal/Disclaim.html

Please note: The company or individuals listed on this license may hold other Arizona contracting licenses. To view information, status and complaint history for the past two years on other licenses held, go to the License Inquiry page and do a "Company Name and Personnel" search by entering the name of the company or individuals listed on the license.

Details for License Number 297066 (Monday, March 20, 2017 11:32:21 AM)

Contractor		License	
Name/ Address/ Phone	Status/ Action	Class | Type | Entity	Issued/Renewal
Aspen Communications LLC 7 Kiji Dava Cir Ste A Prescott, AZ 86301-5691 **Phone: (928) 774-0992**	CURRENT	B-1 | COMMERCIAL | LLC	**First Issued: 04/09/2015** **Renewed Thru:** 04/30/2017

3/20/2017 Contractor Information ROC248277 Aspen Communications LLC C-11 COMMERCIAL 248277

DISCLAIMER

The data supplied below is based on your specific request(s) and is correct to the best of our knowledge as of the date and time it was extracted from our data files. The information is provided without personal research or analysis. The data is subject to change on a daily basis. You may obtain additional public records related to any licensee, including dismissed complaints and nondisciplinary actions and orders, by contacting the ROC directly. If this information is required for legal purposes, you may request an affidavit or certified copies for a fee as specified in A.R.S. 32-1104A3. Please read our Standard Disclaimer at www.azroc.gov/Legal/Disclaim.html

Please note: The company or individuals listed on this license may hold other Arizona contracting licenses. To view information, status and complaint history for the past two years on other licenses held, go to the License Inquiry page and do a "Company Name and Personnel" search by entering the name of the company or individuals listed on the license.

Details for License Number 248277 (Monday, March 20, 2017 11:30:22 AM)

Contractor		License	
Name/ Address/ Phone	Status/ Action	Class | Type | Entity	Issued/Renewal
Aspen Communications LLC 7 Kiji Dava Cir # 7A Prescott, AZ 86301-5691 **Phone: (928) 774-0992**	CURRENT	C-11 | COMMERCIAL | LLC	**First Issued: 08/18/2008** **Renewed Thru:** 08/31/2018

3/20/2017 Contractor Information ROC145414 Aspen Communications LLC CR67 DUAL 145414

DISCLAIMER

The data supplied below is based on your specific request(s) and is correct to the best of our knowledge as of the date and time it was extracted from our data files. The information is provided without personal research or analysis. The data is subject to change on a daily basis. You may obtain additional public records related to any licensee, including dismissed complaints and nondisciplinary actions and orders, by contacting the ROC directly. If this information is required for legal purposes, you may request an affidavit or certified copies for a fee as specified in A.R.S. 32-1104A3. Please read our Standard Disclaimer at www.azroc.gov/Legal/Disclaim.html

Please note: The company or individuals listed on this license may hold other Arizona contracting licenses. To view information, status and complaint history for the past two years on other licenses held, go to the License Inquiry page and do a "Company Name and Personnel" search by entering the name of the company or individuals listed on the license.

Details for License Number 145414 (Monday, March 20, 2017 11:28:31 AM)

Contractor		License	
Name/ Address/ Phone	Status/ Action	Class | Type | Entity	Issued/Renewal
Aspen Communications LLC 7 Kiji Dava Cir # 7A Prescott, AZ 86301-5691 **Phone: (928) 774-0992**	CURRENT	CR67 | DUAL | LLC	**First Issued: 05/21/1999** **Renewed Thru:** 05/31/2017

(Q1.15)

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
OUTSIDE PLANT DESIGNER
IS AWARDED TO
Donald D Richardson
Bicsi

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
REGISTERED COMMUNICATIONS DISTRIBUTION DESIGNER
IS AWARDED TO
Daniel Beppu
Bicsi RCDD

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
REGISTERED COMMUNICATIONS DISTRIBUTION DESIGNER
IS AWARDED TO
Donald D Richardson
Bicsi RCDD

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
REGISTERED COMMUNICATIONS DISTRIBUTION DESIGNER
IS AWARDED TO
Stephen J Randall
by BICSI in recognition of having successfully completed BICSI's registration and examination requirements.
Designation Number: 171741R
Registration Start Date: 1/1/2015
Registration End Date: 12/31/2017
Chair, Registrations & Credentials Supervision Committee
Bicsi RCDD
Since
6/25/2005
Director of Credentialing

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
REGISTERED COMMUNICATIONS DISTRIBUTION DESIGNER
IS AWARDED TO
Stephan V Fowler
by BICSI in recognition of having successfully completed BICSI's registration and examination requirements.
Designation Number: 182276R
Registration Start Date: 1/1/2016
Registration End Date: 12/31/2018
Chair, Registrations & Credentials Supervision Committee
Bicsi RCDD
Since
10/23/2000
Director of Credentialing

Building Industry Consulting Service International
THE PROFESSIONAL DESIGNATION OF
BICSI TECHNICIAN
IS AWARDED TO
Eric Bedell
Bicsi

(Q1.15)

Information Technology Systems

The designation of

BICSI ITS TECHNICIAN

is awarded to

Nicholas E Roach

by BICSI® in recognition of having successfully completed BICSI's registration and examination requirements.

advancing the information and communications technology community

This is to certify that

David P Fisher

Bicsi TECHNICIAN

Designator # 171155H

Valid Through 12/12/2014 - 12/12/2017

is a BICSI Technician in the BICSI Cabling Installation Program

Building Industry Consulting Service International

THE PROFESSIONAL DESIGNATION OF

BICSI TECHNICIAN

IS AWARDED TO

Kiel Yellowhair

Building Industry Consulting Service International

THE PROFESSIONAL DESIGNATION OF

BICSI INSTALLER 2, OPTICAL FIBER

IS AWARDED TO

David R Brisco

Building Industry Consulting Service International

THE PROFESSIONAL DESIGNATION OF

BICSI INSTALLER 2, COPPER

IS AWARDED TO

Orlando Yellowhair

Question 2: **Company Experience**

A. What market(s) are your current clients primarily in?
B. What experience do you have serving clients in Services Desk and Arizona State Business Markets?
C. What is the range in size of your current clients?
D. What type of case studies do you have that exhibit your experience with different clients?
E. How long have you provided services to your longest tenured client?
F. Why did your last three former clients cancel their contracts?
G. With what relevant trade associates are you involved? How does this participation give you an advantage over your competition?

Offeror Response:

A. Aspen Communications' clients cover a broad spectrum of markets, ranging from smaller commercial customers to federal customers across many agencies. The majority of our work is performed in central and northern Arizona where we have a significant geographic advantage over our southerly competitors.

B. Aspen is not actively engaged in serving clients in the Services Desk client market, but we are confident in our ability to do so based on our current capabilities. We do have many years experience working with state and governmental agencies, both independently and through the previous iteration of this contract.

C. Our clients range from small clinics to U.S. Federal agencies in scale

D. Aspen has performed case studies for Corning Fiber and Drake Cement, as well as feasibility studies for the Navajo Nation, Yavapai Prescott Indian Tribe, the VA, and many others.

E. Aspen has been performing work regularly for the VA for ten years.

F. Aspen's only cancelled contracts have all been a result of budgetary shortfalls/government shutdowns. Aspen has never had a contract cancelled due to performance.

G. Aspen's primary trade association affiliation is BICSI, an internationally recognized and respected telecommunications standards organization and certification agency. This allows us a training standard as well as the ability to prove the ability and competence of our technicians and engineers.

We are also a member of several industry and trade organizations which allows us to stay current with the latest technologies, techniques, trends, and materials.

Additionally, while not strictly trade associates, Aspen partners very closely with the Arizona's Small Business Association. This allows us to certify our special designations which give us an advantage over our competition on many projects with a governmental footprint or diversity spending goals. Aspen is an 8(a) company which means we have been certified as a socially and economically disadvantaged small business. We are also SDVO which indicates we are owned by a service disabled veteran. Lastly, we reside on a Hubzone, which gives us a price advantage against large businesses on full and open projects.

Aspen is also the only communications company in the state with a State of Arizona approved and registered apprenticeship program.

Question 4: Proposed Project Members and Organization

Utilize Attachment 3-B to identify Key Personnel to be utilized to perform services within a resultant contract.

In addition, also state the Members related experience with large local, state or federal government agencies.

Offeror Response:

Please see attachment 3-B. All three key members utilized therein have been with the company for over ten years, and so all share a wealth of experience with large local, state, and federal government agencies.

Question 5: Subcontractors

Utilize Attachment 3-C to identify Proposed Subcontractors to be utilized to perform services within a resultant contract.

Offeror Response:

Please see attachment 3-C. It would be Aspen Communications' intent to self perform all work on this contract. Should the need arise for a subcontractor to perform work outside of our competency, Aspen would request approval from State of Arizona, as well as the individual buyer.

Question 6: Arizona Baseline Security Controls

All offerors must be prepared to comply with a request to submit to a State of Arizona Baseline Security Controls questionnaire. The evaluation committee will require all short-list offeror's to complete the questionnaire. Completed questionnaires will be submitted to ADOA-ASET for review and evaluation. To review the questionnaire, visit the site below. Within the Offeror Response below, please state your willingness to comply with this requirement.

https://aset.az.gov/resources/policies-standards-and-procedures

Offeror Response:

Aspen is happy and willing to comply with the requirement and will complete a questionnaire upon request.

EXPERIENCE REFERENCES:

The State intends to conduct reference checks for account referenced provided by Offerors. It may, at its sole discretion, contact additional clients not presented as references.

Offerors shall provide at least three (3) client references for assignments that replicate or mirror the requirements of this RFP. At least one (1) of the projects referenced must be Arizona government related. ***All assignments shall be for assignments received and completed within the last five (5) years.***

1 Client Company/Address	Contact	Begin Date	End Date
(AZ Related) Northern Arizona University 0 S San Francisco, AZ 86011	Paul Trujillo	10/15/2016	3/1/2017

Phone Number	Email Address
(928) 523-2905	Paul.Trujillo@nau.edu

Project Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones)

Job Order Contract for Telecommunications Construction Projects, IDIQ Format, 3 years remaining. Most recent project was a complete Telecom renovation on Gammage Building. Major milestones included several prioritized phases based on employees rotating vacation schedules, to alleviate downtime.

List job positions provided and technologies utilized to supplement services.

Laborer, Certified Installer, Technician, Project Manager, Superintendent, Engineer. Standard tools & equipment.

2 Client Company/Address	Contact	Begin Date	End Date
Veterans Administration 500 AZ-89, Prescott, AZ 86301	Robert Walters	5/29/2015	10/20/2015

Phone Number	Email Address
(928) 445-4560	Robert.Walters2@va.gov

Project Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones)

Multiple Award Task Order Construction Contract. Largest recent project was all telecommunications for new Mental Health Building.

List job positions provided and technologies utilized to supplement services.

Certified Installer, Electrician, Technician, Project Manager, Superintendent, Engineer.

3	Client Company/Address	Contact	Begin Date	End Date
	Phoenix Indian Medical Center 4212 North 16th Street	Mark Downing	3/16/16	8/10/2016

Phone Number	Email Address
(602) 263-1516	Mark.Downing2@ihs.gov

Project Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones)

Design and Assessment for Technology Upgrades

List job positions provided and technologies utilized to supplement services.

Design Engineer, OSP Engineer, Engineering Technician

4	Client Company/Address	Contact	Begin Date	End Date
	Drake Cement	Geoff Stout	11/1/16	10/31/2017

Phone Number	Email Address
(928) 636-6004	gstout@DrakeUS.com

Project Scope and deliverables, include number of resources engaged in project, timeline of project(major milestones)

Annual Maintenance/Repair Agreement

List job positions provided and technologies utilized to supplement services.

Technician, Project Manager, Certified Installer, Design Engineer, OSP Engineer, Site Superintendent

End of Attachment 2-A

Attachment 2-B

Organization Profile

RESERVED – NOT UTILIZED FOR THIS RFP!

End of Attachment 2-B

Attachment 3-A

Method Proposal(Method of Approach)

The Offeror shall provide a narrative response to each question that demonstrates their understanding of the Scope of Work requirements and describes your company's overall method of approach for providing the service stated in this solicitation. If there is a question that is not applicable to the services required by the Scope of Work, you may mark it N/A.

Question 1: Executive Summary.

In the Executive Summary, the Offeror must condense and highlight the contents of their proposal in such a way as to provide the State with a broad understanding of the proposal in no more than five (5) pages. Offerors must provide a concise summary of the proposed products to be utilized in the performance of the project and any proposed services, and how these proposed products and services address the requirements presented in the RFP.

Offerors must present a summary of their planned approach, their past successful public sector assignments that mirror the Scope of Work, and highlight the relevant public sector experience and previous projects worked jointly by all proposed key personnel included in the proposal.

Offeror Response:

It is Aspen Communications' intent to offer a full and complete solution to the State of Arizona. Since its inception, with its staff of certified BICSI level design and Outside Plant engineers (RCDDs, OSPs), Aspen has specialized in design/builds of complete Communications Cabling Systems (CCS). We are equally capable of performing any number of individual tasks within this broader scope, as identified in section 5.1.1 of the solicitation documents. We are also pleased to offer our full product line at, we hope you'll agree, a very reasonable markup.

We feel we have many advantages to offer the State that makes us stand out from our competition. The scope calls for all major CCS elements to be implemented *per BICSI standards*. In our experience, the only installers truly capable of performing work to BICSI standard are genuine BICSI certificate holders. After all, if they knew everything about BICSI standards, why wouldn't they opt to get the certificate? *All* of Aspen's design engineers, technicians, and installers are BICSI certified.

Our locations in Prescott and Flagstaff offer us a significant geographic advantage over our competitors for work in the central and northern sections of the state. We also feel we will be competitive with our southerly neighbors in the bottom portion of the state on mission critical projects on which the buyer would appreciate a full complement of permanent on-staff BICSI RCDDs. (There are approximately 700 RCDDs in the world, and five of them work at Aspen!) While not strictly a State of Arizona consideration, Aspen also resides in a Historically Underutilized Business District (HUBZone), is an 8(a) certified socially and economically disadvantaged company, and is a Service Disabled Veteran-Owned (SDVO) small business.

Aspen's full complement of engineering staff is another immense advantage both for us and for our customers. Having engineers in-house on a construction or installation project allows us to make adjustments very quickly when changes are needed, and at a minimal cost and delay to a buyer compared with working with a design firm. We can also sometimes spot a costly error in an existing design or plan before the cost is incurred. Being both a design and construction firm, not only can we be certain that what you want is what you need, but also that what you want is what you really get.

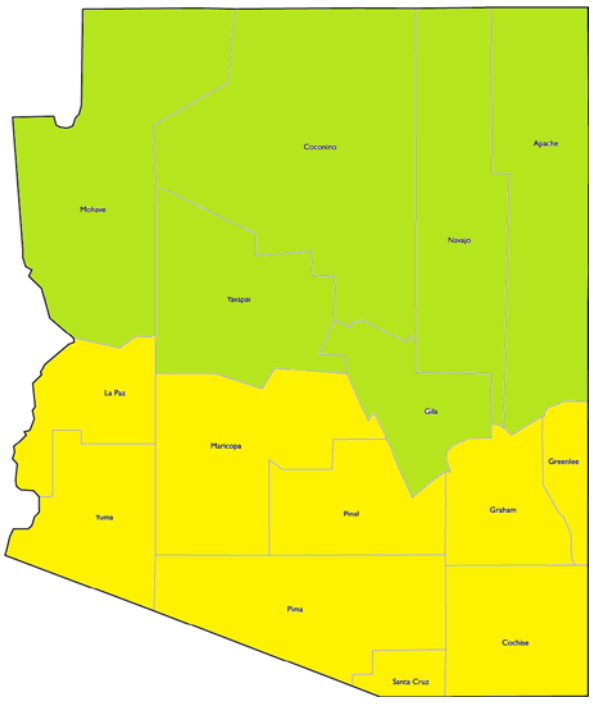
Aspen's approach to the execution of this contract will be similar to our approach on similar contracts. In an emergency outage situation, we are capable of dispatching from either or both of our offices in a very short time frame. Contract performance will be managed by key personnel Don Richardson, CEO, and Eric Bedell, COO. Depending on the nature, size, and scope of the project, a mutually agreeable schedule will be created through communication with the buyer, and staff will be dispatched as necessary.

While in recent years Aspen has not done as much work as we would like with the State (other than our work with NAU and their job order contract), much of Aspen's past performance is with the Federal Government. As such, we enjoy a large footprint of public sector assignments that mirror this scope of work, as well as an excellent performance history. We regularly do work for the Veterans' Administration, National Park Service, U.S. Air Force, and other federal agencies. We also maintain two GSA schedules, both being fairly similar in scope and nature to this task order based contract. The core Aspen project team has been working together for well over a decade, through countless projects. We are confident in our ability to deliver a wide array of products and services to match your scope of work.

Question 2: Offerors must describe their ability to provide the Cabling Material including labor and support services. The response to this requirement should, at a minimum, include a map of the State of Arizona with an indication of the locations where products may be delivered plus the number and type of support personnel or other resources that may be employed. The narrative in response to this specification should include, at a minimum, a general overview of the proposed services and an overview of how the services are to be provided in the locations indicated.

Offeror Response:

Aspen is capable of providing its full line of Cabling Materials and Labor & Support services anywhere in the state, from either of its locations subject to standard travel/shipping policies. This will include but is not limited to installation, testing, assessments, site surveys, OSP, splices, etc. We will naturally be most competitive in central and northern Arizona.



Yellow = Available for service & support

Green = Preferred work zone

We currently have 12 employees between our two locations available for dispatch anywhere in the state with Aspen's full resources behind them.

Question 3: **Quality Control. Describe your company's quality control processes.**

Offeror Response:

In order to ensure quality in all of our projects, we utilize a three-pronged approach. Firstly, all of our technical staff maintain BICSI certification, and undergo a rigorous course of ongoing education to ensure that they are kept abreast of all the latest cutting edge developments in our field. Secondly, we utilize project supervision by both a project manager and a design engineer. Lastly, all of our work is tested with an Optical Time Domain Reflectometer (OTDR).

Aspen also understands that in order for a buyer to schedule work efficiently, it is paramount that contractors follow through with their proposed timelines as accurately as possible. Aspen is able to provide very accurate construction schedules, due in part to our excellent estimating staff, but also thanks to our many years of experience performing projects of all sizes, and our ability to react swiftly and appropriately to most any "hiccup".

Question 4: Offerors must submit customer satisfaction statistics or survey results concerning the quality of the products and/or services offered.

Offeror Response:

Aspen enjoys excellent an excellent performance history. Here is the summary page from our most recent third party survey:

Open Ratings

Past Performance Evaluation

1. COMPANY OVERVIEW

Primary Name : ASPEN COMMUNICATIONS, LLC
Alternate Name : (none)
D-U-N-S® : 08-211-1795
Address : 7 Kiji Dava Cir Ste A Prescott,AZ 86301
Telephone Number : +1 (928) 774-0992

Past Performance Evaluation
Report Date : 10-22-2014
Order Number 2015313

Company Information
Year Started: 1999
Year of Current Control: 1999
Annual Sales: $ 1,880,088
Total Employees: 10
SIC/Line of Business: 1731/Electrical work

2. SUPPLIER PERFORMANCE RATINGS

The supplier's overall performance rating is an assessment of predicted performance. Ratings are on a scale from 0 to 100, where 100 represents the highest level of customer satisfaction. The SIC-level benchmark indicates how the supplier's overall performance rating ranks in comparison against peers.

Overall Performance Rating 92
Overall, how satisfied do you feel about the performance of this company during this transaction?

SIC/Quintile
Bottom Top
SIC: 1731/Electrical work

Detailed Performance Ratings

0 25 50 75 100

RELIABILITY: How reliably do you think this company follows through on its commitments? 93
COST: How closely did your final total costs correspond to your expectations at the beginning of the transaction? 96
ORDER ACCURACY: How well do you think the product/service delivered matched your order specifications and quantity? 92
DELIVERY/TIMELINESS: How satisfied do you feel about the timeliness of the product/service delivery? 91
QUALITY: How satisfied do you feel about the quality of the product/service provided by this company? 93
BUSINESS RELATIONS: How easy do you think this company is to do business with? 94
PERSONNEL: How satisfied do you feel about the attitude, courtesy, and professionalism of this company's staff? 94
CUSTOMER SUPPORT: How satisfied do you feel about the customer support you received from this company? 93
RESPONSIVENESS: How responsive do you think this company was to information requests, issues, or problems that arose in the course of the transaction? 93

Past Performance Evaluation © Dun & Bradstreet, Inc. Page: 1 of 2

Question 5: Offerors must thoroughly describe their ability to provide value added technical services including installation, training or directly related optional services and the geographic area where the services may be provided.

Offeror Response:

Aspen Communications' staff of engineers, technicians, and installers can provide a wide array of value added technical services. Installation, configuration, design, consulting, training, testing, feasibility/expandability studies, etc can all be performed in any area of the state, subject to standard AZ State travel policy.

Question 6: Offerors must describe any energy efficiency program (s) by identifying the Products that meet Energy Star or other recognized programs for energy efficiency. In addition, Offerors must describe how Products are identified as energy efficient on their web site.

Offeror Response:

N/A

Question 7: Offerors should submit detailed information on how technical support is handled and controlled. Also include what time frame can be expected for this service and all other additional pertinent or important information relating to this program.

Offeror Response:

We are confident in the training we are able to provide our customers, which includes dealing with common and simple to fix problems they are likely to encounter. In the event there is a more serious issue that merits a technical support call, this is handled on a case by case basis. Response time will be heavily determined by the severity of the issue. Phone support can be performed same day in most cases.

Question 8: Offerors must include all detail of their maintenance programs including but not limited to the processes, locations sites, any maintenance agreement forms, coterminous alternatives, pricing. etc. A detailed narrative of what is including in your maintenance program and what is required. Please identify your warranty period and if you allows maintenance to be paid before the end of a warranty period.

Offeror Response:

Aspen provides a 2 year warranty on all workmanship. By virtue of our certified installer status with many of our material suppliers, we are also often able to pass along a 20-25 year (in some cases lifetime) warranty on materials that we ourselves install.

Training on basic maintenance is provided to our customers with the installation of a new system, however, no further maintenance outside warranty is included in our standard pricing. We hold several maintenance agreements currently and would be pleased to offer such a service to Arizona State customers under a separate agreement or as an extension to the original contract. We *would* allow maintenance hours to be paid before the end of a warranty period.

Question 9: If Offeror is proposing the utilization of Subcontractors/Channel Partners, provide detail of who they are, location, numberof years as a Subcontractor/Channel Partner, and how they will be utilized, what tasks and or services they will perform. Additional information shall include the structure of the program, any administrative requirements, and how this utilization will ensure a successful Contract. Offerors must thoroughly explain any dependencies or obstacles regarding the receiving and handling of purchase orders and how receivables need to be received and or managed.

Offeror Response:

N/A

Question 10: Offerors must submit proof, acceptable to the State, of the cost for all materials utilized prior to invoicing.

Offeror Response:

Aspen takes no issue with this. If it please the State, Aspen will submit vendor quotes and/or invoices alongside all billings, however we will also likely need to include a small consideration for miscellaneous consumables that would not be ordered specifically for a given job.

Question 11: Offers must describe any special programs that your company offers that will improve customers' ability to access products, on-time delivery or other innovative strategies.

Offeror Response:

While not part of any special programs, Aspen enjoys excellent and longstanding relationships with all of our core suppliers. We are also a certified installer with most major brands. This paired with our high sales volume allows us to purchase materials at a great price, allowing us to pass the savings on to you. Our personal relationships with our vendors also means even in times of peak ordering, our orders take precedent, and we very rarely see any delays in shipping. In a time critical situation when a customer is faced with a long lead time, it is sometimes possible for our staff of engineers to redesign a project in such a way that it can use an alternative part with a shorter lead.

Question 12: Offers must describe the capacity of your company to broaden the scope of the contract and keep the product offerings current and ensure that latest products, standards and technology.

Offeror Response:

Aspen enjoys not only an AZ low voltage license, but AZ high voltage electrical and general contracting licenses as well. As such, the sky is the limit when it comes to expanding the potential scope of this contract. We are also familiar with some more obscure branches of telecommunications like Building Automation Systems, Power Quality Analysis, as well as security, access control, cameras, and perimeter fences. Through continuous education, our staff is always kept abreast of the latest products, standards, and technologies, and we are always excited to share them with our customers!

End of Attachment 3-A

Attachment 3-B

Key Personnel Proposal

Answer all questions thoroughly in the spaces provided. **Complete this form in full for each one of the key personnel proposed to be involved in carrying out the Work**. Insert or attach a separate resume if desired, but any attached resumes are supplemental to this form and do not substitute for this form. If there are more than three (3) Key Personnel, please utilize the same form for each additional Personnel.

1	**Name:**	**Donald Richardson**	How long with company?	18 years
	Current position in company:	President/CEO	How long in positon?	18 years
	Position for the Services:	Superintendent/Design Engineer	How much of time will be dedicated to the Services?	As required, based on sales.
	What primary functions will be assigned?	Supervision, Site Visits, Design, Engineering		
	Describe person's experience in performing services like those that are to be assigned:	Continuous experience work in similar services since 1987.		
	List person's job-related training and education:	BSBA Business Administration Master's in Business Administration BICSI RCDD Certification BICSI OSP Certification 15+ years meeting BICSI continuing education requirements		
	Resume:			

2	Name:	Eric Bedell	How long with company?	17 years
Current position in company:		Chief Operations Officer	How long in positon?	7 years
Position for the Services:		Project Manager	How much of time will be dedicated to the Services?	As required, based on sales.
What primary functions will be assigned?		Supervision, Scheduling, Orders, Crew Assignments, etc.		
Describe person's experience in performing services like those that are to be assigned:		Many years' experience managing staff and projects similar to ones we might expect from this contract.		
List person's job-related training and education:		BSBA Business Administration PMP (Project Management Professional) Certification in progress 15+ years of completing BICSI continuing education requirements		
Resume:				

End of Attachment 3-B

Attachment 3-C

Proposed Subcontractors

Check “NO” if you WILL NOT subcontract any portion of the Work and will therefore be carrying out all of the Work with your own personnel.

●	NO, the Offeror will not subcontract any portion of the Work.

If you WILL subcontract any portion of the Work, check “YES” below and list name of persons or companies you propose to use as subcontractors.

1. Fill in the information for every significant subcontractor – indicate the type of work the subcontractor will perform under the Contract, and their approximate percentage of the total Contract work.
2. Provide copies of relevant certifications each one possesses in the Attachment Supplements section.
3. Provide description of quality assurance methods and quality control measures that you will use to ensure that Subcontractor work meets the Contract requirements.
4. State may demand additional information about proposed subcontractors as a precondition of award.

○	YES, the Offeror will use the Subcontractors listed below:

	Name and contact information	Small Business	Work to be performed	%
1.	Name	select		
1.	Name	select		
2.	Name	select		
3.	Name	select		
4.	Name	select		
5.	Name	select		
6.	Name	select		
7.	Name	select		
8.	Name	select		
9.	Name	select		

End of Attachment 3-C

Attachment 3-D

Performance Guarantee

RESERVED

All performance Service Level Agreements will be identified within each resultant Task Order.

End of Attachment 3-D

Attachment 3-E

Boycott of Israel Disclosure

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recently legislation has been enacted to prohibit the state from contracting with companies currently engaged in a boycott of Israel. To ensure compliance with A.R.S. §35-393.01. This form must be completed and returned with the response to the solicitation and any supporting information to assist the State in making its determination of compliance.

As defined by A.RS. §35-393.01:

1. "Boycott" means engaging in a refusal to deal, terminating business activities or performing other actions that are intended to limit commercial relations with Israel or with persons or entities doing business in Israel or in territories controlled by Israel, if those actions are taken either:
   (a) In compliance with or adherence to calls for a boycott of Israel other than those boycotts to which 50 United States Code section 4607(c) applies.
   (b) In a manner that discriminates on the basis of nationality, national origin or religion and that is not based on a valid business reason.
2. "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company or other entity or business association, and includes a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate.
3. "Direct holdings" means all publicly traded securities of a company that are held directly by the state treasurer or a retirement system in an actively managed account or fund in which the retirement system owns all shares or interests .
4. "Indirect holdings" means all securities of a company that are held in an account or fund, including a mutual fund, that is managed by one or more persons who are not employed by the state treasurer or a retirement system, if the state treasurer or retirement system owns shares or interests either:
   (a) together with other investors that are not subject to this section.
   (b) that are held in an index fund.
5. "Public entity" means this State, a political subdivision of this State or an agency, board, commission or department of this State or a political subdivision of this State.
6. "Public fund" means the state treasurer or a retirement system.
7. "Restricted companies" means companies that boycott Israel.
8. "Retirement system" means a retirement plan or system that is established by or pursuant to title 38.

All offerors must select one of the following:

X My company **does not** participate in, and agrees not to participate in during the term of the contract, a boycott of Israel in accordance with A.RS. §35-393.01. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.

_____ My company **does** participate in a boycott of Israel as defined by A.RS. §35-393.01.

By submitting this response, proposer agrees to indemnify and hold the State, its agents and employees, harmless from any claims or causes of action relating to the State's action based o ·ance on the abo representations, including the payment of all costs and attorney fees incurred by the ate in defe ction.

Aspen Communications
Company Name

7 Kiji Dava Circle Suite A
Address

Prescott **AZ** 86301
City State Zip

Signat e of Person Authorized to Sign

Don Richardson
Printed Name

President/CEO
Title

End of Attachment 3-E

End of Attachment 4

	Request for Proposal Solicitation No. ADSPO17-00007125 Description: Cabling Communication Systems	Arizona Department of Administration **State Procurement Office** 100 N 15th Ave., Suite 201 Phoenix, AZ 85007

Exhibit 1 v2 of Part 2-B Pricing Document: Pricing Sheet

Materials	Offeror Name Aspen Communications

1. This is a list of Materials that will be under contract.
2. Please note that in the detail of the Specifications (Exhibit 1 to the Scope of Work) attached to this RFP, some of the categories may have limitations on the Manufacturers.
3. Column 3, the Item Description may be used to describe one product or a category of products;
4. Column 4, Price List Title & Date/No refers to any Product Lists or catalogues that the Offeror maintains. If no such list exist, please mark as N/A.
5. Column 5, if a Price List is provided, or of the Offeror chooses to Cost plus , the Offer is not required to fill in the List Price column and should mark as N/A.
6. The Offeror may choose to submit their offer for each Item below as Discount % off List Price OR Cost Plus but not both.

Item	Manufacturer Name	Description	Price List Title & Date/No	List Price	Discount % off List Price or	*Cost plus %
1	Hubbell	Entire Product Line	N/A	N/A		10
2	Leviton	Entire Product Line	N/A	N/A		10
3	Panduit	Entire Product Line	N/A	N/A		10
4	OCC	Entire Product Line	N/A	N/A		10
5	ICC	Entire Product Line	N/A	N/A		10
6	Dynacom	Entire Product Line	N/A	N/A		10
7	General Cable	Entire Product Line	N/A	N/A		10
8	Berk-Tek	Entire Product Line	N/A	N/A		10
9	PureNet	Entire Product Line	N/A	N/A		10
10	Comtran Cable	Entire Product Line	N/A	N/A		10
11	Belden	Entire Product Line	N/A	N/A		10
12	HCM	Entire Product Line	N/A	N/A		10
13	Arrow	Entire Product Line	N/A	N/A		10
14	AFL	Entire Product Line	N/A	N/A		10
15	Draka	Entire Product Line	N/A	N/A		10
16	Tappan	Entire Product Line	N/A	N/A		10
17	ADC	Entire Product Line	N/A	N/A		10
18	Carol Brand	Entire Product Line	N/A	N/A		10
19	Bosch	Entire Product Line	N/A	N/A		10
20	ComNet	Entire Product Line	N/A	N/A		10
21	Signamax	Entire Product Line	N/A	N/A		10
22	BlueWave	Entire Product Line	N/A	N/A		10
23	Samsung	Entire Product Line	N/A	N/A		10
24	Altronix	Entire Product Line	N/A	N/A		10
25	Speco Technologies	Entire Product Line	N/A	N/A		10
26	Chief	Entire Product Line	N/A	N/A		10
27	Da-Lite	Entire Product Line	N/A	N/A		10
28	Bogen	Entire Product Line	N/A	N/A		10
29	Hoffman	Entire Product Line	N/A	N/A		10
30	B-Line	Entire Product Line	N/A	N/A		10

31	Stiffy	Entire Product Line	N/A	N/A		10
32	Caddy Fasteners	Entire Product Line	N/A	N/A		10
33	Mag Daddy	Entire Product Line	N/A	N/A		10
34	WBT	Entire Product Line	N/A	N/A		10
35	MPHusky	Entire Product Line	N/A	N/A		10
36	Snake Tray	Entire Product Line	N/A	N/A		10

Labor		Offeror Name				
Item	Class-Item Description	Quantity	Unit	Unit Price	Discount	Total
1	OSP Cabling Technician	1.00	HR	58.50	0	58.50
2	ISP Cabling Technician	1.00	HR	58.50	0	58.50
3	Cabling Lead Forman / Supervisor	1.00	HR	65.00	0	65.00
4	Project Manager, Cabling	1.00	HR	70.00	0	75.00
5	CAD Drafter	1.00	HR	70.00	0	70.00
					Subtotal:	327.00
					Tax:	0.00
					Freight:	0.00
					Discount:	0.00
					TOTAL:	327.00

Optional Services, the Offeror may whether to offer or not.

Labor (Optional only)		Offeror Name				
Item	Class-Item Description	Quantity	Unit	Unit Price	Discount	Total
1	GIS Mapping : Using Geographic Information Systems (GIS) to map out where fiber or other cables are installed and used to allow the State to see where itcan better connect into a fiber (or other cabling) system.	1.00	HR	N/A		
2	BIM Modelling: Building Information modelling (BIM) involves the generation and management of digital representations of physical and functional characteristics of places	1.00	HR	N/A		

Attachment 5-A

Confidential Information Designation

All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract. Recognizing there may be materials included in a solicitation response that are proprietary or a trade secret, a process is set out in A.A.C. R2-7-103 (copy attached) that will allow qualifying materials to be designated as confidential and excluded from disclosure. For purposes of this process the definition of "trade secret" will be the same as that set out in A.A.C. R2-7-101(52).

Complete this form return it with your Offer along with the appropriate supporting information to assist State in making its determination as to whether any of the materials submitted as part of your Offer should be designated confidential because the material is proprietary or a trade secret and therefore not subject to disclosure.

STATE WILL NOT CONSIDER ANY MATERIAL IN YOUR OFFER "CONFIDENTIAL"UNLESS DESIGNATED ON THIS FORM.

Check one of the following - if neither is checked, State will assume that as equivalent to "DOES NOT":

0	This response DOES NOT contain proprietary or trade secret information. I understand that my entire response will become public record in accordance with A.A.C. R2-7-C317.
●	This response DOES contain trade secret information because it contains information that: 1. Is a formula, pattern, compilation, program, device, method, technique or process, AND 2. Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; AND 3. Is the subject of efforts by myself or my organization that are reasonable under the circumstances to maintain its secrecy.

NOTE:Failure to attach an explanation may result in a determination that the information does not meet the statutory trade secret definition. All information that does not meet the definition of trade secret as defined by A.A.C. R2-7-101(52) will become public in accordance with A.A.C. R2-7-C317. State may make its own determination on materials in accordance with A.A.C. R2-7-103.

If State agrees with Offerer's designation of trade secret or confidentiality and the determination is challenged, the undersigned hereby agrees to cooperate and support the defense of the determination with all interested parties, including legal counsel or other necessary assistance.

By submitting this response, Offerer agrees that the entire Offer, including confidential, trade secret and proprietary information may be shared with an evaluation committee and technical advisors during the evaluation process. Offerer agrees to indemnify and hold State, its agents qd_empl oyees, harmless from any claims or causes of action relating to State's withholding of information base pan reliance n the above re / ' ntations, including the payment of all costs and attorney fees incurred State in defen iiilg such an a 10 A. _ /

Aspen Com:munications LLC	Don Richardson
OfferorCompany Name	Signature of Authorized Person
7 Kiji Dava Circle Suite A	Don Richardson
Address	Printed Name
Prescott, AZ 86301	President/CEO
City State Zip	Title

End of Attachment 5-A

Copy of A.A.C. R2-7-103 [Confidential Information] as was current at time of Solicitation issuance

PROVIDED FOR REFERENCE ONLY

A. If a person wants to assert that a person's offer, specification, or protest contains a trade secret or other proprietary information, a person shall include with the submission a statement supporting this assertion. A person shall clearly designate any trade secret and other proprietary information, using the term "confidential". Contract terms and conditions, pricing, and information generally available to the public are not considered confidential information under this Section.

B. Until a final determination is made under subsection (C), an agency chief procurement officer shall not disclose information designated as confidential under subsection (A) except to those individuals deemed by an agency chief procurement officer to have a legitimate state interest.

C. Upon receipt of a submission, an agency chief procurement officer shall make one of the following written determinations:

1. The designated information is confidential and the agency chief procurement officer shall not disclose the information except to those individuals deemed by the agency chief procurement officer to have a legitimate state interest;

2. The designated information is not confidential; or

3. Additional information is required before a final confidentiality determination can be made.

D. If an agency chief procurement officer determines that information submitted is not confidential, a person who made the submission shall be notified in writing. The notice shall include a time period for requesting a review of the determination by the state procurement administrator.

E. An agency chief procurement officer may release information designated as confidential under subsection (A) if:

1. A request for review is not received by the state procurement administrator within the time period specified in the notice; or

2. The state procurement administrator, after review, makes a written determination that the designated information is not confidential.

- - -

Attachment 5-B

Conformance Statements

STATE WILL NOT CONSIDER ANY EXCEPTIONS UNLESS DESIGNATED ON THIS FORM.

READ PARAGRAPH **ERROR! REFERENCE SOURCE NOT FOUND.**OF THE INSTRUCTIONS TO OFFERORS BEFORE TAKING ANY EXCEPTIONS – TAKING EXCEPTIONS CAN BE GROUNDS FOR STATE REJECTING OR DOWN-GRADING YOUR OFFER IN EVALUATION.

CONFORMANCE TO THE INSTRUCTIONS:
(PART 1 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

● YES – Offeror acknowledges that it has read and understands the Solicitation Summary in Section 1-A of the Solicitation Documents and the Instructions to Offerors in Section 1-B of the Solicitation Documents and the and attests that its Offer complies with both.

○ NO – Offeror acknowledges that it has read and understands the Solicitation Summary in Section 1-A of the Solicitation Documents and the Instructions to Offerors in Section 1-B of the Solicitation Documents, and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 1**.

CONFORMANCE TO THE TECHNICAL DOCUMENTS:
(PART 2 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

● YES – Offeror acknowledges that it has read and understands the Scope Document and the Pricing Document in Part 2 of the Solicitation Documents and attests that its Offer complies with both.

○ NO – Offeror acknowledges that it has read and understands the Scope Document and the Pricing Document in Part 2 of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 2**.

CONFORMANCE TO THE CONTRACT TERMS AND CONDITIONS:
(PART 3 OF THE SOLICITATION)

Check one of the following – if neither is checked, State will assume that as equivalent to "YES":

● YES – Offeror acknowledges that it has read and understands the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits and Appendices, in Part 3 of the Solicitation Documents and attests that its Offer complies with both.

○ NO – Offeror acknowledges that it has read and understand the Special Terms and Conditions and the Uniform Terms and Conditions, along with their respective Exhibits and Appendices in Part 3 of the Solicitation Documents and attests that its Offer complies with both EXCEPT FOR the exceptions listed in **Attachment 5-B Supplement 3**.

ATTACHMENT 5-B Supplement No. 1:

Exceptions to Instructions **No Exceptions Taken**

Article / Paragraph or Exhibit Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
Section 1-A: Solicitation Details		
x	x	x
x	x	x
x	x	x
Section 1-B: Instructions to Offerors		
x	x	x
x	x	x
x	x	x

Aspen Communications

Company Name

Signature of Person Authorized to Sign

ATTACHMENT 5-B Supplement No. 2:

Exceptions to Scope of Work and Pricing No Exceptions Taken

Section 2-A: Scope of Work		
x	x	x
x	x	x
x	x	x
x	x	x
x	x	x
Section 2-8: Pricing Document		
x	x	x
x	x	x
x	x	x
x	x	x
x	X	x

Aspen Communications
Company Name

Signature of Person Authorized to Sign

ATTACHMENT 5-BSupplementNo. 3:

Exceptions to Contract Terms & Conditions **No Exceptions Taken**

Paragraph or Exhibi Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
Section 3-A: Special Terms & Conditions		
x	x	x
x	x	x
x	x	x
x	x	x
x	x	x

Paragraph or Appendix Reference	Proposed Changes / Alternate Language	Rationale for Proposed Change
Section 3-B: Uniform Terms & Conditions		
x	x	x
x	x	x
x	x	x

Aspen Communications

Company Name

Signature of Person Authorized to Sign

End of Attachment 5-B

Available on! neat Procure AZ.gov

Attachment 5-C

Insurance and Bonding Evidence

Please provide a copy of your current insurance certificate that meets or exceeds the requirements set forth in Special Terms and Conditions, Section 6.2, Contractor Insurance Requirements.

Aspen does not currently maintain the Professional Liability Coverage levels specified, however, Aspen would be willing to immediately acquire this coverage upon a successful contract award.

End of Attachment 5-C

ASPECOM-01 MANDER nN

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/OD/YYYY)
03/21/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELO W. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER($), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be end orse d. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Flagstaff Insurance, Inc. 1300 E. Butler Ave Suite 100 Flag staff , AZ 86001	Sl?ti cT Weston Thew g_N:o, Extl: (928) 771-6631 FAX (A/C, Not *1AJ - wes@flagstaffi ns.com	
	INSURERISIAFFORDING COVERAGE	NAIC#
	INSURERA : Owners Ins Co	
INSURED Aspen Communications LLC Don & Sheila Richardson 7 Kiji Dava Circle #A Pres c ott , AZ 86301	INSURER e: AutoOwners Insurance	
	INSURERC:	
	INSURER D :	
	INSURER E :	
	INSURER F:	

COVERAGES CERTIFICATE **NUMBER** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED . NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPE;CT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONSAND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

1r-l,f	TYPEOFINSURANCE	.\l.,O	SUBR ,.vun	POLICY NUMBER	POLICYEFF	POLICY EXP	LIMITS	
A	X COMMERCIALGENERAL LIABILITY CLAIMS-MADE [K] OCCUR	X	X	45066909	09/20/2016	09/20/2017	EACH OCCURRENCE j U 9 EN '. 2.nM	$ 1,000,000 $ 300 ,0 00
	'L AGGREGATE LIMITAPPLIES PER: POLICY D re>T D Loe OTHER:						MED EXP (Anvone oerson) PERSONAL & ADVINJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 10,000 $ 1,000 ,000 $ 2 , 000,00 0 $ 1,000,000
A	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY X SCHEDULED AUTOS X HI\Vffi AU SONLY X NONi?, NE AUTO	X	X	4206690900	09/20/2016	09/20/2017	COMBINED SINGLE LIMIT ar-rjrlont, BODILY INJURY /Peroerson) BODILY INJURY (Per accident\ FROPERTY DAMAGE Per accident\	$ 1,00 0,0 00 $ $ $
B	X UMBRELLA LIAB OCCUR EXCESSLIAB CLAIMS-MADE OED I RETENTION$	X	X	4206690901	09/20/2016	09/20/2017	EACH OCCURRENCE AGGREGATE	$ 1,000 , 00 0 $ 1,000 , 00 0 $
	WORKERS COMPENSATION ANDEMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y IN D	N/A				I frnr I 2JH- E1. EACH ACCIDENT E.L. DISEASE - EAEMPLOYE E.L. DISEASE - POLICY LIMIT	$ $ $

DESCRIPTION OF OPERATIONS I LOCATIONSI VEHICLES (ACORD 101 , Additional Remarks Schedulemal be attached If more space Is required)
Solicitation No. ADSP017-00007125 - Cabling Communication Systems - The State o Arizona, its departments, agencies, boards, commissions , universities and its officers, officials, agents
and employees shal be named as additional insureds with respect to liabilty arising out of the activities performed by or on behalf of the contractor.
Additional Insured and Waiver
of Subrogation provided under form 55091

CERTIFICATE HOLDER

Arizona State Procurment Office
100 N 15th **Ave,** Suite 201
Phoenix, AZ 85007

CANCELLATION

SHOULD ANY OF THE ABO VE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Mu6 lv. 27'/-:

©1988-2015 ACORD CORPORATION. All rights reserved.
TheACORD name and logo are registered marks of ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 03/21/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

CopperPoint Insurance Companies
3030 N. 3rd Street

Phoenix AZ 85012-3068

CONTACT NAME: CopperPoint Insurance Companies
PHONE (A/C, No, Ext): 602.631.2300 or 866.284.2694 **FAX (A/C, No):** 602.631.2599
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : CopperPoint Mutual Insurance Company	14216
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED

Aspen Communications LLC
7 Kiji-Dava Circle Ste A

Prescott AZ 86301

COVERAGES **CERTIFICATE NUMBER:** 463 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ☐ NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	☐ **UMBRELLA LIAB** ☐ OCCUR						EACH OCCURRENCE	$
	☐ **EXCESS LIAB** ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
A	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	X	1018431	11/01/2016	11/01/2017	☒ PER STATUTE ☐ OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Job #: ADSPO17-00007125 Location: Statewide Cabling

6325-CONDUIT CONST FOR CABLE/WIRE

CERTIFICATE HOLDER

State of Arizona, Arizona Department of Administration
ATTN: State Procurement Office
100 North 15th Avenue
Suite 201
Phoenix AZ 85007

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2014 ACORD CORPORATION. All rights reserved.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

State Waiver:

Cert Holder Name: State Waiver

Verbiage: State of Arizona. its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees' losses arising from work performed by or on behalf of the Contractor.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 03/21/2017 Policy No. 1018431 Endorsement No. 9
Insured Aspen Communications LLC Premium $ 0 .00

Insurance Company CopperPoint Mutual Insurance Company Countersigned by /j

WC000313
(Ed. 4-84)

© **1983 National** Council on Compensation Insurance.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

Blanket Waiver: Anyone for whom you have agreed to provide this Waiver subject to the terms of this endorsement.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 11/01/2016 Policy No. 1018431 Endorsement No. 3
Insured Aspen Communications LLC Premium $ 500

Insurance Company CopperPoint Mutual Insurance Company Countersigned by

WC 00 0313
(Ed. 4-84)

© 1983 National Council on Compensation Insurance.

Attachment 5-0

Offer Checklist

STATE MAY DETERMINE YOUR PROPOSAL IS NON-RESPONSIVE IF YOU DO NOT SUBMIT ALL ATTACHMENTS.

	DOCUMENT	SUBMITTED
1.	Attachment 1: Offer and Acceptance Form	YES D no
2.	Attachment 2-A: Experience and Capacity Questionnaire	YES Ono
3.	Attachment 2-8: Organization Profile	0 YES !Kl no *(l/,4*
4.	Attachment 3-A: Method Proposal	YES D no
5.	Attachment 3-8: Key Personnel Proposal	tJ YES D no
6.	Attachment 3-C: Proposed Subcontractors	YES D no
7.	Attachment 3-D: Performance Guarantee	DYES (X1 non/„4,
8.	Attachment 3-E: Israel Boycott Disclosure	YES Ono
9.	Attachment **4:** Pricing Sheet	[j!YES Ono
10	Attachment 5-A: Confidential Information Designation	Ij)YES Ono
11.	Attachment 5-8: Conformance Statements	*is6* YES Ono
12	Attachment 5-C: Insurance and Bonding Evidence	It]YES Ono
13.	Attachment 5-D: Offer Checklist	[jl_YES Ono

End of Attachment 5-D

Contract Amendment

CONTRACT NO.: ADSPO17-169124
Cabling Communication Systems-Northern Arizona Region

AMENDMENT NO.: One (1)

PAGE 1 OF 1

AZ DEPT. OF ADMINISTRATION
STATE PROCUREMENT OFFICE
100 N. 15TH AVE., STE. 402
Phoenix, AZ 85007

CONTRACTOR:
Aspen Communications LLC
7 Kiji-Dava Circle, Suite A
Prescott, AZ 86301

CONTACT: Don Richardson
PHONE: (928) 774-0992
EMAIL: smaskeen@aspentelco.com

STATE AGENCY:
AZ Department of Administration (ADOA)
State Procurement Office
100 N. 15th Ave., Ste. 402
Phoenix, AZ 85007
CONTACT: Myla Baptiste-Lord
PHONE: (602) 542-8921
EMAIL: myla.baptiste-lord@azdoa.gov

Cabling Communication Systems

Pursuant to Special Terms and Conditions, Section 5.1, Contract Amendment and Section 3.1, Term of Contract the above referenced Contract shall be amended as follows:

1. The contract shall be extended for 12 months, with a new expiration date of May 2, 2019.

All other terms, conditions and provisions of the Contract remain unchanged.

This Contract Amendment is not binding against the State of Arizona unless signed by an authorized representative of the Contractor and then accepted in writing by an authorized representative of the State.

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.	THE ABOVE REFERENCED CONTRACT AMENDMENT IS HEREBY EXECUTED THIS DATE BY THE STATE.
Don Richardson 1/31/2018	Myla Baptiste-Lord | 1/31/2018
SIGNATURE DATE	SIGNATURE DATE
Don Richardson President/CEO	Myla Baptiste-Lord State Procurement Manager, Technology
PRINTED/TYPED NAME AND TITLE	

Contract Amendment

Contract: ADSPO17-169124 Amendment #3

Arizona Department of Administration
State Procurement Office
100 N. 15th Avenue, Suite 402
Phoenix, AZ 85007

Cabling Communication Systems

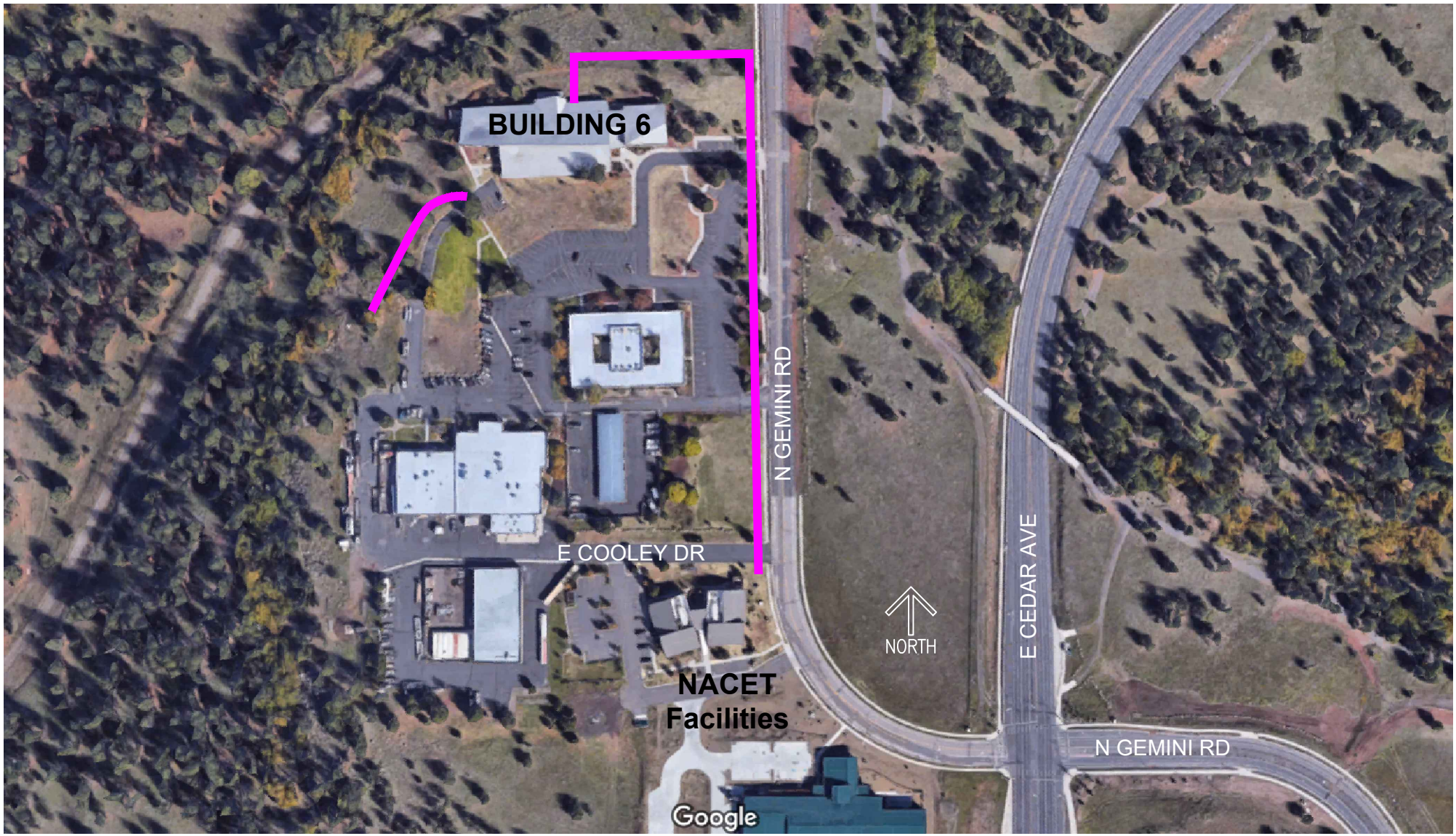
Aspen Communications LLC

1. In accordance with the Special Terms and Conditions, Section 3.2 - Contract Extensions, this Contract is extended for the contract period through May 2, 2021.

ALL OTHER REQUIREMENTS, SPECIFICATIONS, TERMS AND CONDITIONS REMAIN UNCHANGED

ACKNOWLEDGEMENT AND AUTHORIZATION

This amendment shall be fully executed upon the electronic approval in the State e-Procurement system by an authorized representative of the Contractor and applied to the contract in the State e-Procurement system by the Procurement Officer or delegate.


BUILDING 6
N GEMINI RD
E COOLEY DR
NORTH
E CEDAR AVE
NACET
Facilities
N GEMINI RD
Google

9. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Mark Richardson, Operations Manager
Co-Submitter:	Patrick Brown
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Approval of Contract: Red Gap Ranch Grazing Lease with Bar T Bar (-T-) Ranch in the amount of $50,408.

STAFF RECOMMENDED ACTION:

1. Approve the Grazing Lease with Bar T Bar (-T-) Ranch
2. Authorize the City Manager to execute the necessary documents

Executive Summary:

The City of Flagstaff advertised the grazing opportunity at Red Gap Ranch for the second time in six months with amendments to the scope and watershed protections. The three original bidders were still interested and submitted responses. Two of the bidders had complete bid applications and were determined to be responsive and responsible. The third bidder submitted one incomplete document and did not submit the remaining necessary documents in the allotted time and therefore is determined to be non-responsive. Bar T Bar (-T-) Ranch was the highest responsive responsible bidder. Bar T Bar (-T-) Ranch included an acceptable grazing management plan that better utilizes the ranch than prior grazing and provides for rangeland stewardship, environmental stewardship, sustainability, and watershed protection. Bar T Bar (-T-) Ranch is also one of the founding members of the Diablo Trust.

The proposed lease agreement is proactive in ensuring that the City can pursue alternate uses on the property under the agreement, and the recommended Lessee understands and has confirmed its commitment to support the City in those endeavors.

Financial Impact:

The grazing lease provides an annual fee / revenue to Water Services to offset any maintenance costs associated with Red Gap Ranch. There are no negative financial impacts with the grazing lease.

Policy Impact:

Red Gap Grazing Lease with Bar T Bar (-T-) Ranch furthers the City's commitment to environmental stewardship, sustainability and watershed protection.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Sustainable, Innovative Infrastructure: Utilizes existing long range plans that identify the community's future infrastructure needs and all associated costs - Red Gap Ranch plays an integral role in the 100-year water supply for the City of Flagstaff.
Environmental Stewardship: Actively manage and protect all environmental and natural resources; Increase the private sector's participation in environmental stewardship efforts, Bar T Bar (-T-) Ranch is a part of the Diablo Trust which supports environmental stewardship, rangeland stewardship, and sustainability.

Regional Plan

Red Gap Ranch is an integral part of protecting and maintaining the watershed at Red Gap Ranch.

Has There Been Previous Council Decision on This:

Initially, the City of Flagstaff awarded a grazing lease in 2007. On September 2, 2014, the Grazing lease was awarded after being properly advertised. On October 13, 2020, Staff presented the scope of work for the Invitation for Bid (IFB) and received direction from Council. On December 1, 2020, Council reject all bids and requested staff to amend the language of the IFB and contract to reflect more support for environmental stewardship, rangeland stewardship, sustainability, and watershed protection.

Options and Alternatives:

Reject all bids and re-advertise for a grazing operator.

Background/History:

The City's Purchasing Section conducted an invitation for Bids (IFB) solicitation for Red Gap Ranch Grazing Lease. Purchasing posted the solicitation on the City's PlanetBids website on February 26, 2021, and it was advertised in the Arizona Daily Sun on March 02, 2021, and March 7, 2021. On March 12, 2021, Purchasing received a total of two (2) responsive and responsible bids. Purchasing and staff reviewed all bids received and found that Bar T Bar (-T-) Ranch, Inc. is the highest responsive responsible bidder.

Bids

Bar-T-Bar $50,408.00
7P Ranch $25,200 .00

Expanded Financial Considerations:

The annual grazing lease will cover the cost associated with the annual maintenance of Red Gap Ranch and all associated costs of holding the grazing lease for Arizona State Lands within the ranch boundary.

Attachments:

Red Gap Ranch Location
RGR Roads, Fences, Tanks
Presentation
Red Gap Grazing Lease
Agreement Attachment A - Submitted Bid
Agreement Exhibit A - Legal Description
Agreement Exhibit B - ASLD Lease

City of Flagstaff

I40

RED GAP RANCH

N
W E
S

Figure 1. LOCATION of RED GAP RANCH

Miles
0 5 10

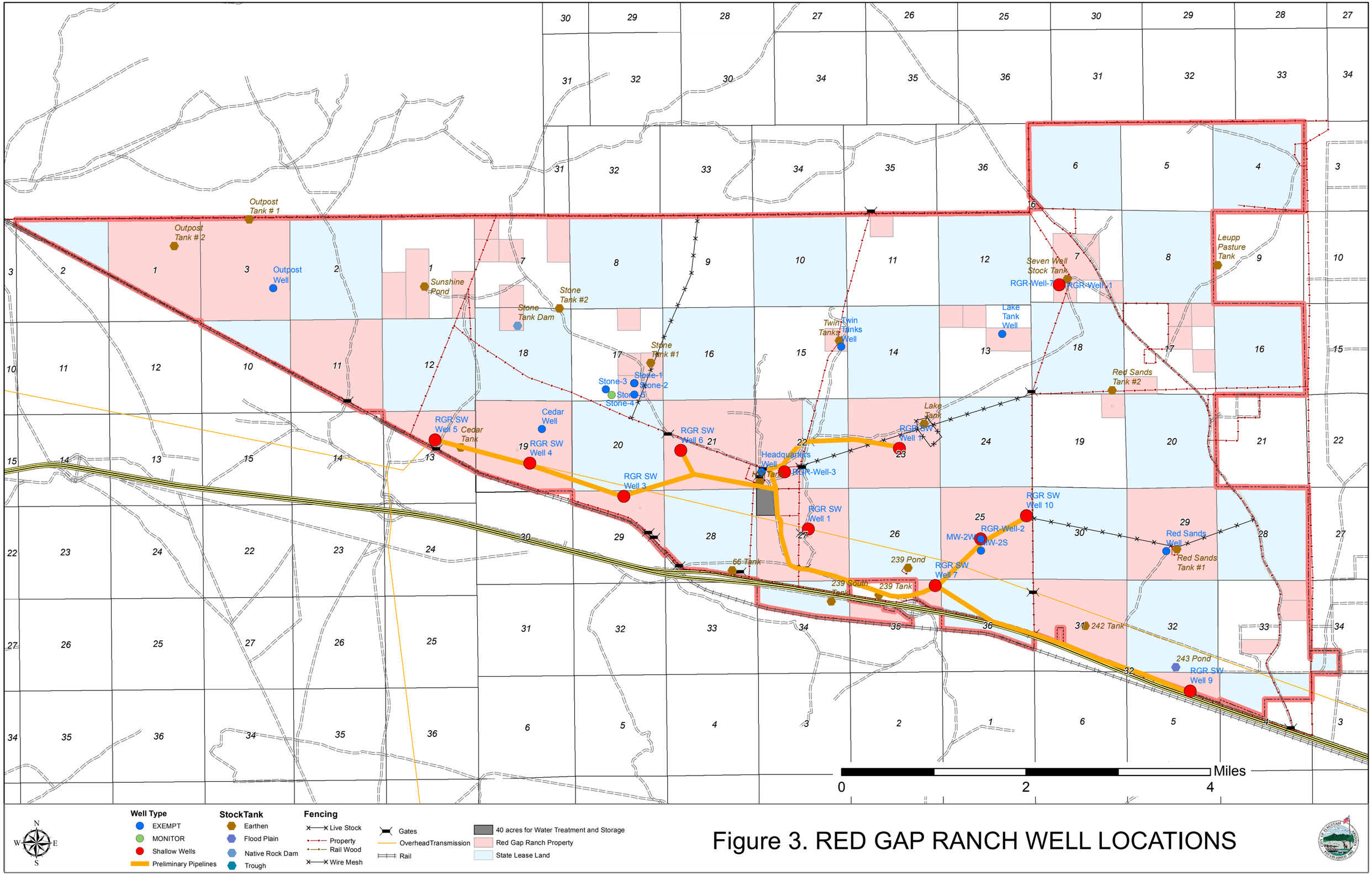


Figure 3. RED GAP RANCH WELL LOCATIONS

Grazing Lease

Red Gap Ranch

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Location of Red Gap Ranch

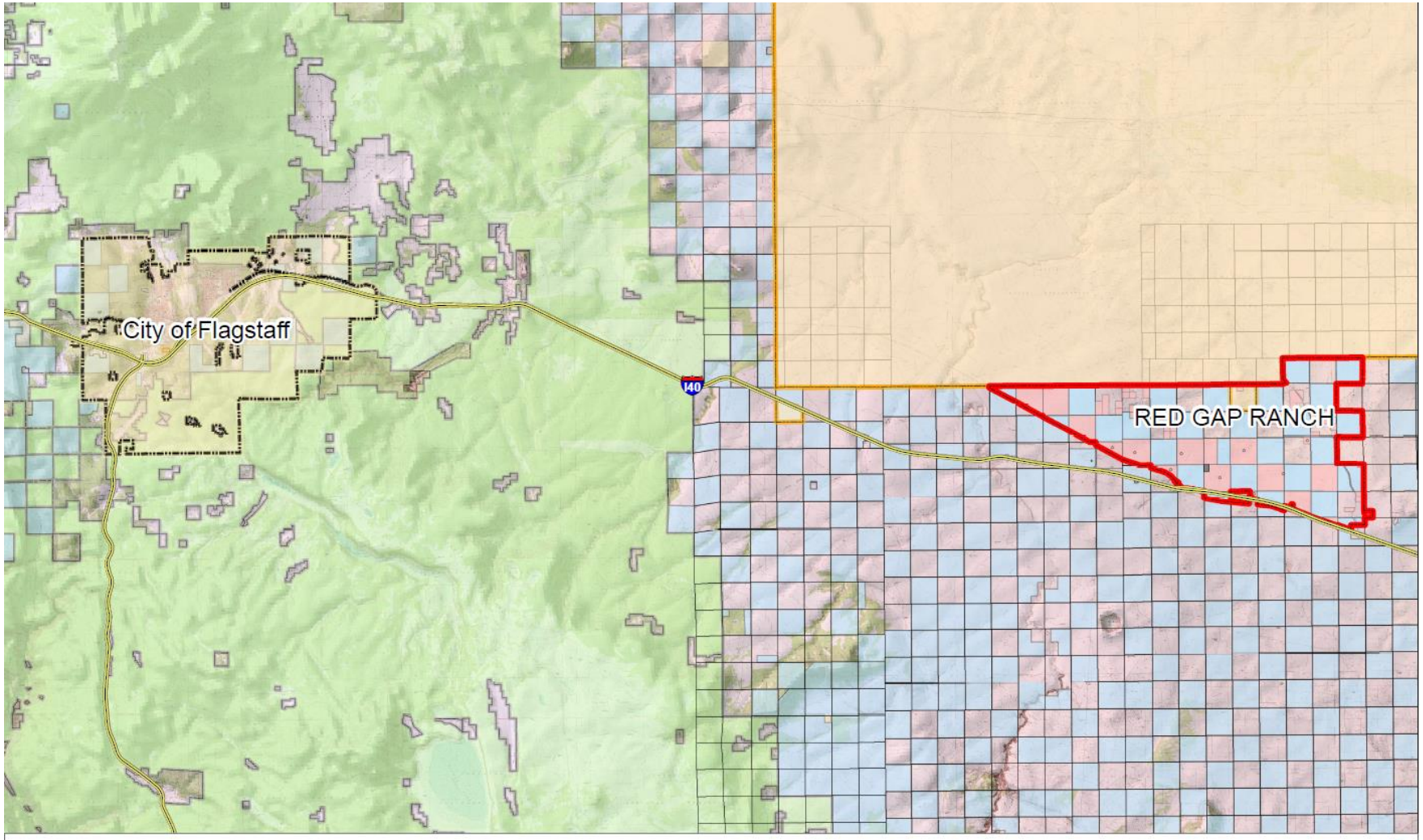


Figure 1. LOCATION of RED GAP RANCH

Red Gap Ranch

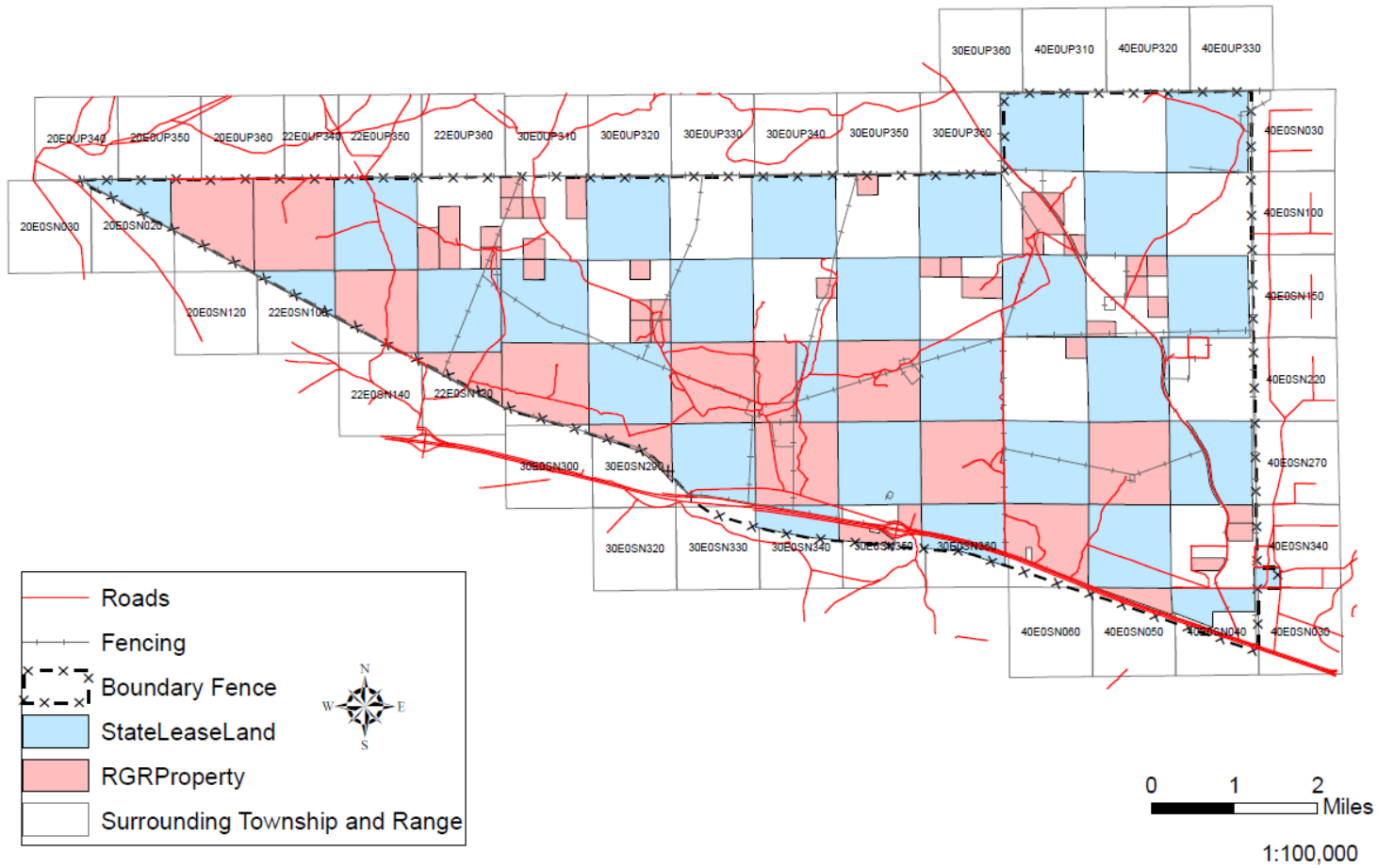
TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

Located Approximately 30 Miles East of Flagstaff

History of Red Gap Ranch

- 2005 Bond Issue to purchase future water Supplies
  - Purchase of Red Gap Ranch
    - 8,500 Acres Deeded Land
    - 15,000 Acres State Land
  - Arizona State Lands Grazing Lease – City of Flagstaff
- Included US Dept. of Ag Grant
- New Wells / Water Supply

Red Gap Ranch



US Department of Agriculture

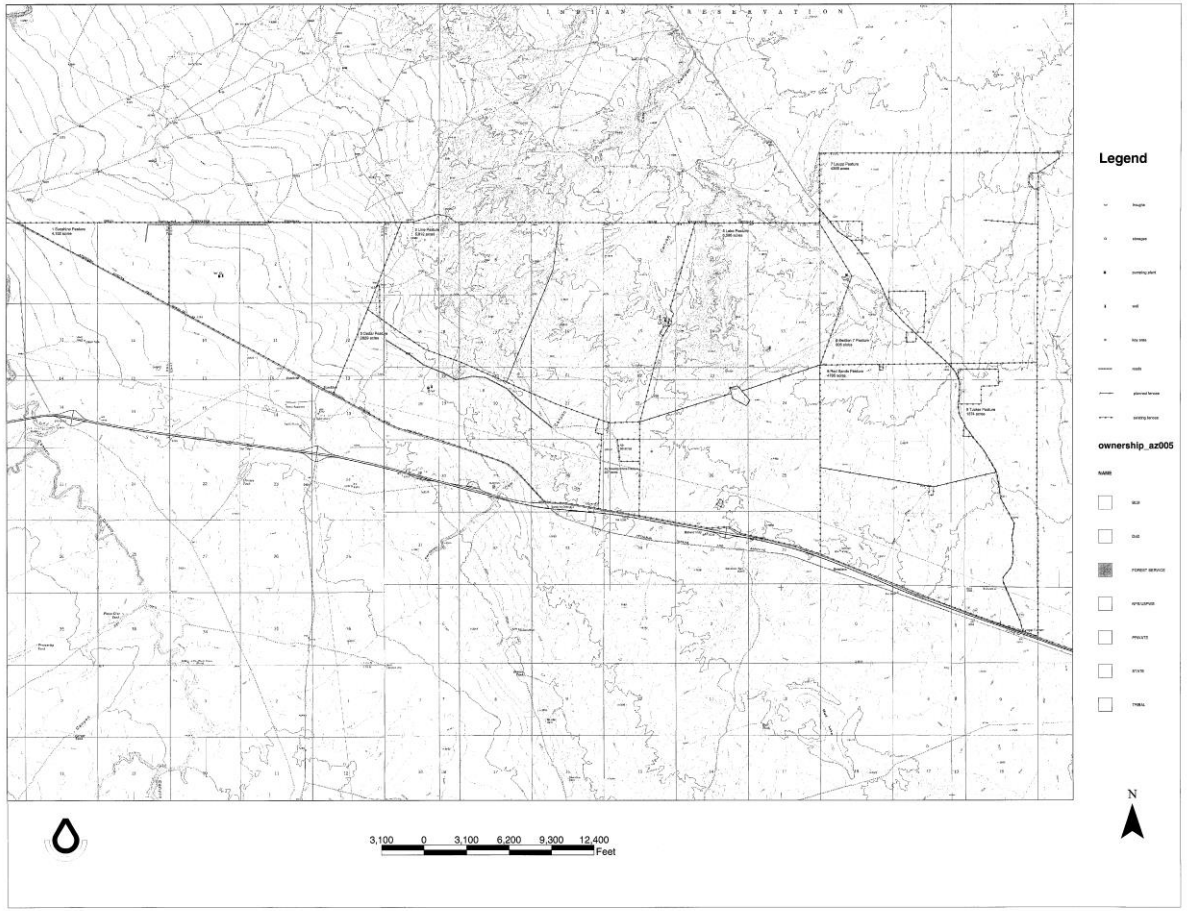
- Environmental Quality Incentives Program
  - Add Water troughs for wildlife and grazing animals.
  - Maintenance requirements for 10 years ended 2020.
  - Four locations with wells.
  - Required a grazing operator

US Department of Agriculture Grant

Environmental Quality Incentives Program (EQIP)

Fence Plan

NRCS Fence



Fence Lines

Cross Fencing

Invitation For Bid (IFB)

- Adhere to Flagstaff's Community Priorities and Objectives
- Integration of Grazing, eco system health and land management best practices
- Support Flagstaff Initiatives for Sustainability
- Support wildlife restoration
- Reduce livestock and wildlife conflicts
- Work with Institutions of Higher Learning
- Provide a Grazing Management Plan, 181 Animal Units
- Annual Fence maintenance – 1 mile per year
- Domestic Livestock
  - Cows, horses, sheep, goats and donkeys

Proposed Grazing Operator

Highest Responsive and Responsible Bidder

- - T – (Bar T Bar) Ranch
  - Began operation in 1939
  - Located adjacent to Red Gap Ranch
  - Founding member of Diablo Trust
  - 2019 Arizona Game and Fish Commission Wildlife Habitat Steward of the Year.
  - Livestock: Cattle
  - Total Bid: $50,408

Comments, Questions

LEASE AGREEMENT

GRAZING LEASE, PATENTED LANDS

CITY OF FLAGSTAFF
ARIZONA

APRIL 2021

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ATTACHMENT A - SUBMITTED BID
EXHIBIT A – LEGAL DESCRIPTION
EXHIBITY B – STATE LAND ASSIGNMENT OF LEASE

GRAZING LEASE AGREEMENT

This Grazing Lease Agreement ("Lease Agreement") is made and entered into this ___ day of_____2021, by and between the City of Flagstaff ("Lessor"), a municipal corporation with offices located at 211 West Aspen Avenue, Flagstaff, Arizona 86001, Bar T Bar Ranch, Inc., an Arizona corporation (hereinafter referred to as "Lessee") with its corporate office located at 3110 Crater Ranch Road, Winslow, Arizona.

RECITALS

1. Lessor is the owner of certain ranges and range rights consisting of patented lands and lands held under Arizona State Grazing Lease Number 05-3321 lying and being situated east of the City of Flagstaff, Coconino County, State of Arizona, such ranges being locally referred to and known as the "Patented Lands." The patented lands are described in **Exhibit A**, attached and made a part of this Lease Agreement ("Patented Lands"). The lands held under Arizona State Grazing Lease Number 05-3321 are described in **Exhibit B**, attached and made a part of this Lease Agreement ("State Lands").

2. Lessor has accepted the bid of Lessee for grazing livestock compatible with City land use plans at the Patented Lands location.

3. Lessee desires to lease the Patented Lands and State Lands (sometimes collectively referred to as "Patented Lands" or "Leased Premises") for the purpose of running a livestock operation on the Leased Premises. The conduct of such livestock operation will be under the sole management, cost and responsibility of Lessee and pursuant to Attachment A.

4. Lessor, as the owner of Patented Lands, has the authority to impose and collect all rentals, fees and charges related and incidental to Lessee's use of the Leased Premises.

NOW, THEREFORE, Lessor does hereby agree to lease to Lessee, and Lessee does hereby agree to lease from Lessor, certain land, rights, and privileges in connection with and on the Patented Lands lands as follows:

I. LEASE AND SUBLEASE

A. Lease of Patented Land.

Lessor does hereby lease to Lessee, and Lessee's permitted successors and assigns, and Lessee does hereby take and lease from Lessor the land described in **Exhibit A** ("Patented Lands") for the purposes of running a livestock operation on the Patented Lands that is compatible with City land plans and uses ("Operation"), as more particularly contained in this Lease Agreement, and subject to Lessor's reservation of the following specified rights and all other rights or City uses as may be determined in the City's sole discretion during the term of this Lease Agreement:

1. The exclusive right to all mineral rights, of any kind, appurtenant to the Patented Lands described in this Lease Agreement owned, controlled or possessed by

Lessor; and Lessor shall be entitled to prospect for, drill, produce, mine or extract such minerals.

2. The exclusive right to all timber or forest products, of any kind, appurtenant to the Patented Lands which Lessor owns, controls or possesses, including the right to harvest, cut, process, fabricate, remove or extract such timber or forest products.

3. The exclusive right to grant easements, rights of way, licenses, permits, leases or enter into third-party contracts for alternative land use plans. For example, Lessee expressly acknowledges and understands that Lessor is contemplating entering into a lease of a portion of the Patented Lands for solar energy creation purposes, and that the Lessor has plans to develop additional areas of the Patented Lands as a multi-use complex for land management, sustainability, climate action, land development and water production purposes. Lessee acknowledges and agrees that such uses are compatible with Lessee's Operation, and Lessee does not and will not object to or interfere with, either directly or indirectly, any leases, licenses or permits which may be granted by Lessor to third-parties for such purposes, all of which alternative uses shall remain in the Lessor's sole discretion. Lessee expressly acknowledges and understands that Lessee's grazing operation is secondary to and at all times subordinate to any land use plans or alternative uses identified or pursued by the Lessor or its third-party contractors during the term of the Lease Agreement. Where an alternative land use plan is initiated by the Lessor that may not be compatible with grazing, Lessee acknowledges and understands that the Lessor's alternative plan has priority and that the Lessor will not reimburse Lessee for any payments or improvements made on the Leased Premises, and Lessee waives any claims for damages or loss of any kind associated with Lessee's Operation on the Leased Premises.

4. The exclusive right to survey, drill wells and improve the surface of the Patented Lands or maintain and repair all improvements situated on such lands.

5. The exclusive right to all water from any source on or under the Leased Premises.

6. The exclusive right of ingress and egress to any part or portion of the Patented Lands for any purpose. At no time shall Lessee allow third-party ingress and egress to the Leased Premises or to the ASLD parcels within the Patented Lands unless expressly authorized by the Lessor.

7. All other uses not directly in conflict with Lessee's Operation.

B. Sublease of State Lands.

Lessor and Lessee mutually agree that for purposes of this Lease Agreement, the leasing of any lands described in **Exhibit B** under Arizona State Grazing Lease Number 05-3321 shall be considered a sublease of such lands and shall be subject to all rules and regulations of appropriate governmental authorities controlling the use of such lands owned by the State of

Arizona. Permission for such sublease shall be obtained in writing from the Commissioner of the Arizona State Land Department, and if such permission is not obtained, this Lease Agreement shall automatically become null and void upon the date that Lessor receives notice from the State Land Department that the sublease has not been approved.

Lessee agrees to conform with the following:

1. Adhere to the City of Flagstaff's Community Priorities and Objectives, Climate Action and Adaptation Plan, and Water Services Master Plan.
2. Integration of grazing, ecosystem health, and land management best practices.
3. Support Lessor's efforts to integrate a variety of initiatives that include, but are not limited to, renewable energy development, carbon sequestration, research, and pilot sustainability projects. Any exploration of helium or hydrocarbons or similar testing or drilling on or near the Leased Premises is strictly prohibited and any such activity shall be considered a material breach of the Lease Agreement and subject to immediate termination.
4. Support wildlife restoration projects on the Patented Lands property.
5. Participate in scientific studies and/or work with institutions of higher learning.
6. Utilize wildlife friendly fencing and harvest practices (if harvesting is considered in the bid).
7. Implement and test new methods to reduce livestock and wildlife conflicts.
8. Implement grazing practices that support wildlife, water quality, and ecosystem health.
9. Provide a Livestock Grazing Management Plan (LMGP)
10. Meet the requirements of Arizona State Land Department for holding a sublease for grazing on Arizona State Lands; the Lessor shall hold the grazing lease on all State Lands within the boundary of the Patented Lands. Requirements for the sublease are outlined in the Sub-Lease Application (Exhibit D).
11. Manage all livestock to avoid the BNSF railroad. Lessee shall be responsible for all livestock management costs and operations on the Leased Premises.
12. Lessee will not drill new water supply wells (for stock or other uses) or construct stockponds or stock tanks on or near the Leased Premises without the Lessor's express written consent.
13. If Lessee has a grazing operation that will be operated in conjunction with the Leased Premises, Lessee agrees to manage all grazing operations in the best interest of the Lessor.

C. Possession.

Subject to **Article I(B)** above, Lessee shall take possession of the Leased Premises upon the later of the effective date of this Lease Agreement or receipt by Lessor of written permission for such sublease from the Commissioner of the State Land Department.

II. TERM

A. Term.

The term of this Lease Agreement shall be for an initial (3) three-year period. The initial (3) three-year term shall commence on _____, 2021 and end on _____, 2024.

B. Extension.

Upon the expiration of the initial term of this Lease Agreement, the parties may, upon mutual agreement, extend this Lease Agreement for two (2) additional one (1) year term. Lessee shall request extension of this Lease Agreement by giving the City written notice at least ninety (90) days prior to the expiration of the initial term of this Lease Agreement. All terms and conditions of this Lease Agreement not changed by mutual agreement of the parties shall apply to the renewal term of this Lease Agreement.

III. RENT

A. Definitions. For purposes of computing rentals, Lessor and Lessee agree to the following definitions:

1. "Livestock Grazing Period" means the grazing period shall be treated as 185 days per contract year during the term of this Lease or any extensions thereof, and for rental purposes each year of lease shall be reassessed by Lessor and Lessee. Any adjustments shall be approved by State and Lessor.

2 "Adult Livestock" means any livestock one year old or older; provided, however, that no rentals shall be computed or charged on rams.

3. "Lambs" means any sheep six months to one year of age, and, for purposes of this Lease Agreement, the grazing costs of lambs shall be fifty percent (50%) of the basic rentals for adult sheep, as hereinafter computed. Two (2) lambs shall equal one (1) adult sheep for grazing rental purposes. "Calves" means any bovine animal that's age is less than one year. Lease Agreement, the grazing costs of calves shall be sixty percent (60%) of the basic rentals for adult bovine, as hereinafter computed. "Steers/heifer" means any bovine animal that's age is greater than one year, but less than two years. Lease Agreement, the grazing costs of calves shall be eighty percent (80%) of the basic rentals for adult bovine, as hereinafter computed.

4. "Animal Unit (A.U.)" means the annual feed requirement to maintain one mother cow or the equivalent in thrifty condition.

5. "Animal Unit Month (A.U.M.)" is one-twelfth of an Animal Unit or the feed requirement to maintain a mother cow in thrifty condition for an average month of the year.

6. "Minimum Numbers of Livestock" means adult livestock or its equivalent.

7. For purposes of calculating "minimum numbers of livestock", "basic rentals" and "carrying capacity," "one (1) adult cattle" shall equal "five (5) adult sheep." Lessee may reference the U.S. Department of Agriculture definition at the following website: https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/plantsanimals/livestock/afo/

8. "Basic Rentals" means the total grazing rental reserved under this Lease Agreement based upon the actual number of head of livestock sheep for each annual livestock grazing period under this Lease Agreement computed on the following monthly basis: $14.00 per animal unit per month, 12 months per year during the lease term.

B. Rentals.

1. Numbers of adult livestock grazed shall be charged and pay the same cash rental of **$14.00** per animal units monthly (181), 12 months per year. Total rentals for livestock grazed during the term of this Lease Agreement or extensions thereto, as computed on the foregoing formula, shall be paid by Lessee to Lessor as follows:

(a) At the beginning of the Grazing Period, the base annual rental sum of **twenty thousand dollars ($20,000.00)** cash;

(b) Monthly, the animal units per month as stated above;

(b) At the end of the Grazing Period, cash equal to the balance owing on the livestock rental account for the livestock grazing period ending at the term of contract specified 365 days.

2. In addition to the rentals reserved above, Lessee shall pay to Lessor all applicable privilege, sales and excise taxes which may be legally levied or imposed upon rent now or later by any governmental agency.

3. All rentals shall be paid by Lessee to Lessor at the address of Lessor as provided below for the giving of notices.

4. Lessor shall have a lien for unpaid rent on all livestock owned by Lessee ranging upon the leased property as of the date any rental delinquency shall occur.

IV. LESSEE'S OPERATION

A. Lessor's Operation.

The business to be conducted by Lessee upon the range lands, Patented Lands and State Lands embraced by this Lease Agreement shall be that of a livestock operation, and Lessee agrees to conduct and manage said livestock operation at its sole cost and expense and in a good and livestock manlike manner. The operation shall include, by way of illustration but not necessarily by way of limitation, the production of mutton by breeding, growing, fattening, pasturing or grazing.

1. Livestock placed on the leased range area shall be owned or controlled by Lessee and shall bear one of the irons or brands of Lessee.

2. Lessee shall, at its sole expense, promptly comply with all laws, ordinances, rules, regulations, requirements and orders whatever, present or future, of any governmental authority having applicable jurisdiction, which may in any way apply to the maintenance, operation or use of the Leased Premises as herein described.

3. The Lessor encourages sustainability with all of its operations. It is pertinent to uphold the City of Flagstaff Key Communities Priorities and Objectives.

V. CARRYING CAPACITY

A. Rental Basis.

All rentals reserved under this Lease Agreement shall be based upon the actual number of adult livestock actually pastured, from time to time, during the grazing period as defined within the Grazing Management Plan provided by the Lessee. The parties agree to negotiate annually the stocking rates allowed for each season upon the range as provided below in accordance with **Article VI**.

B. Maximum Number of Livestock.

The maximum number of livestock to be grazed on the range (both Patented and State Lands) embraced by this Lease Agreement shall not exceed the then current annual carrying capacity appraisal per section of land as promulgated by the Arizona State Land Department on those State Lands included within the leased range area (currently rated at 0.41 AUM's per section) unless favorable range conditions allow for excess grazing. If Lessee wishes to exceed such appraised carrying capacity, it shall first obtain written permission of the Lessor and the State Land Commissioner. Based upon the current carrying capacity appraisal effective upon date of this Lease Agreement, the parties acknowledge and agree that the maximum carrying capacity on the Leased Premises is **181** animal units. Notwithstanding the carrying capacity, only Lessee's livestock, appropriately marked with a registered brand, are authorized to inhabit the Leased Premises. Lessee shall not contract with or permit any third parties to use the Leased Premises for grazing or any other purpose.

VI. COOPERATION

A. Reservation of Rights.

Lessee acknowledges that Lessor has reserved its rights to enter into other leases, permits and licenses with respect to the Patented Lands, in accordance with **Article I** above.

B. Meetings.

Lessee agrees to cooperate with Lessor by attending quarterly meetings to be arranged and scheduled by Lessor on or about the dates of February 15, May 15, August 15 and November 15, throughout the term of this Lease at a location convenient to the parties. Such meetings shall include, by way of example but not by way of limitation, consideration of stocking rates, grazing schedules, new range improvement construction, improvement maintenance and repair schedules, and range or improvement enhancement programs.

VII. PEACEABLE POSSESSION

A. Possession of Patented Lands and State Lands.

Lessor agrees to furnish to Lessee peaceable possession of the Patented Lands and the State Lands upon commencement of the term of this Lease, subject, however, to the prior written approval for sublease of State Lands under existing State Land Department Grazing Lease Number 05-3321, which shall be the obligation of Lessor to obtain. Should such approval not be obtained by Lessor after exercise of reasonable diligence within three months from the date hereof, this Lease Agreement shall immediately terminate.

B. Compliance with Applicable Leases and Agreements.

Lessee agrees to abide by and comply with all of the terms, covenants, conditions and obligations under this Lease Agreement and State Land Department Grazing Lease Number 05-3321, except, however, that Lessor shall be responsible for payment of rentals under Grazing Lease Number 05-3321. In addition, Lessee agrees to abide by and comply with all of the terms, covenants, conditions and obligations under EQIP Contract No. 2002 7494572A047.

VIII. IMPROVEMENTS

A. Lessor shall not be required to make any improvements on the leased range during the term of this Lease. Subject to Lessor's consent as provided below, Lessee shall have the right, at Lessee's sole cost and expense, to make any and all improvements, additions or alterations on the Leased Premises, as in its sole discretion may be deemed necessary for Lessee's Operations. All improvements, additions or alterations placed by Lessee on the Leased Premises during the term hereof or any renewal of this Lease Agreement shall be and become the property of the range owner (Lessor or the State of Arizona, as the case may be) immediately when placed upon the Leased Premises, and shall not be removed by Lessee upon termination of this Lease, unless otherwise agreed upon in writing by Lessor and Lessee.

B. Before placement, installation, alteration or construction of any improvement upon the Leased Premises, Lessee must first obtain the written consent of Lessor for the placement, installation, and construction of such improvement. Furthermore, before placement, installation, alteration or construction of any improvement upon State Lands included within the Leased Premises, Lessee agrees to furnish to Lessor, for execution, the proper application to obtain prior approval from the Commissioner of the Arizona State Land Department for the placement, installation and construction of such improvement. Upon completion of the construction of any

such improvement upon State Lands, Lessee agrees to give Lessor, for execution, a Report of Improvement which shall be filed with the Arizona State Land Department.

C. During the term of this Lease Agreement, Lessee shall, at its sole cost and expense, keep all improvements upon the Leased Premises in as good condition as the same areas of the commencement of this Lease Agreement, ordinary and usual wear and tear, acts of God, violence, vandalism or any other causes beyond the control of Lessee excepted.

D. In an effort to prevent erosion, Lessee agrees to conform to the best practices of the area in which the Leased Premises are located. Lessee shall not commit or permit or suffer the commission of any waste upon, or do or permit or suffer any damage to be done to the Leased Premises or any improvements thereon, or allow the range to be overgrazed, or cut or removed, or allow any timber or standing trees that may be upon the Leased Premises to be cut or removed, except such trees or timber as may be necessary for the maintenance of existing fences and improvements.

E. Notwithstanding anything to the contrary in this Lease Agreement, Lessor agrees that Lessor will perform such tank, dam and reservoir work, whether by way of repairs, clean-out or new construction, as may be required because of destruction as set forth below, or that may be desired through mutual consent of the parties. Further, Lessor agrees to perform, at Lessor's expense, such cedar or juniper eradication work or reseeding programs as may be mutually agreed upon by the parties.

F. In the event any tank, dam or stock pond shall be destroyed by flood, then, in that event, Lessee agrees to restore such tank, dam or stock pond at Lessee's sole cost and expense to the capacity of such tank, dam or stock pond before destruction. Lessee shall undertake such restoration within a reasonable period after receiving written notice of such destruction from the Lessor, weather conditions permitting and with due regard to the availability of labor and equipment. Lessee shall, at the latest, restore such tank, dam or stock pond within one (1) year following receipt of written notice of destruction from Lessor. The Lessee shall be responsible for maintaining the designated earthen tanks if the tanks are within one mile of a functioning well used for grazing and wildlife purposes.

IX. MAINTENANCE AND SERVICES

A. Lessee shall, at Lessee's sole risk and expense, provide and promptly pay for all labor, implements, tools, fuels and water and other materials and services of whatever kind or nature which may be used in the conduct of Lessee's Operation and in performance of Lessee's obligations under this Lease Agreement, and Lessor shall not be liable for any part thereof, including management of livestock around the BNSF railroad.

B. Lessee shall hold Lessor harmless from all charges of any kind or character which could or which become the subject of a lien on the Leased Premises.
C. The Lessor shall supply the Lessee with any materials necessary to repair the perimeter fence and gates in order to properly secure the Ranch (i.e. fencing wire, poles, stakes etc.)

D. Cross fencing throughout the Leased Premises shall be maintained by the Lessee. The fencing plan as provided shall be a guide to be used in the installation, and maintenance of the cross fencing. Cross fencing shall be 4-wire. Lessee shall provide at their expense, a minimum of one (1) fence miles to be installed or replaced per year during the period of this lease.
E. All cross-fencing work shall be submitted to and approved by the Lessor.

X. INSPECTION AND LIVESTOCK TALLY

A. Lessor or its authorized agents, at all reasonable times during the term of the Lease Agreement or any renewal, may enter upon the Leased Premises for the purpose of inspection of the range and improvements or conducting or supervising range improvements and determining range improvement decisions.

B. The parties mutually agree that Lessor shall have a right to tally numbers of livestock on the range at any time and to tally livestock on or off the range at mutually agreed times and methods; provided, however, that Lessor agrees to give Lessee not less than 14 days' written request of its desire to tally livestock.

XI. HORSES AND MULES

Without the payment of additional rentals, Lessee shall be entitled to keep and maintain upon the Leased Premises sufficient number of saddle horses, mules and/or pack burros as are necessary and required in the judgment of Lessee for the livestock operation. The number of saddle horses, mules and/or pack burros kept and maintained on the Leased Premises, when counted with the other livestock on the range, shall not exceed the then current annual carrying capacity appraisal per section of land as promulgated by the Arizona State Land Department on those certain State Lands included within the Leased Premises, unless the Arizona State Land Commissioner shall waive the carrying capacity limitation in writing.

XII. WATER AND RANGE RESOURCES

A. Lessee acknowledges that Lessor has reserved all water rights to the Leased Premises.
    a. All water developed or obtained by Lessee from any source located on the Leased Premises shall be used only on such range in connection with the Lessee's Operation authorized under this Lease, and such water shall not be removed or exported to any other land without the prior written consent of Lessor.
    b. The Lessor shall be responsible for the maintenance and repair of the pump and motor for all stock water wells on site.
    c. The Lessee shall be responsible for suppling the portable generator (s) to operate any of the operating stock wells at Outpost, Cedar, Twin Tanks and Sunshine.

B. Lessor makes no warranties or representations to Lessee, express or implied, as to the adequacy of water, regardless of source, for use on the Leased Premises, or as to the adequacy of forage for grazing purposes situated on the Leased Premises.

XIII. TAXES AND ASSESSMENTS

Lessor shall, at its own cost and expense, pay and keep current all real property (ad valorem) taxes, State grazing rentals and any other assessments or taxes upon the Leased Premises. All taxes upon personal property including, but not limited to, livestock, feed, supplies, fuel, tack, machinery or equipment placed on the range area embraced by this Lease Agreement by Lessee, shall be the sole obligation and expense of Lessee.

XIV. CONDEMNATION

If the whole or a substantial part of the Leased Premises shall be taken or condemned by any competent authority for any public or quasi public use or purpose, then and in that event, the term of this Lease Agreement shall cease and terminate from the date when possession of the part so taken shall be required for such use or purpose, and without apportionment of the award. If less than the whole or a substantial part of the Leased Premises shall be taken or condemned by any competent authority for any public or quasi public use or purpose and, as a result thereof, Lessee believes the carrying capacity of the ranch unit leased has been reduced, the question of carrying capacity reduction and rental reduction shall be submitted to dispute resolution in accordance with **Article XXVII,** should Lessor and Lessee be unable to resolve the dispute.

XV. BANKRUPTCY

If at any time during the term of this Lease Agreement, there shall be filed by or against the Lessee in any court pursuant to any statute, a petition of bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or if Lessee makes an assignment for the benefit of creditors, this Lease Agreement, at the option of the Lessor, may be cancelled and terminated. In such event, neither Lessee nor any person claiming through or under Lessee by virtue of any statute or of any order of court shall be entitled to possession or to remain in possession of the Leased Premises but shall immediately quit and surrender the Leased Premises. Lessor, in addition to the other rights and remedies Lessor may have at law or in equity, may retain as liquidated damages any rent, security, deposit or moneys received by Lessor from Lessee or others on behalf of Lessee.

XVI. REPRESENTATIONS AND WARRANTIES

A. Lessor has made no representations or promises to Lessee with respect to the Leased Premises, Lessee has inspected the Leased Premises, and Lessee leases the Leased Premises **AS IS**. Lessee's examination of the Leased Premises and taking of the Leased Premises shall be conclusive evidence as against Lessee that the Leased Premises are in a good and satisfactory condition at the time of possession by Lessee.

B. Lessor makes no warranty of title whatsoever, and this Lease Agreement is subject to easements, rights-of-way, restrictions and reservations of record or which may be observed upon an inspection of the Leased Premises and is subject to all reservations and restrictions contained in governmental patent or patents embracing any of the lands described in this Lease Agreement. and the lands described in this Lease Agreement is also subject to all rules and regulations of the

State Land Department of the State of Arizona insofar as this Lease Agreement includes a sublease of State Lands.

XVII. RELATIONSHIP OF PARTIES

Notwithstanding any joint decision arrangements provided for in this Lease Agreement, the parties agree that nothing in this Lease Agreement shall be deemed or construed to constitute a co-partnership or joint venture between Lessor and Lessee. The relationship created under this Lease Agreement is that of landlord and tenant and no other. Lessor and Lessee shall not be mutually liable for any debts or obligations incurred by the other, nor shall they be mutually entitled to any benefits accruing to the other.

XVIII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Lessee, its employees, representatives and agents, shall comply at all times with all present or future applicable laws, rules, ordinances and regulations, and all amendments or supplements thereto, governing or relating to the use of Patented Lands or the Leased Premises, as may from time to time be promulgated by federal, state or local governments and their authorized agencies.

XIX. INDEMNIFICATION AND WAIVER OF CLAIMS

A. Indemnification

1. Lessee shall indemnify, defend and hold harmless Lessor, its officers, officials, agents, employees and volunteers ("Indemnitee") from and against all claims, demands, actions, liabilities, damages, losses, or expenses, including court costs, costs of claim processing, investigation, and litigation, and reasonable attorney's fees (collectively referred to hereinafter as "Claims") whether or not meritorious, for bodily injury or personal injury, including death, or property damage, caused by or arising from, in whole or in part, the acts, errors, omissions, negligence, or alleged negligence of Lessee, or any of Lessee's directors, officers, agents, employees, volunteers, contractors or subcontractors. This indemnification includes all Claims arising or recovered under the Workers' Compensation laws, or arising out of the failure of Lessee to comply with any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the Parties that the Indemnitee shall, in all instances except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Lessee from and against all Claims. Lessee shall be responsible for all primary loss investigation, defense, and judgment costs where this indemnification is applicable. This indemnification by the Lessee shall extend, but not be limited to, the following:

(a) Construction by or through Lessee of any improvements or any other work or thing done in, on or about the Leased Premises or any part thereof;

(b) Any use, nonuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Leased Premises, areas adjacent

thereto or improvements thereon by or through Lessee, or any nuisance made or suffered thereon, or any failure by Lessee to keep the Leased Premises or space comprising a part thereof in a safe condition;

(c) Any fire, accident, injury (including death) or damage to any person or property occurring in, on or about the Leased Premises, areas adjacent thereto or improvements thereon, or any part thereof;

(d) Any lien or claim which may be alleged to have arisen against or on the Leased Premises, or improvements thereon, or any part thereof, or any of the assets of, or funds appropriated to, Lessor, or any liability which may be asserted against Lessor with respect thereto;

(e) Any acts or omissions of Lessee, Lessee's assignee or subtenant or any of its or their respective agents, contractors, servants, employees, licensees or invitees;

(f) Any failure on the part of Lessee to pay rent or landing fees, or to perform or comply with any of the covenants, agreements, terms or conditions contained in this Lease Agreement, and the exercise by Lessor of any remedy provided in this Lease Agreement with respect thereto;

(g) Any tax which Lessee is obligated to pay or cause to be paid, including any tax attributable to the execution, delivery or recording of this Lease Agreement.

2. The foregoing provisions shall survive the expiration or earlier termination of this Lease Agreement to the extent that the act, error, omission, negligence or alleged negligence arose prior to such expiration or termination.

3. Lessee shall hold all goods, materials, furniture, fixtures, equipment, machinery and other property whatsoever on the Leased Premises at the sole risk of Lessee, and, to the extent set forth above, hold Lessor harmless from any loss or damage thereto by any cause whatsoever.

4. The obligations of Lessee under this Lease Agreement shall not in any way be affected by the absence of covering insurance, or by the failure or refusal of any insurance carrier to perform any obligation on its part to be performed under insurance policies affecting this Lease Agreement.

5. In the event that any Claims are made or brought against Lessor by reason of any event, specified or unspecified, which is the subject of Lessee's foregoing indemnification, then, upon demand by Lessor, Lessee, at its sole cost and expense, shall defend such Claims in Lessor's name. Notwithstanding the foregoing, Lessor may engage its own attorneys to defend it or to assist in its defense, and Lessee shall pay the reasonable fees and disbursements of such attorneys.

6. Lessor recognizes the broad nature of this indemnification and hold harmless

clause and voluntarily makes this covenant and expressly acknowledges that the terms and conditions of this Lease Agreement constitute good and valuable consideration provided by Lessee in support of this indemnification in accordance with laws of the State of Arizona.

B. Waiver of Claims

Lessee hereby waives all claims or causes of action against Lessor, its officers, officials, agents, employees and volunteers which it may have now or later for losses associated with alternative land use development plans or activities described in Article I or for losses or damages to any property on, about, or related to the Leased Premises, and for injuries or death to persons on, about or related to the Lease Premises, from any cause or causes arising at any time, except from the negligent or willful act or omission of Lessor, its officers or employees.

XX. INSURANCE

A. Insurance Requirements

In addition to such insurance as may be required by law or regulation, Lessee, at its sole cost and expense, shall maintain in full force and effect throughout the term of this Lease Agreement the insurance coverages, limits and endorsements required in this Lease Agreement. These insurance requirements shall be minimum requirements for this Lease Agreement and in no way limit the indemnification covenants contained in Section XXII. Neither the insurance requirements, nor the City's review or acceptance of insurance, shall in any manner limit or qualify the liabilities and obligations assumed by Lessee under this Lease Agreement.

1. Minimum Scope and Limits of Insurance

(a) Commercial General Liability Insurance – Occurrence Form. Lessee shall maintain Commercial General Liability Insurance at limits of not less than $5,000,000 Combined Single Limit per occurrence for Personal Injury, Bodily Injury (including death) and Property Damage Liability and shall include, but not be limited to Premises and Operations, Personal Injury, Products-Completed Operations, and Contractual. Fire Damage (Damage to Rented Premises) shall be not less than $100,000. Coverage shall be provided on a primary basis.

(b) Business Automobile Liability Insurance. Lessee shall maintain Business Automobile Liability Insurance covering all Owned, Hired, and Non-Owned Vehicles used at Patented Lands in an amount of not less than $1,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Lessee shall maintain Business Automobile Liability Insurance in an amount no less than $5,000,000 Combined Single Limit per occurrence for Bodily Injury (including death) and Property Damage Liability. Notwithstanding the foregoing, if the scope and conduct of Lessee's operations under this Lease Agreement do not involve the operation, ownership or use of any vehicle, then this requirement shall include automobile liability for Hired and Non-Owned vehicles only.

(c) Workers Compensation Insurance. Lessee shall maintain Workers Compensation and Employers Liability insurance written in accordance with the laws of the State of Arizona providing coverage for any and all employees of Lessee. Coverage shall include Employers Liability with minimum limits of $500,000 each accident, $500,000 Disease-Policy limit and $500,000 Disease – Each Employee. Coverage shall include Broad Form All States Endorsement and Waiver of Subrogation in favor of City of Flagstaff. In the event Lessee subcontracts any portion of the work or services under this Lease Agreement to another party, Lessee shall be responsible for ensuring its subcontractors maintain Worker's Compensation & Employers Liability Insurance.

2. Other Insurance Requirements

All policies shall contain the following provisions:

(a) Additional Insured Endorsement. Except for Workers Compensation/Employer's Liability Insurance, and Personal Injury Liability:

(i) The City of Flagstaff, its officers, officials, agents, employees and volunteers shall be named as additional insureds with respect to liability arising out of the use and/or occupancy of the Leased Premises subject to this Lease Agreement and activities performed by or on behalf of Lessee, including products and completed operations of Lessee; and automobiles owned, leased, hired or borrowed by Lessee.

(ii) The City of Flagstaff, its officers, officials, agents, employees and volunteers, shall be named as additional insureds to the full limits of liability purchased by Lessee even if those limits of liability are in excess of those required by this Lease Agreement.

(b) Lessee's insurance coverage shall be primary insurance with respect to Lessor, its officers, officials, agents, employees and volunteers. Any insurance or self-insurance maintained by Lessor, its officers, officials, agents, employees or volunteers, shall be in excess of the coverage of Lessee's insurance and shall not contribute to it.

(c) Lessee's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(d) Coverage provided by Lessee shall not be limited to the liability assumed under the indemnification provisions of this Lease Agreement.

(e) All policies shall contain a waiver of subrogation against the City of Flagstaff, its officers, officials, agents, employees and volunteers for losses arising from Lessee's operations, occupancy and use of the Leased Premises under this Lease Agreement.

3. Notice of Cancellation

Each insurance policy required by the insurance provisions of this Lease Agreement shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to Lessor. Such notice shall be sent directly to the Utilities Director as provided in Article XXVII(B) below.

4. Acceptability of Insurers

Lessee shall obtain insurance coverage hereunder with insurers duly licensed, or approved unlicensed companies, in the State of Arizona and with a "Best's" rating of not less than A-: VII. Lessor does not represent or warrant that the above required minimum insurer rating is sufficient to protect Lessee from potential insurer insolvency.

5. Verification of Coverage

Lessee shall have a signed Certificate or Certificates of Insurance, evidencing that required insurance coverage(s) has been procured or maintained by Lessee in the types and amount(s) required hereunder, delivered to Lessor before the effective date of Lease Agreement. The Certificate(s) of Insurance shall clearly state that the City of Flagstaff is an "Additional Insured" as required in this Lease Agreement. The certificate(s) of insurance shall also provide for thirty (30) days written notice to Lessor before cancellation (ten (10) days for nonpayment of premium) or non-renewal of coverage. The certificates for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. Any policy endorsements that restrict or limit coverage shall be clearly noted on the certificate of insurance.

(a)Required insurance shall be subject to the review, acceptance, and approval of Lessor, at its reasonable discretion, as to form and types of coverage. Lessor's failure to maintain all insurance policies required in this Lease Agreement shall constitute a material default of the Lease Agreement by Lessee, entitling Lessor to exercise any remedies available to it under this Lease Agreement, at law and in equity, including the right to terminate this Lease Agreement. All certificates of insurance shall be sent directly to the Utilities Director as set forth in Article XXVII(B) below.

6. Self-Insurance.

Lessor may allow insurance coverage required in this Lease Agreement to be provided by Lessee's self-insurance plan, subject to prior written approval of Lessor's Risk Manager.

7. Deductibles, Coinsurance & Self-Insured Retention.

Lessee shall be fully and solely responsible for any deductible, or self-insured retention, including any losses, damages or expenses not covered due to an exhaustion of limits or

failure to comply with the policy.

8. Approval

Any modification or variation from the insurance requirements in this Lease Agreement shall have the prior approval of the Lessor's Risk Manager. Such action shall not require a formal Lease Agreement amendment but may be made by administrative action.

9. Policy Review and Adjustment

Lessor, by and through its Risk Manager, reserves the right to periodically review any and all policies of insurance and to reasonably adjust the limits of coverage required from time to time throughout the term of this Lease Agreement. Lessor may reject any insurer or self-insurance plan providing coverage because of poor financial condition or failure to operate legally. In such event, Lessor shall provide Lessee written notice of such adjusted limits or rejection, and Lessee shall comply within thirty (30) days of receipt of notice. Lessee shall be responsible for any premium revisions as a result of any such reasonable adjustment.

10. Invalidation of Policies

Lessee shall not knowingly use or permit the use of the premises for any purpose which would invalidate any policies of insurance existing now or written later on Lessee's premises. In the event Lessee's acts or failure to act shall cause cancellation of any policy, then Lessee shall immediately, before notification by Lessor, take such action as is necessary to reinstate or replace the required insurance.

11. No Representation of Coverage Adequacy

Lessee acknowledges the limits, coverages and endorsements required by section XX are intended to minimize liability for Lessor. Lessee agrees that it will not rely upon the requirements of this section XX when assessing the extent or determining appropriate types or limits of insurance coverage to protect Lessee against any loss exposures, whether as a result of this Lease Agreement or otherwise.

XXI. FORCE MAJEURE

The performance of all covenants in this Lease Agreement, other than the covenants to pay rentals or other applicable fees or charges, shall be postponed and suspended during any period in which a Party's performance is prevented by acts of God, accidents, weather and conditions arising from them; strikes, boycotts, lockouts and other labor troubles; riot, fire, earthquake, flood, storm, lightning, epidemic, insurrection, rebellion, revolution, civil war, hostilities, war, the declaration or existence of a national emergency and attendant conditions; the exercise of paramount power by the federal government, either through the taking of the Leased Premises or the imposition of regulations restricting the conduct of business at the Leased Premises; acts of enemies, sabotage, terrorism, interference, restriction, limitation or prevention by legislation,

regulation, decree, order or request of any federal, state or local government or any instrumentality or agency thereof, including any court of competent jurisdiction; inability to secure labor or adequate supplies of materials, products or merchandise; or any other delay or contingency beyond the reasonable control of the Party whose performance is so prevented or delayed. Any Party desiring to invoke force majeure shall provide notice to the other Party no later than fifteen (15) days following such Party's knowledge of the occurrence of such event and prompt notice of the cessation of such event.

XXII. ASSIGNMENT AND SUBLEASING

Lessee shall not at any time, without the prior written consent of Lessor:

1. Assign, sublease or transfer, or permit or participate in any assignment, sublease or transfer of, this Lease Agreement or any of the rights, powers or privileges under this Lease Agreement;

2. Merge, consolidate or combine, either directly or indirectly, with any other person, firm, corporation or entity operating at Patented Lands under any other lease or agreement, whether such uniting, merging, consolidating or combining be through the sale of property or sale of stock or otherwise.

XXIII. CONDITION OF PROPERTY UPON TERMINATION

Lessee covenants and agrees that upon any termination of this Lease Agreement, however caused, Lessee shall quit and surrender the Leased Premises, and perform all repairs of the Leased Premises reasonably necessary to restore the Leased Premises to the same condition it was in at the time this Lease Agreement was entered into, reasonable wear and tear excepted.

XXIV. TERMINATION BY LESSOR

A. Termination

Lessee acknowledges and agrees that Lessor may, at its option, upon the occurrence of any of the following events, immediately or at any time thereafter, terminate this Lease Agreement and, without demand or notice, enter into and upon the Leased Premises or any part, take possession of the Leased Premises, and expel Lessee and any persons claiming by, through or under Lessee. Lessor may remove Lessee's or others' property and effects, if any, forcibly if necessary, from the Leased Premises, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be available for arrearage of rent or breach of any provision of this Lease Agreement:

1. If Lessee shall be in arrears in the payment of any rent or fee due under this Lease Agreement for a period of ten (10) days or more;

2. The failure or refusal of Lessee to conduct its operations at Patented Lands in compliance with the terms and conditions of this Lease Agreement, and such failure or

refusal continues for a period of at least ten (10) days after Lessor has notified Lessee in writing of such default;

3. The failure or neglect of Lessee to perform any of the covenants, terms and conditions of this Lease Agreement (other than payment of rent or fee and continuous operation of Lessee's business operations), and the failure or neglect continues for a period of at least thirty (30) days after Lessor has notified Lessee in writing of the failure or neglect, or, in the event that the failure or neglect cannot be completely corrected within the thirty (30) day period, if Lessee has not actively begun correcting the failure or neglect within the thirty (30) day period;

4. The voluntary abandonment by Lessee of the Leased Premises or its operations at Patented Lands for a period of thirty (30) days or more;

5. The seizure or taking of possession for a period of fifteen (15) days or more, of all or substantially all of the property used on Patented Lands premises belonging to Lessee by or pursuant to lawful authority of any legislative act, resolution, rule, order or decree of any court or governmental board, agency, officer, receiver, trustee or liquidator;

6. The filing of any lien against the Leased Premises because of any act or omission of Lessee which is not discharged or contested in good faith (as Lessor shall determine in its sole discretion) by proper legal proceedings within twenty (20) days of receipt of actual notice of the lien by Lessee;

7. Lessee's willful falsification of any of its business records or books with the intent of depriving Lessor of any rents, fees or other rights under the terms of this Lease Agreement;

8. If Lessee shall make or attempt to make an assignment, sublease, transfer, merger or consolidation of its business operations at the Leased Premises in breach of any of the terms and conditions of this Lease Agreement; or

9. Any permanent injunction of Lessee's conduct of business on Patented Lands premises by a court of final jurisdiction; provided, however, that if Lessee is temporarily enjoined from doing business at Patented Lands, any resulting cessation of business by Lessee so long as the injunction remains in effect shall not be considered a breach of this Lease Agreement or cause for termination by Lessor, unless and until the injunction becomes permanent.

F. **Termination for Convenience**

The Lessor reserves the right to terminate, with or without cause, this Lease Agreement upon ninety (90) days written notice to Lessee. If at the time of cancelation, Lessee is purchasing items related to the grazing of livestock on Patented Lands that are truly unique and therefore not saleable or useable for any other application, the Lessor shall reimburse Lessee for actual labor, material, and burden costs, plus a profit not to exceed 8%. Title to all materials,

work in progress, and completed but undelivered goods, shall pass to the Lessor after costs are claimed and allowed. Lessee shall submit detailed cost claims in an acceptable manner and shall permit the Lessor to examine such books and records as may be necessary in order to verify the reasonableness of any claims. Lessor will not reimburse Lessee for purchases of any items or improvements made prior to cancelation.

C. Additional Remedies

1. Statutory Remedies

In addition to any other remedies provided in this Lease Agreement, Lessor shall be entitled to all of the remedies enumerated in Title 33, Chapter 3, Article 4 of the Arizona Revised Statutes, the provisions of which are hereby incorporated by reference into this Lease Agreement, as if the same were set forth in their entirety, upon the occurrence of any of the events set forth therein.

2. Remedies Cumulative

The remedies of Lessor set forth in this Lease Agreement shall be cumulative and are not intended to be exclusive of any other remedies or means of redress to which Lessor may be lawfully entitled in the event of Lessee's breach of any provision of this Lease Agreement. In addition to any other remedies set forth in this Lease Agreement, Lessor shall be entitled to specific performance and to restraint by injunction of any breach, or attempted or threatened breach, of any of the terms, covenants, conditions or other provisions of this Lease Agreement.

XXV. TERMINATION BY LESSEE

A. Termination

1. Termination for Cause

In addition to any other rights of cancellation it may have under this Lease Agreement or by law, Lessee may, at any time that Lessee is not in default, terminate this Lease Agreement at its option by giving Lessor thirty (30) days' prior written notice of termination, upon the occurrence of any of the following events:

(a) An order or action by the City or any other governmental authority substantially terminating Lessee's right to conduct its operations at Patented Lands;

(b) The issuance, by a court of competent jurisdiction, of an injunction of at least thirty (30) days' duration, prohibiting or restraining the use of Patented Lands as a grazing operation;

(c) A breach by Lessor of any material covenant of this Lease Agreement, which remains uncured for a period of thirty (30) days following written notice of the breach to Lessor, or, in the event that the breach cannot be completely cured within the thirty (30)

day period, if Lessor has not actively begun curing the breach within the thirty (30) day period;

(d) Lessee's inability to use the Leased Premises or to conduct its grazing operations at Patented Lands due to Lessor's failure to maintain Patented Lands, and/or to unsafe conditions at Patented Lands; or

(e) The seizure or other assumption of control of Patented Lands by any governmental entity other than Lessor.

2. Termination Without Cause

In addition to any other rights of termination Lessee may have under this Lease Agreement, Lessee may, at any time that Lessee is not in default, terminate this Lease Agreement without cause by giving Lessor ninety (90) days' prior written notice of termination.

XXVI . TERMINATION POSSESSION AND CONDITIONS

A. Surrender of Possession.

Lessee covenants that at the expiration or termination of this Lease Agreement it will surrender possession of the Leased Premises to Lessor immediately without further demand or notice and in as good order and condition as the same were when entered upon by the Lessee, excepting ordinary and reasonable wear and tear, acts of God, and range conditions, which include water supply and grazing capacity. In the event that Lessor unilaterally terminates this Lease Agreement, except on account of default by Lessee, the Lessor agrees to assume and indemnify Lessee from all liability under the EQIP Contract incurred by Lessee as a direct result of Lessor's termination up to and not to exceed liability that may be imposed under Section 9, Liquidated Damages, of the U.S. Department of Agriculture, Commodity Credit Corporation Appendix to Form CCC-1200 Environmental Quality Incentives Program Contract.

B. Condition of Premises Upon Termination or Abandonment.

Lessee, upon termination or abandonment of this Lease Agreement or termination of the Lessee's right of possession, covenants and agrees as follows:

1. Removal of Property. Lessee shall not remove any alterations, improvements or additions made to the Leased Premises by the Lessee or others without the prior written consent of Lessor. Lessee shall immediately remove, in a good and workmanlike manner, all personal property of the Lessee, and such alterations, improvements and additions made to the Leased Premises by the Lessee during the lease term as Lessor may request in writing to be removed. All damage occasioned by such removal shall be promptly repaired by the Lessee in a good and workmanlike manner. If Lessee fails to remove any such property, the Lessor may accept the title to such property without credit or compensation to the Lessee or remove and store such property, at the Lessee's expense, in any reasonable manner that Lessor may choose.

2. Restoration of the Premises. Lessee shall restore the Leased Premises to the condition existing on the commencement of this Lease Agreement, with the exception of ordinary wear and tear, and alterations, improvements and additions which Lessor has not directed the Lessee in writing to remove.

3. Holding Over. If Lessee fails to deliver actual possession of the Leased Premises to Lessor upon termination of this Lease Agreement, Lessor shall have all remedies available at law or in equity.

XXVII. GENERAL PROVISIONS

A. Conflict of Interest

Notwithstanding anything to the contrary contained in this Lease Agreement, the Parties acknowledge, in accordance with Arizona Revised Statutes § 38-511, that Lessor may terminate this Lease Agreement upon written notice at any time within three (3) years of its execution, without penalty or further obligation, in the event that any person significantly involved in initiating, securing, drafting or creating this Lease Agreement on behalf of Lessor, shall become an employee or agent of Lessee in any capacity or shall render consulting services to Lessee with respect to the subject matter of this Lease Agreement.

B. Notices

Unless otherwise specified herein, any notice or other communication required or permitted to be given under this Lease Agreement shall be in writing and shall be effective and deemed received when hand-delivered or faxed, or if sent by mail, three (3) business days after mailing, to the address given below for the Party to be notified, or to such other address of which notice is given in accordance with this Lease Agreement:

If to Lessor:	If to Lessee:
City of Flagstaff Water Services Director 2323 N Walgreens Street Flagstaff, Arizona 86004 Phone: (928) 213-2400	Bar T Bar Ranch, Inc. Robert Prosser 3110 Crater Ranch Road Winslow, Arizona 86047 Phone: (928) 289-2619

C. Non-Exclusivity; Competing Uses

Nothing contained in this Lease Agreement shall be construed to grant or authorize the granting of an exclusive right prohibited by federal law. The rights and privileges granted under this Lease Agreement are non-exclusive, and Lessor has the right to grant to others the privilege and right of conducting any and all of the activities listed in this Lease Agreement. Notwithstanding the foregoing, Lessor agrees not to enter into any similar agreement with respect to Patented Lands which contains more favorable terms than are contained in this Lease Agreement, or to grant to

potential competitors of Lessee privileges not authorized in this Lease Agreement, unless the same are also extended to Lessee.

D. Intention of the Parties

This Lease Agreement is intended solely for the benefit of Lessor and Lessee, and is not intended to benefit, either directly or indirectly, any third party or members of the public at large. Any work done or inspection of the Leased Premises performed by Lessor is solely for the benefit of Lessor and Lessee.

E. Independence of Contract

Nothing in this Lease Agreement is intended or shall be construed as in any way creating a relationship of partners or joint venturers between the Parties, or as constituting Lessee as the agent or representative or employee of Lessor for any purpose or in any manner whatsoever.

F. Waiver

The failure of either Party to insist in any instance upon a strict performance by Lessee of any of the provisions, terms, covenants, reservations, conditions or stipulations contained in this Lease Agreement, shall not imply, constitute or be considered as a waiver or relinquishment of the right to insist upon performance of such condition or covenant, or of any other provision of this Lease Agreement, nor shall any waiver by either Party of any breach of any one or more conditions or covenants of this Lease Agreement constitute a waiver of any succeeding or other breach of this Lease Agreement. No waiver by Lessor of any provision, term, covenant, reservation, condition or stipulation contained in this Lease Agreement, shall be deemed to have been made in any instance unless expressed in the form of a written waiver from Lessor.

G. Prior Agreements; Integration; Modification

The Parties acknowledge and agree that they have not relied upon any statements, representations, agreements or warranties, except as expressed in this Lease Agreement, and that this Lease Agreement, along with all of the terms and conditions of the Invitation for Bids, amendments thereto and Lessee's Bid, constitute the Parties' entire agreement with respect to the matters addressed. All prior or contemporaneous agreements and understandings, oral or written, with respect to such matters are hereby superseded and merged in this Lease Agreement. This Lease Agreement may be modified or amended only by written agreement fully executed by the Parties.

H. Successors and Assigns

All covenants and conditions of this Lease Agreement shall bind and shall inure to the benefit of the legal representatives, successors and assigns of the respective Parties to this Lease Agreement, provided that any such representation, succession or assignment is authorized and permitted under this Lease Agreement and by law. Any and all agreements that Lessee shall make

with any permitted assignee, and/or sublessee of the Leased Premises, or any part thereof, shall include all provisions contained in this Lease Agreement.

I. Severability

In the event that a court of competent jurisdiction holds any part or provision of this Lease Agreement invalid, void or of no effect, the remaining provisions of this Lease Agreement shall remain in full force and effect, provided that continued enforcement of such remaining provisions does not materially prejudice either Lessee or Lessor in their respective rights and obligations contained in any valid provisions of this Lease Agreement.

J. Headings

Headings or captions used in this Lease Agreement shall be used solely for convenience of the Parties, and shall not define, limit, describe, alter or affect the meaning of any provision of this Lease Agreement.

K. Dispute Resolution

1. Mediation

In the event that a dispute arises out of or relates to this Lease Agreement, and the dispute cannot be settled through negotiation, the Parties agree to first try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation shall be self-administered and 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. Unless the Parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each Party shall bear its own costs in mediation. The Parties shall not be obligated to mediate if an indispensable party is unwilling to join the mediation. This Section shall not constitute a waiver of the Parties' right to arbitrate or initiate legal action in the event that the dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.

2. Litigation and Attorney's Fees

Except as otherwise agreed upon by the Parties, any litigation brought by either Party against the other Party to enforce the provisions of this Lease Agreement, shall be filed in Coconino County Superior Court, Flagstaff, Arizona. In the event that any action at law, or in equity, is instituted between the Parties in connection with this Lease Agreement, the prevailing Party in the action shall be entitled to an award of costs, including reasonable attorney's fees and court costs, from the non-prevailing Party.

L. Governing Law

This Lease Agreement shall be governed, interpreted and enforced in accordance with the laws of the State of Arizona.

M. Non-Discrimination

Lessee for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination; (3) to ensure compliance with the statutory requirements of current Americans with Disability Act.

N. Authority

The undersigned Lessee warrants that he/she has the capacity and requisite corporate authority to enter into this Lease Agreement and bind [COMPANY] to all the obligations of this Lease Agreement.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed as of the _____ day of _____, 2021.

Lessor

_____
By: Paul Deasy, Mayor

Attest:

_____
City Clerk

Approved as to form:

_____
City Attorney

Lessee

_____
By:

Attest:

_____

STATE OF ARIZONA)
)ss:
County of Coconino)

ACKNOWLEDGMENT. On this _____ day of _____, 2021, before me, a Notary Public, personally appeared Paul Deasy, 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)
) ss.

County of Coconino)

ACKNOWLEDGMENT. On this _____ day of _____, 2021, before me, a Notary Public, personally appeared _____, known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that s/he executed the same on behalf of _____, a _____ corporation, for the purposes therein contained.

_____
Notary Public

My Commission Expires:

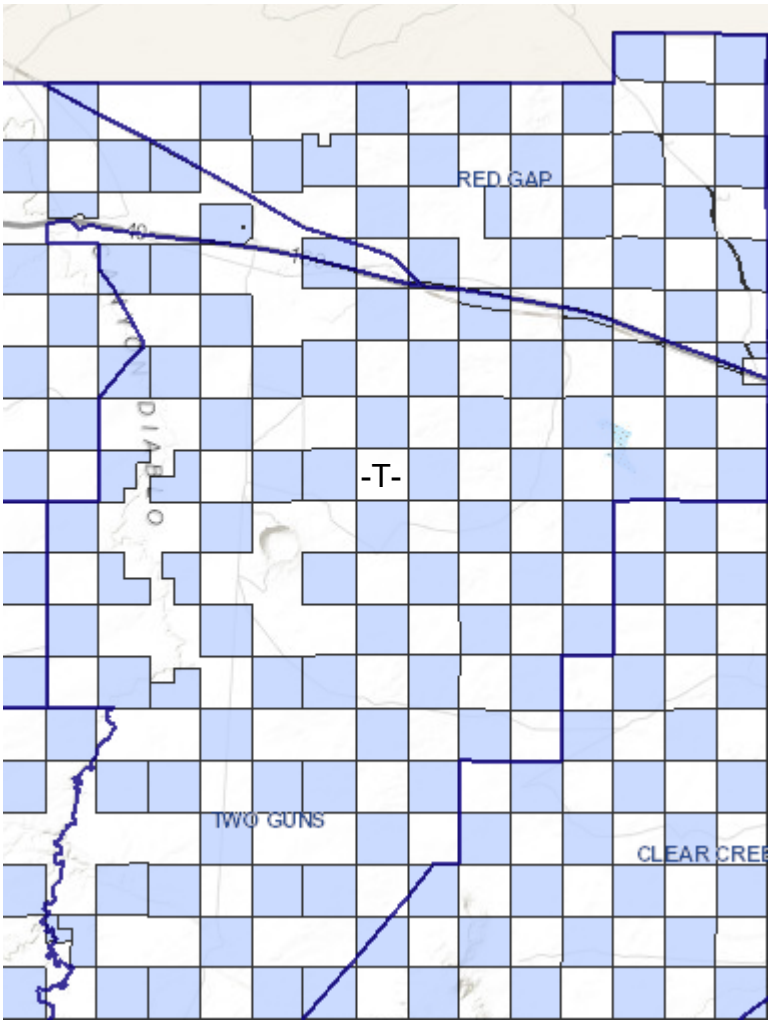
_____

EXHIBIT A

Legal Description

EXHIBIT B

State Land Assignment of Grazing Lease



RED GAP RANCH LEASE PROPOSAL

Submitted by

Bar T Bar Ranch

March 2021

FINDING THE BALANCE

-T- RR

EFFICIENCY PERFORMANCE

+ RH

BAR T BAR RANCHES

"A CULTURE OF STEWARDSHIP"

March 8, 2021

Patrick Brown

Purchasing Director

City of Flagstaff

Patrick and Mark,

We submit this bid to the city for the Grazing lease on the Red Gap Ranch. We are committed to enhancing and protecting the ecosystem on the Red Gap Ranch (RGR). We have read and understand all the new changes in the IFB and agree to all the needs of the City laid out in the Scope of Work. As our Logo above says, Bar T Bar Ranches (-T-) has **"A Culture of Stewardship"** as our core operative. This is a unique opportunity to provide a 'Win-Win" for all of us, and support the City's Commitments to sustainability, climate action, land management, and water production. Our cattle that will graze on the RGR will help provide local beef through Diablo Burger, Whole Foods, and Diablo Beef services retail sales to individuals and restaurants in Flagstaff.

We are adjacent neighbors to RGR. Our first headquarters, in 1938, was located just across the railroad at Denison off the Meteor City exit. We now have our headquarters 6 miles due SW of RGR Headquarters and down the Meteor Crater Road, at Exit 233. The 4th generation is active on the ranch today. We believe this speaks volumes to our commitment to our history, knowledge of Colorado Plateau, and the future of ranching in Northern Arizona.

There are few opportunities these days that allow municipalities and private companies to have a symbiotic relationship where each other's needs can be met.

Bar T Bar Ranches (-T-) will meet the City's needs on Red Gap Ranch in the following ways:

1. Apply an unparalleled history and knowledge of stewardship in grazing and land management.
2. Utilize a well experienced -T- team to maintain and enhance the improvements, complete the interior fencing, and improve wildlife habitat, assuring the City's requests will be achieved.
3. Work with our partners in Diablo Trust, and with the City's approval, initiate technology and science in satellite based remote monitoring through the Rangelands Technology Partnership and bring partners to research as needed by the City.
4. Enhance the City's working relationship with the agencies & parties involved with land management: AZ State Land Dept., AZ Game & Fish Dept., Natural Resource Conservation Service, NAU, UofA, etc.
5. Given our proximity, we will provide a presence on the land and security for RGR. We have years of experience with our ranch that borders the Navajo Reservation and that has checkerboard private and State lands. We have experience with trespass and ingress and egress issues.

In closing, we are an experienced team that bring expertise and numerous awards to grazing management on the RGR. Please contact us with any questions or if we have made anything unclear in our proposal.

Sincerely,

Bob Prosser and the entire Ranch Team.

Bob Prosser

(928) 289-2619 • P.O. Box 190, Winslow, Arizona 86047
www.bartbar.com info@bartbar.com

Executive Summary

Red Gap Ranch Lease

The City of Flagstaff is seeking "a qualified livestock operator to assist the City with protecting and enhancing the ecosystem of the Red Gap Ranch". Every Lessor would like to find a Lessee that will pay top dollar, achieve the Lessor's needs, and leave the Ranch in better shape at the end of the term. This seldom turns out as the Lessor hopes. Over time with different Lessees, this leads to degradation of the Ranch. Except for the water wells on Red Gap Ranch (RGR), currently, it appears that neglect has occurred. The fences and infrastructure are in disrepair and nonfunctioning. The vegetation on the ranch is old and wolfy and in need of management. It will take a lot of work to get the ranch in the shape to meets the City's goals. Even though there are no incentives in the lease to make capital investment on RGR, it is possible to get the results by selecting the Lessee that can get this done.

Bar T Bar Ranch (-T-) wants this lease because it is adjacent to us and would increase our grazing capacity and increase grazing flexibility across the larger landscape. This is a unique opportunity for the City and -T- to work together managing a larger landscape to improve the ecosystem. It also allows -T- to be more resilient to drought and increase its' sustainability over time.

We are sure we can deliver everything under the Scope of Work. We agree to adhere to the city of Flagstaff's Community Priorities and Objectives, Climate Action and Adaptation Plan, and Water Services Master Plan. We support and can achieve the other 14 items listed in the Scope of Work developed by the City of Flagstaff. We are an experienced team and with equipment and the scale to be very efficient and cost effective on our own ranch next door. We have the capacity to do so on the RGR as well.

Since 1939 -T- has had a long history and a proven track record of managed grazing adjacent to the RGR. Our location allows us to be uniquely suited to manage variable numbers of cattle to increase the stocking rate for a short period of time (animal impact), by simply crossing them back and forth under the railroad and Interstate. This would be extremely useful in enhancing and stimulating the vegetation, by reducing the decadent and dead feed that is so prevalent in the Sacaton bottoms on the RGR. Since we would not have to truck cattle in or out, we could be very responsive to each of the pasture's individual needs and soil types.

RGR has 26 miles of fence that need repair, as well as to be made friendly to wildlife. -T- has over 587 miles of fence on our ranches. We are confident that with our experienced team and equipment we could accomplish this fairly quickly. Due to the drought, all the dirt stock tanks are dry on RGR. We have 6 portable storages with associated drinkers that can be moved from pasture to pasture, to help augment the lack of water and improve utilization of the forage by livestock. One of the storages is provided by the AZ Game and Fish Department and could be left in pastures that have no water for wildlife. We have 286 Stock ponds on the -T-, and a team member that just works on cleaning stock ponds and blading road with our equipment. We could make this happen on the RGR as well if needed by the City.

RGR also borders the Reservation and has in-holder private lands, laid out in a checkerboard pattern with State Lands. This at times creates issues with trespass from livestock and people. We know this because our ranch north of Joseph City is remarkably similar. We understand and have experience with security, understand legal access, and will provide the presence, and monitoring it takes to achieve this on the RGR.

The City has expressed the need for expanding their partnerships with the scientific community and institutions of higher learning. We are specifically positioned to help the City achieve this goal. We are a founding member of the Diablo Trust, a Collaborative working group located in Flagstaff. Diablo Trust has forged beneficial relationships with NRCS, NAU, U of A, USFS, State Land, USGS, ARS. The collaborative land-based organization started in 1993 with resolving livestock / wildlife conflicts. We currently have numerous ecological monitoring sites, range monitoring, seeding research, and technology research projects in place on the lands southwest and adjacent to the RGR. It would be a pleasure to work with the city on this goal.

We have reviewed the State land lease, sublease, and the Sample RGR lease and made suggested changes. We are familiar with all and can meet the requirements.

We have supplied the Livestock Grazing Management Plan. We feel it is flexible, provides accountability, and deals with the needs of the City.

In reference to the changes from the last IFB regarding Helium and Oil drilling, we do not support the drilling and exploration in the area. We fully support the City in their need to do the same. In fact, we adamantly fought and denied access across our private land to Desert Mountain Energy for any purpose. We had, and have no legal ability or right under the law to stop someone with a State Permit to access State land from a County Road going through that same State Land parcel. If you like we can provide all our correspondence with State Land Dept. substantiating this fact on the recent drilling by Desert Mountain Energy.

In closing, many of the private ranches along the I-40 corridor have sold to the Tribes. There are few ranches left and Bar T Bar Ranch is one of them. We are a family ranch that has its roots and future on the Colorado Plateau. Our long-term goal is to be sustainable and profitable into the 4th generation on the ranch. The RGR lease would help us do that in this drought. We are committed to keeping our home ranch open to the public and the residents of Northern Arizona for hunting, other recreational opportunities, and just the natural beauty it provides. We hope you give this win-win opportunity the same long-term look.

An example of our experience and excellence in Stewardship on the Colorado Plateau:

Red Gap Ranch

Livestock Management Grazing Plan

General Description:

Red Gap Ranch (RGR) lies north of Interstate 40 and adjacent to Bar T Bar Ranch (-T-), which is south of I-40. This occurs from Sunshine overpass to the East Boundary of Red Gap Ranch (RGR). We will incorporate RGR into our winter grazing rotation. We will utilize the 5 pastures on the west side of Highway 99 from November through May for up to 6 months. We will provide rest to RGR during the summer growing season, unless agreed upon for other ecological goals by -T- and RGR.

Since -T- is adjacent to RGR we can access and cross cattle under the railroad and Interstate 40 just east of Meteor City and at Cow Canyon just east of the rest area. This allows us a unique opportunity to come and go during the grazing period and even variate numbers of cattle if it meets management objectives or needs during the grazing period.

Goals:

To use Adaptive Management to improve the sustainability of the Red Gap Ranch land base, through: utilizing the length of grazing time, the length of regrowth time (rest), and numbers of cattle, to increase ground cover, both wildlife and vegetative diversity, and improve the health of the watershed.

To improve wildlife habitat by having more wildlife friendly fences and improve the water availability on the RGR.

To enhance the usefulness and reliability of the existing improvements.

To increase the use of science in monitoring and management through partnerships with Diablo Trust, NAU, NRCS, and the UofA.

By increasing winter grazing capacity on the Little Colorado Plateau for the Diablo Trust Ranches, it will improve the ranches' sustainability and help the ranches' goal of providing local beef and quality wildlife habitat for Flagstaff and the surrounding area into the next generation.

Annual Stocking Rate:

-T- will plan to utilize the full 181 AU every year through numbers of cattle and days of grazing, that meet the total 5 head per section on controlled lands. The 6740 acres or 10.5 sections of uncontrolled lands that are not fenced out results in an effective stocking rate on the 47.2 sections of 3.83 head per section. The annual grazing plan will be submitted to the City at the August 15th meeting and, depending on summer rains and the stock tank water availability, adjusted if necessary, and finalized at the November 15th meeting each year. Pasture rotations should remain flexible to ensure wildlife, stewardship, environmental anomalies, drought & resulting water shortages, cross fencing and needs from the City, may be accommodated. The pasture or pastures that will receive spring rest will be determined at the November 15th meeting.

Grazing level:

Generally, grazing level should be to remove half of the forage and leave half, unless site specific needs such as watershed treatments resulting from water erosion, fire, or old forage require different treatment agreed to by -T- and RGR.

Season of use:

Since the City did not grant the Lease in December 2020 and the tremendous amount of old decant feed that has accumulated over years of no grazing. We would go on the RGR as soon as lease is assigned this spring. We would graze until August some time depending on summer rains. Remove the cattle to allow regrowth of the grasses. Achieving both goals of removing old feed and allowing for grasses to head out in the summer and fall.

Annually -T- will plan to graze November through May, adjusting numbers to equal 362 head for 6 months on the RGR and State Lands. Since most of the plant species on RGR are warm season, rest during the summer rains provides the best chance for their enhancement. Additionally, we have found rotating spring rest from grazing (April and May) on 1/3 of the area enhances browse and cool season grass production and health. This rotation would occur on 1/3 of the RGR, and on a different 1/3 of the RGR every year. Once cross fences are in and monitoring is done, if forage is available or other needs are identified and agreed to by RGR, -T-, and AZ State Land Dept. then this plan could be altered as needed.

Improvements and Cross Fencing Priority:

1. The above and below-ground plumbing associated with Out Post, Sunshine, Cedar, Headquarters, 2 Tanks Wells needs to be augmented for two reasons:
   a) to ensure it can be used when we have winter temperatures and therefore, won't freeze and, b) to improve flow to current drinkers. As it is, the lines are now so small that to provide adequate flow for larger numbers of cattle is not possible.
2. Drinkers at Sunshine Well need to be moved into the water lot so Sunshine, Cedar, and Line pastures all have access to water.
3. RGRM2 Well needs to be equipped with a pump, storage, and drinker.
4. Seven Well needs both a storage and a drinker.
5. Red Sands Well needs to be made operable. It has a storage and drinker, but no pump.
6. At 2 Tanks Well, either the waterlot or the drinkers need to be moved so Line pasture has access to well water.
7. Nearly all dirt tanks need cleaning and 2 Tanks dirt tank needs repaired.

Fences in order of priority

1. First year build fence from Headquarters to NW corner of Red Sands Pasture = 2.5 miles.
2. Second year split Red Sands Pasture with a fence, 2.35 miles.

Wildlife:

1. When leaving a pasture with cattle, storages will be filled to provide water to wildlife.
2. Water Storages will be left filled for the summer.
3. Wildlife friendly fencing will be installed when building new fence.

Security:

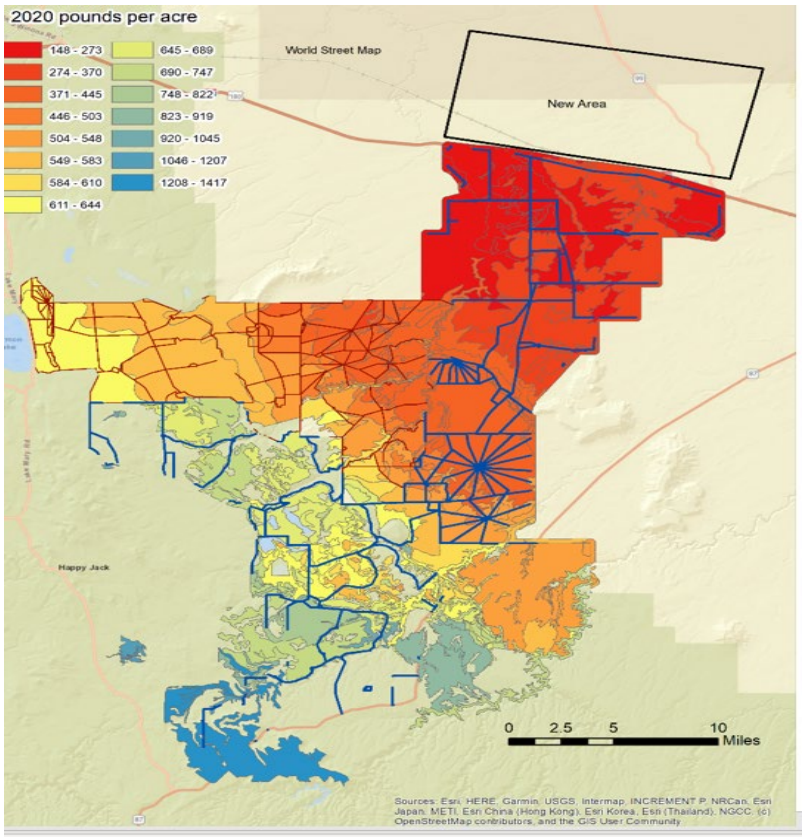
As a part of the livestock daily management will check exterior fences and entrances to the ranch. Will communicate and work with ADOT on the highway 99 fences and private parcels that are not fenced from the ranch. We will communicate with the City on current issues that need action. We will have the presence and routine to ensure success.

Monitoring:

1. Actual use records will be supplied the City on each pasture and for the total ranch. Such records will include the total head by date on and off, and a summary of AUMS by pasture and in total. Example:

1	Pratt																						
2	Date	Bulls Herd & Gomer	Bulls Older	Bulls 2 yr	Bulls Yrl	Bull Clvs	Reg Cows	Reg 2 yr Hfr	Reg Yrl Hfr	Reg Hfr Clvs	Comr Cows	Comr 2 yr Hfrs	Comr Yrl Hfrs	Comr Hfr Clvs	Comr Str Clvs	Horses	From Pasture	To Pasture	Total Head	Cum Hd	AU Days	AUM Net	AUM Cum	
3	9/26						235										SHP	Pratt	235	235				
4	10/5						14										OB	Pratt	14	249	2115	70.50	70.50	
5	10/19						-249										Pratt	Jeff	-249	0	3486	116.20	186.70	
6																			0	0	0	0.00	186.70	

2. NRCS Grazing Transects from the EQIP Contract Environmental Quality Incentives Program Contract No. 2002 7494572A047 will be read and summarized. Implement utilization monitoring by pasture.
3. Implement Rangeland Technology Partnership with the permission of the City. This a satellite-based data base that will estimate forage, surface water, and compare to a historical average or the previous 2-week period. It is currently underway in partnership with Agricultural Research Service, NRCS, U of A Extension Service, USFS, Babbitt Ranches, and the Diablo Trust.



4. -T- has a retired Game and Fish biologist who does an annual Antelope survey for us. We could expand this to the RGR if the City chooses to.
5. Utilizing the monitoring data to guide and influence our grazing plan and rotation is the most important part!

Diablo Trust
P.O. Box 3058 Flagstaff, AZ 86003

To: City of Flagstaff From: Diablo Trust

Subject: Red Gap Ranch Grazing Lease Application

Date: October 30, 2020

Dear Ladies and Gentlemen:

The Diablo Trust Board of Directors is writing to support the grazing lease application from Bar T Bar Ranch for Red Gap Ranch which you are evaluating. The Diablo Trust is a local non-profit founded in 1993 by two local ranches, Bar T Bar Ranch (the Prosser and Chilson families) and Flying M Ranch (the Metzger family). Its founding grew out of very intentional collaborative work organized by the ranches to solve problems arising around public land grazing and wildlife conflicts. Today, Diablo Trust has a 'membership' list of 900 and maintains activities true to its tag line of "learning from the land so there will always be a West". Currently, Kit Metzger serves as the Diablo Trust President and Bob Prosser serves on their Board.

Ironically, from 1951 through 1968 the Red Gap Ranch was owned by the Metzger family. It would be with great pride and enthusiasm the Diablo Trust could expand its influence and collaboration to include the historic Red Gap Ranch. In so doing, the Diablo Trust could participate in a rangeland monitoring program, if the City and Bar T Bar agreed it is needed.

We feel there are three main points that make Bar T Bar Ranch an excellent candidate for the lessee of Red Gap Ranch:

- Excellence & extensive experience in environmental and rangeland stewardship
- Extensive experience collaborating through the Diablo Trust and with all land management agencies, wildlife and recreation groups
- Supplier of local beef to Northern Arizona through Diablo Beef, LLC, and Country Natural Beef (found in Whole Foods), and Diablo Burger Restaurant

Diablo Trust has received numerous local, State, and national awards for its continued education efforts, inclusion of all interests, and collaboration as the way forward to creating a sustainable future for the region and for working ranch lands in particular. Below are some of these awards:

- 2006 National Rangeland Management Award presented by the U.S. Forest Service
- 2006 Regional Environmental Stewardship Award presented by the National Cattlemen's Beef Association
- 2006 Carl N. Becker Stewardship Award presented at the 33rd Natural Area Conference
- 2006 The Diablo Canyon Rural Planning Area (prepared by Coconino County Community Development in collaboration with Diablo Trust and the ranches) received 4 awards for excellence, not the least of which was: "The Governor's Excellence in Rural Development Award for Innovative Economic Development Practices"
- 2011 Trailblazer Award presented by BEEF Magazine
- 2016 Nominated for NAU Sustainability Leadership Award
- 2018 Wildlife for Tomorrow Hall of Fame by the Arizona WFT Foundation

Bar T Bar Ranch and/or Bob Prosser have also received the following awards:

- 2016 Range Managers of the Year by Arizona Section Society of Range Management
- 2017 Breeder of the Year by the American Gelbvieh Association
- 2017 Cattleman of the Year by the Arizona Cattle Growers' Association

- 2019 Habitat Steward of the Year by the Arizona Game & Fish Department Bar T Bar has been a neighbor to Red Gap for over 80 years and is a very well-respected land steward and premier seedstock breeder in the western United States. The Ranch is a family owned business by the descendants of its founding members which is a credit to exemplary land stewardship and business management.
- All the facets of sustainable land stewardship guide their decisions and they will bring those same skills to a lease of Red Gap Ranch. Their history of collaboration is a credit to them and will be an asset to the City of Flagstaff as it moves forward with its goals for the property. The need for a long-term look when planning land stewardship will reap benefits to both sides of the lease. Therefore, we highly recommend you award the grazing lease to the Bar T Bar Ranch.

Sincerely,

Lisa Bolton

Diablo Trust Program Manager

October 30, 2020

To Whom It May Concern:

I have had the opportunity to work with Bob and Judy Prosser, owners of the Bar T Bar Ranch, on many projects and activities over the past 20 plus years as both a representative of the USDA's Natural Resources Conservation Service and in my current position with the Arizona Game and Fish Department. In all my interactions with the Prossers I have found them to be open minded, energetic, honest, genuinely interested in enhancing wildlife habitat and wildlife related recreation as well as some of the most knowledgeable people I've known in the fields of livestock and sustainable range management. An abbreviated list of the many activities and accomplishments of the Prossers that have led to my opinion includes the following:

The Prossers were instrumental in the creation of, and remain active in, The Diablo Trust, a collaborative land management team in northern Arizona, founded by the Bar T Bar Ranch and its neighbors, the Metzger family, owners of the Flying M Ranch. The Diablo Trust was created to resolve a conflict that had developed between the ranching community and the wildlife advocacy groups over how to resolve the impact of year round heavy grazing by elk in the traditional spring-winter range of the ranches. That effort has resulted in a quarter-century long cooperative effort to research and monitor the ecology of working lands, restore grasslands, re-establish native wildlife populations, share knowledge about the value of working lands in the southwest. One of the many positive outcomes of that collaborative effort, and which the Prossers were instrumental in creating and continue to participate in, has been the formation of the Forage Resource Study Group (FRSG) which is a collaborative effort between ranchers, land management agencies, Arizona Game and Fish Department (AGFD) and wildlife groups to monitor grazing and range condition on the winter-spring range of the Bar T Bar and neighboring ranches.

Bar T Bar Ranch has long championed wildlife, promoting the development of and participating in the Anderson Mesa Pronghorn Antelope Management Plan, funding pronghorn antelope population surveys on the Bar T Bar Ranch, and as a willing partner to the Rocky Mountain bighorn sheep translocation to East Clear Creek, to name a few.

Bar T Bar Ranch recently completed, utilizing the relatively new mastication method of treatment, nearly 10,000 acres of restoration of grasslands invaded by one-seed juniper trees on private and state lands, bringing the total to 34,000 acres of grassland restoration on private, state, and federal lands benefiting pronghorn antelope, deer and elk as well as the Ranch's livestock.

To better understand the impact of the grassland restoration work on birds of the area Bar T Bar Ranch has partnered with Arizona Game and Fish Department to perform before and after treatment bird surveys.

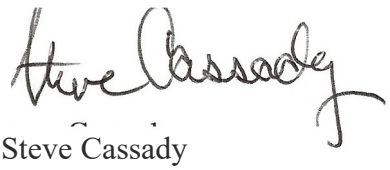
To provide more dependable water sources for livestock and wildlife pipelines have been added and extended. In 2016, a pipeline was extended by 10 miles and 16 drinkers were added to provide a more reliable water supply for the many pronghorn, deer and elk sharing the range with Bar T Bar livestock.

The grazing management of livestock practiced by Bar T Bar Ranch not only provides substantial nutritional forage for the ranch's livestock, but also leaves plenty of nutritious forage and cover for the numerous wildlife species making the ranch their home as well.

Bar T Bar Ranch has always welcomed hunters and other wildlife related recreationists. That welcoming spirit was made formal beginning in 2012 when the Bar T Bar Ranch entered into an access agreement with Arizona Game and Fish Department.
In recognition of their long standing dedication to sustainable land and wildlife stewardship Bob and Judy were awarded the 2016 Range Managers of the Year awarded by the Arizona Section Society of Range Management.

Finally, but not least, Bob and Judy were awarded the highly coveted Arizona Game and Fish Department Commissioner's *Habitat Steward of the Year Award* for 2019 to acknowledge their long standing support of Arizona's wildlife.

In closing I feel Bob and Judy Prosser have proven themselves to be excellent stewards of their range, wildlife, and wildlife habitat, as well as excellent livestock managers.



Steve Cassady
Landowner Relations Program Specialist
Arizona Game and Fish Department, Region II

November 9, 2020

City of Flagstaff

Re: Red Gap Ranch bid process

To Whom It May Concern:

I understand that Bob and Judy Prosser , dba Bar T Bar Ranch, are applying for a grazing lease on the Red Gap Ranch property. In that regard, I am pleased to be sending you this communication to give my full support for them to be the successful bidders.

I have known Judy and her parents for close to 45 years and more recently have known Judy and her husband, Bob, for at least 30 years. Judy's family, the Chilsons, have been long time successful ranchers who have been good stewards of the land. When Judy's parents passed away, Bob and Judy took over the business and have continued the long time tradition of being good stewards of the land.

In my former employment as a CPA with Nordstrom and Associates PC, I can share with you that the Prossers are excellent business people. They manage their business with integrity and diligence. Their ranching business stresses the importance of caring for the lands so that future generations will inherit a healthy earth.

I have also known Judy through my association with Arizona Community Foundation of Flagstaff. I have served on the parent board as well as the local affiliate board. I am pleased to say that Judy is one of our most valued collaborators. You may not be aware that the Community Foundation has distributed millions of dollars to non-profits in the Flagstaff region. Judy and her family have a fund thus have been important partners in the distribution of these funds. Through the generosity of the Prossers and others, this community is indeed a better place in which to live.

In summary, I give my whole hearted support for you to award this grazing lease to the Prossers/ Bar T Bar Ranch. They will continue the legacy of good stewardship that will benefit us all for generations to come. If you care to talk to me further about my support, I can be reached at mmcclan858@aol.com.

Thank you

Sincerely,
Marjorie McClanahan
522 E Charles Rd
Flagstaff, Az 86001

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2021-22
Purchasing Director: Patrick Brown
PH: (928) 213-2276

OFFER PAGE

The undersigned having viewed the property and fully understanding all the terms and conditions of this livestock grazing lease offers to lease the City-owned Property for grazing as described herein for a total ~~monthly~~ REP lease of:

$20,000_____. **Annual lease bid**

$30,408._____. **Additional Offer If Any (Describe Below)**

$50,408. Total per year REP

$14 per AUM paid on actual use each year. Fully stocked at 181 AU is 2172 AUMs @ $14 = $30,408. We intend to fully stock every year, unless conditions dictate otherwise. REP

3/10/21 Bar T Bar Ranch Inc

Authorized Signature Date

Robert Prosser

Name (Printed)

Winslow Arizona 86047 928-380-5149

City, State, Zip Phone Number

(All charges must be included; no extra charges will be considered at a later date. Miscellaneous charges will be considered in determining the high Bid)

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2021-22
Purchasing Director: Patrick Brown
PH: (928) 213-2276

CONTRACTOR QUESTIONNAIRE (FORM)

Contractor:

Company Name: BAR T BAR RANCH INC.

Doing Business As (if different than above): _____

Address: 3110 Crater Ranch Rd. (our property is in Coconino County)

City: Winslow State: AZ Zip: 86047

Phone: 928-289-2619 or 380-5149 Fax: N.A

E-Mail Address: info@bartbar.com Website: www.bartbar.com

Taxpayer Identification Number: 86-0670896

Mailing Address (if different than above):

Address: P.O. Box 190

City: Winslow State: AZ Zip: 86047

Contractor Contact for Questions about Bid:

Name: Robert E. Prosser Fax: N.A

Phone: 928-380-5149 E-Mail Address: info@bartbar.com

Transaction Privilege (Sales)Tax/Use Tax Information (check one):

_____ Contractor is located outside Arizona (The City will pay use tax directly to the AZ Dept of Revenue)

OR

X Contractor is located in Arizona (The Contractor must invoice the applicable state and local tax to City, and remit taxes.)

Arizona Department of Revenue TPT License Number: 03020722-U
(Attach proof of registration)

Business License Information (check one):

X Contractor does not have a business location within the City of Flagstaff

OR

_____Contractor has a business location (uses a building) within the City of Flagstaff

Flagstaff TPT/Business License Number: _____

Other Licenses (list any existing licenses you have required for work, e.g. Arizona Registrar of Contractor licenses, and attach copies):

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2022-85
Purchasing Director: Patrick Brown
PH: (928) 213-2276

EXCEPTIONS (FORM)

Notations. Any strikeouts, notes or modifications to the Solicitation documents shall be initialed in ink by the authorized person who signs the Bid. If notations are made, they must be submitted with your Bid and are considered Exceptions.

Exceptions: In addition to any notations on the Solicitation documents, please identify and list any exceptions to the Solicitation, by section/paragraph, on this Exceptions Form. The City reserves the right to reject, accept or further negotiate Exceptions. Exceptions may render the Bid non-responsive.

Exceptions to Form of Contract: You may request changes to the form of contract (including any Standard or Special Terms and Conditions) on the Exceptions Form. You may also submit your own form of contract. The City will consider these in the same manner as any other exceptions.

You must indicate any and all exceptions taken to the requirements, specifications, and/or terms and conditions of this Solicitation, including the contract.

Exceptions (INITIAL ONE):

_____ No exceptions

RCP Exceptions taken (describe). Attach additional pages if needed.

$20,000. base rate per year. Additional $14. per AUM based on numbers of AUMS used. Fully stocked 181AU x 12 months eguals 2172 AUMS, totaling $30,408 addtional rent.
It is our intent to be fully stocked each year unless range conditons require different stocking rate.

Exptions taken on offer Page. RCP

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2021-22
Purchasing Director: Patrick Brown
PH: (928) 213-2276

CONFIDENTIAL MATERIALS (FORM)

If you believe part of your Bid is confidential, mark the page(s) "CONFIDENTIAL" and isolate the pages as an attachment to this form. Also include an explanation why they are confidential.

Requests to deem the entire Bid as confidential will not be considered.

If you want confidential information returned to you after contract award (and you are not selected for contract award), then note this below. You will be responsible for pick up.

Generally, information submitted in response to a Solicitation is subject to disclosure pursuant to the Arizona Public Records Law after contract award.

The information identified as confidential shall not be disclosed until the City makes a written determination whether the information may be treated as confidential. If the City determines it is necessary to disclose the information, the City will inform you in writing.

Confidential/Proprietary Materials (INITIAL ONE):

__X__ No confidential/proprietary materials have been included with this Bid

_____ Confidential/Proprietary materials are included in this Bid. See attached.

CITY OF FLAGSTAFF PURCHASING DIVISION
211 WEST ASPEN AVE.
FLAGSTAFF, ARIZONA 86001

Solicitation No. 2021-22
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DISCLOSURE (FORM)

For any item checked YES, you must provide information. Answering YES to one or more questions does not necessarily mean you will be disqualified from this Solicitation. **FAILURE TO PROVIDE TRUE AND COMPLETE INFORMATION MAY RESULT IN DISQUALIFICATION FROM THIS SOLICITATION.**

1. Has your company or any affiliate* in the past 5 years: (i) had a permit revoked or suspended, (ii) been required to pay a fine, judgment or settlement of more than $100,000, (iii) been convicted of a criminal offense (including a plea of guilty or *nolo contendere*), or (iv) been found in contempt of court, as a result of or in connection with any of the following:

a. Any offense relating to integrity or honesty, including fraud, bribery, embezzlement, false claims, false statements, falsification or destruction of records, forgery, obstruction of justice, receiving stolen property, theft, price fixing, Bid rigging, restraint of trade or other antitrust law violation? YES_____ NO_X_

b. Violation of the terms of any public contract? YES_____ NO_X_

c. Failure to pay any uncontested debt to a government agency? YES_____ NO_X_

d. Violation of any law or regulation pertaining to the protection of public health or the environment? YES_____ NO_X_

*An "affiliate" of your company means any person, company or other entity that, either directly or indirectly (for example, through stock ownership by family members), controls, is controlled by, or is under common control with, your company.

2. Has your company or any affiliate in the past 5 years been named as a party in any lawsuit related to performance of a contract (you do not need to list subcontractor lien claims which have been fully paid/satisfied)?

   YES_____ NO_X_

3. Has your company or any affiliate of your company in the past 5 years been debarred or suspended from submitting Bids on public contracts?

   YES_____ NO_X_

I hereby verify that the foregoing information, and any explanation attached are to the best of my knowledge, true and complete.

_____
Signature of Person Authorized to Sign Bid

DECLARATION RELATED TO SOLVENCY (FORM)

Is your Contractor currently involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or has a trustee or receiver been appointed over all or a substantial portion of the property of your Contractor under federal bankruptcy law or any state insolvency law?

_____ Yes _____ No (INITIAL ONE)

DECLARATION RELATED TO GRATUITIES (FORM)

I hereby verify and declare that, to the best of my knowledge, neither the Contractor nor anyone associated with the Contractor has given, offered to give, or intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Bid ("Gratuities").

Signature of Person Authorized to Sign Bid

DECLARATION OF NON-COLLUSION (FORM)

I hereby verify and declare that:

The pricing for this Bid has been arrived at independently and without consultation, communication or agreement with any other Contractor who may submit a Bid.

The pricing for this Bid has not been disclosed to any other Contractor who may submit a Bid, and will not be, prior to the Closing Date and Time.

No attempt has been made or will be made to induce any Contractor or person to refrain from submitting a Bid, or to submit a Bid with higher pricing than this Bid, or to submit an intentionally high or noncompetitive Bid or other form of complementary Bid.

This Bid is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any Contractor or person to submit a complementary or other noncompetitive bid.

Contractor, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.

Signature of Person Authorized to Sign Bid

FARM BUREAU FINANCIAL SERVICES

3005 N. Hwy. 69
Prescott, AZ 86301
928.778.9350 | 928.717.2876 fax
John.Popp@fbfs.com

John R. Popp, LUTCF
Agent
AgWise Master Certified

Registered Representative/
Securities & services offered through
FBL Marketing Services, LLC†
5400 University Avenue,
West Des Moines, IA 50266,
877.860.2904, Member SIPC.

November 3, 2020

City Of Flagstaff
211 W Aspen Ave
Flagstaff, AZ 86001

Re: Prosser Red Gap Lease

To Whom It May Concern,

In the event the Prosser's are awarded the Red Gap Lease, they can absolutely secure the required coverages.

Sincerely,

Marta Fosnough for
John Popp, LUTCF
Career Agent

EXHIBIT A

Order Number: 109971

LEGAL DESCRIPTION

PARCEL NO. 1:

That portion of Section 1, lying North of the North right of way line of the Atchison, Topeka and Santa Fe Railroad, located in Township 20 North, Range 12 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 2:

That portion of Section 11, and Section 13 lying North of the North right of way line of the Atchison, Topeka and Santa Fe Railroad, located in Township 20 North, Range 12 ½ East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 3:

All of Section 3, Township 20 North, Range 12 ½ East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 4:

All of Section 23, and Section 25, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 14/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

109971

PARCEL NO. 5:

All of Sections 21 and 27; the West half of Section 22; the Northeast quarter of the Northwest quarter of Section 18, and those portions of Sections 19, 29 and 33, lying North of the North right of way line of the Atchison, Topeka and Santa Fe Railroad, located in Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPTING therefrom any portion lying within Interstate Highway 40 as set froth in Final Order of Condemnation recorded May 29, 1974 in Docket 507, page 476, and in Docket 507, page 520, records of Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 6:

All of Section 29 and that portion of Section 31, lying North of the North right of way of the Atchison, Topeka and Santa Fe Railroad, located in Township 20 North, Range 14 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPTING the West half of the West half of the Northeast quarter of the Southwest quarter of Section 31;

FURTHER EXCEPTING therefrom any portion of Section 31 lying within Interstate Highway 40 as set forth in Final Order of Condemnation recorded May 29, 1974 in Docket 507, page 476, and in Docket 507, page 520, records of Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 7:

That portion of Section 5 lying North of the North right of way of the Atchison, Topeka and Santa Fe Railroad, located in Township 19 North, Range 14 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPTING therefrom any portion lying within Interstate Highway 40 as set forth in Final Order of Condemnation recorded May 29, 1974 in Docket 507, page 476, and in Docket 507, page 520, records of Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

109971

PARCEL NO. 8:

That portion of Section 35 lying North of the North right of way line of the Atchison, Topeka and Santa Fe Railroad, located in Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT a rectangular parcel of land 210 feet by 622.29 feet located in the Northwest quarter of said Section 35, bounded by lines more particularly described as follows:

BEGINNING at the Northwest corner of said Section 35, said corner being a Government Land Office standard brass cap marker, the common corner of Section 26, 27, 34 and 35 in said Township and Range;
THENCE South 0° 03' 30" East along the West boundary of said Section 35, a distance of 1162.05 feet to an intersection with the Southerly boundary of the right of way of the newly constructed Highway 66;
THENCE South 79° 52' East along the Southerly boundary of the Highway right of way a distance of 2017.35 feet to the TRUE POINT OF BEGINNING;
THENCE continuing along the said Southerly boundary of the Highway right of way, South 79° 52' East a distance of 622.29 feet;
THENCE South 10° 08' West a distance of 210 feet;
THENCE North 79° 52' West a distance of 622.29 feet;
THENCE North 10° 08' East a distance of 210 feet more or less, to the TRUE POINT OF BEGINNING; AND

EXCEPT that portion of the North half of the North half of Section 35, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona, more particularly described as follows:

BEGINNING at the Northwest corner of said Section 35;
THENCE along the North line of said Section 35, South 89° 51' 44" East 3764.11 feet;
THENCE South 0° 00' 15" East 1021.80 feet to the existing Northerly right of way line of Interstate Highway 40 (Flagstaff Holbrook Highway);
THENCE along said existing highway right of way line of the following three courses:

(1) North 79° 52' 00" West 350.00 feet;
(2) South 70° 18' 22" West 864.52 feet;
(3) North 79° 52' 00" West 2646.41 feet to the West line of said Section 35;

THENCE along said West Section line North 0° 02' 25" West 794.99 feet to the POINT OF BEGINNING; AND

EXCEPT that portion of the East half of Section 35, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona; more particularly described as follows:

BEGINNING at the point of intersection of the existing Southerly right of way line of Interstate Highway 40 (Flagstaff-Holbrook Highway) with the East line of said Section 35, which point is South 0° 00' 15" East 2091.92 feet from the Northeast corner of said Section 35;
THENCE along the aforesaid East line of Section 35, South 0° 00' 15" East 639.33 feet to the existing Northerly line of the 200.00 foot right of way of the A.T.&S.F. Railway Company;
THENCE along said Northerly right of way line North 84° 12' 45" West 1728.49 feet;
THENCE North 0° 00' 15" West 376.59 feet to the aforesaid existing Southerly right of way line of Interstate Highway 40;
THENCE along said highway right of way line the following four courses:

(1) South 79° 52' 00" East 35.00 feet;
(2) North 72° 20' 34" East 836.48 feet;
(3) South 79° 52' 00" East 739.40 feet;
(4) along a curve to the right having a radius of 34,227.48 feet, a distance of 162.87 feet to the POINT OF BEGINNING;

AND FURTHER EXCEPTING therefrom any portion lying within Interstate Highway 40 as set forth in Final Order of Condemnation recorded May 29, 1974 in Docket 507, page 476, and in Docket 507, page 520, records of Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 9:

The East half of the Southwest quarter; the Southeast quarter of the Northwest quarter; the Southwest quarter of the Northeast quarter; the Northwest quarter of the Southeast quarter, all in Section 7, Township 20 North, Range 14 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT any portion lying within the Winslow-Gray Mountain Highway, as set forth in Final Order of Condemnation recorded in Docket 576, page 21, records of Coconino County, Arizona;

AND EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 10:

The Southeast quarter of the Southeast quarter of Section 7, Township 20 North, Range 14 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT any portion lying within the Winslow-Gray Mountain Highway, as set forth in Final Order of Condemnation recorded in Docket 576, page 21, records of Coconino County, Arizona;

AND EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 11:

The Northeast quarter of the Northeast quarter of Section 19, Township 20 North, Range 14 East, of the Gila and Salt River Base and Coconino, Maricopa County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 12:

The Northeast quarter of the Northwest quarter of Section 11, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 13:

The Northwest quarter of the Northwest quarter of Section 13, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 14:

The Northeast quarter of the Northwest quarter of Section 13, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

109971

PARCEL NO. 15:

The Southwest quarter of the Northeast quarter of Section 13, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 16:

The Southeast corner of the Northeast quarter of Section 15, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 17:

The Northeast quarter of the Southeast quarter of Section 17, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 18:

The Northwest quarter of the Northeast quarter of Section 17, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 19:

The Northwest quarter of the Southeast quarter of Section 17, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 20:

The Southwest quarter of the Southeast quarter of Section 17, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 21:

The Southeast quarter of the Southeast quarter of Section 17, Township 20 North, Range 13 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 22:

The Southeast quarter of the Southeast quarter of Section 1, Township 20 North, Range 12 ½ East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 23:

The West half of the Southwest quarter of Section 1, Township 20 North, Range 12 ½ East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona; AND

EXCEPT all coal, oil, gas and minerals as reserved in instrument recorded August 18, 1970 in Docket 365, page 225, records of Coconino County, Arizona.

PARCEL NO. 24:

The Southeast quarter of the Northwest quarter, and the East half of the Southwest quarter of Section 1, Township 20 North, Range 12 ½ East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT the North, South, East and West 15 feet, as conveyed to Coconino County by deed recorded in Docket 425, page 291.

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 25:

The Northeast quarter of the Southeast quarter of Section 1, Township 20 North, Range 12 ½ East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 26:

Lot 1, and the Southeast quarter of the Northeast quarter of Section 7, Township 20 North, Range 13 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 27:

Lot 4 of Section 7, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 28:

The Southeast quarter of the Northwest quarter of Section 7, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 29:

The Southeast quarter of the Southwest quarter of Section 7, Township 20 North, Range 13 East, Gila and Salt River Base and Meridian, Coconino County, Arizona;

EXCEPT 15/16th interest of all oil, gas, hydrocarbon and minerals, as reserved in instruments recorded in Book 68 of Deeds, page 322, and Book 25 of Official Records, page 494, and Book 46 of Official Records, page 475, and Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 30:

Lots 1, 5 and 9, of Posen Ranch, a subdivision of Section 33, Township 20 North, Range 14 East, of the Gila and Salt River Base and Meridian, Coconino County, Arizona, according to the plat of record in the office of the County Recorder of Coconino County, Arizona, recorded in Book 4 of Surveys, page 95;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona.

PARCEL NO. 31:

Lots 1, 2, 3, 4 and 8, of Little Red-Gap Ranch, being a portion of Section 17, Township 20 North, Range 14 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, according to the plat of record in the office of the County Recorder of Coconino County, Arizona, recorded in Book 5 of Surveys, page 36;

EXCEPT 15/16th interest in all oil, gas, hydrocarbon and minerals as reserved in instruments recorded in Book 68 of Deeds, page 322, Book 25 of Official Records, page 494, Book 46 of Official Records, page 475, and in Docket 296, page 57, records of Coconino County, Arizona;
AND

EXCEPT all coal, oil, gas and minerals as reserved in instrument recorded April 11, 1968 in Docket 302, page 343, records of Coconino County, Arizona

STATE LAND DEPARTMENT
STATE OF ARIZONA

GRAZING LEASE

Lease No. 05-3321

THIS GRAZING LEASE is entered into by and between the State of Arizona "Lessor" by and through the Arizona State Land Department and

CITY OF FLAGSTAFF

as "Lessee". In consideration of the payment of rent and of performance by the parties of each of the provisions set forth herein, the parties agree as follows:

ARTICLE 1
SUBJECT LAND

1.1 Lessor hereby leases to Lessee for the term, at the rent, and in accordance with the provisions set forth herein, the Subject Land described in Appendix A attached hereto ("Subject Land") for the uses and purposes specified in Article 4.

1.2 Lessee makes use of Subject Land "as is" and Lessor makes no express or implied warranties as to the physical condition of the Subject Land.

ARTICLE 2
TERM

2.1 The term of this Lease commences on December 31, 2013 , and ends on December 30, 2023 , unless terminated earlier as provided in this Lease.

ARTICLE 3
RENT

3.1 Lessee shall pay rent to Lessor for the use and occupancy of the Subject Land during the term of this Lease without offset or deduction and without notice or demand, as established, on an annual basis.

3.2 The annual base rent shall be set by Lessor in the manner established by law and paid in advance each year.

3.3 Each billing year in advance, Lessee shall inform Lessor, on forms to be provided by Lessor, whether Lessee intends to make full use, partial use or total non-use of the maximum allowable animal-unit-months for the Subject Land, so that the correct amount of rent may be billed by the Lessor. Lessee shall inform Lessor in writing of any subsequent change in the number of animal-unit-months which Lessee intends to use. If Lessee fails to provide Lessor with this information within the time stated in the form provided by Lessor, Lessee shall pay full-use rent.

3.4 There shall be added to the delinquent rental or other monies due, a penalty and delinquent interest. The delinquent interest rate shall be set by the State Treasurer according to law. The penalty shall be the greater of a minimum processing cost as determined by the Commissioner or five (5%) percent. The delinquent rent, penalty and interest shall be a lien on the improvements and property on the land.

3.5 Prior to the time a rent payment, annual or otherwise, is due, upon Lessee's written request, Lessor at its discretion may extend the time for payment for an additional period not to exceed 90 days. There shall be added to the delinquent rental or other monies due, a penalty and delinquent interest. The delinquent interest rate shall be set by the State Treasurer according to law. The penalty shall be the greater of a minimum processing cost as determined by the Commissioner or five (5%) percent. The delinquent rent, penalty and interest shall be a lien on the improvements and property on the land.

3.6 If the annual rent is at any time one calendar year in arrears, this Lease shall automatically terminate, without right of appeal by Lessee or any leasehold mortgagee, and Lessor shall proceed to cancel it on the records of the Department.

ARTICLE 4
USE OF SUBJECT LAND

4.1 The Subject Land is leased to the Lessee for the purposes of ranging livestock and for uses related thereto and no other use, except as approved in writing by Lessor after written application by Lessee.

4.2 Feedlot operations on the Subject Land are prohibited, but this shall not be construed to prevent the temporary or supplemental feeding of livestock.

ARTICLE 5
LIVESTOCK CARRYING CAPACITY

5.1 The livestock carrying capacity for the Subject Land shall be determined by the Lessor and may be adjusted from time to time, subject to the appeal rights of Lessee as provided by law. The appraised carrying capacity of the Subject Land shall not be exceeded during any billing year unless Lessee obtains the prior written permission of Lessor and agrees to pay the additional fees determined by Lessor.

ARTICLE 6
DUTY TO INFORM LESSOR OF TOTAL RANCH HOLDINGS

6.1 At the time of making application for the Lease, Lessee shall disclose to Lessor, on a form provided by Lessor, the total acreage used for grazing within the ranch unit or units of which the Subject Land is a part. This shall include, in addition to the Subject Land, any federal land which Lessee grazes pursuant to a written lease or permit any private land owned by or used by Lessee, with a designation as to which private lands are used pursuant to written agreement. In addition, Lessee shall show, on a map form supplied by or acceptable to Lessor: (1) the approximate location of all fence lines and man-made water sources and (2) the land ownership status (state, federal, or private) of the ranch unit or units of which the land covered by this Lease is a part.

6.2 In any determination as to whether the carrying capacity of the Subject Land has been exceeded, no claimed grazing use of private or federal lands within the ranch unit or units which have not been disclosed as part of the ranch unit or units shall be considered.

6.3 For purposes of determining whether the Lessee has remained within the authorized carrying capacity under this Lease, it shall be presumed that all land within a fenced pasture (whether state, federal or private) has been grazed to the same extent by livestock placed in that pasture unless Lessee or Lessor can, based upon range suitability and management practices, demonstrate to the contrary.

ARTICLE 7
RECORDS

7.1 Lessee shall keep records showing the numbers of Lessee's livestock of different classes on the ranch unit or units, the dates put on and removed and estimated death loss.

7.2 Such records shall be retained for a minimum period of three years.

7.3 The Lessor may, upon reasonable notice to the Lessee, require the production of the records described in Paragraph 7.1 above. In the event a dispute arises concerning the numbers of cattle grazed, the Lessee shall keep all documents and records until the dispute is finally resolved.

ARTICLE 8
TAXES; ADDITIONAL AMOUNTS

8.1 Lessee shall pay all assessments and charges for utilities and communication services, and assessments imposed pursuant to any construction on the Subject Land, all permit and authorization fees, all taxes, duties, charges and assessments of every kind of nature imposed by any public, governmental or political subdivision authority pursuant to

any currently or subsequently enacted law, ordinance, regulation or order, which during the term of this Lease, become due or are imposed upon, charged against, measured by or become a lien on (a) the Subject Land, (b) any improvements or personal property of the Lessee located on the Subject Land, (c) the interest of the Lessee to this Lease or in the proceeds received by Lessee from any assignment or sublease of the Subject Land.

8.2 Lessee shall pay or cause to be paid all amounts required to be paid under Paragraph 8.1 before any interest, penalty, fine or cost accrues for nonpayment.

ARTICLE 9
WAIVER

9.1 Acceptance of rent payments by Lessor shall not constitute a waiver by Lessor of any violation by Lessee of the provisions of this Lease.

9.2 No waiver of a breach of any provision of this Lease shall be construed as a waiver of any succeeding breach of the same or any other provision.

ARTICLE 10
IMPROVEMENTS

10.1 All buildings, fences, wells, pumps, pipelines, corrals, pens, range improvement practices (i.e., root plowing, land imprinting, clearing, etc.) and other structures of every kind and nature which exist, at anytime, on, above, or below the Subject Land or on a portion thereof and which are not portable in nature are considered "improvements" under this Lease.

10.2 Lessee may construct improvements on the Subject Land if: (a) Lessee has filed an Application to Place Improvements with Lessor, attaching any necessary written approvals from regulatory authorities; and (b) Lessor has granted written approval for the construction of such improvements.

10.3 Any improvements placed on the Subject Land which have not been approved as required by Paragraph 10.2 shall be forfeited to and become property of the Lessor, and Lessee shall be liable to Lessor for all damage to the Subject Land caused by such unauthorized improvements and for any expenses incurred by the Lessor in restoring the Subject Land.

10.4 Lessee shall have the right to remove all of its personal property which can be removed without damaging the Subject Land within 60 days prior to, or 90 days following the Expiration Date or the earlier termination of the Lease.

10.5 Improvements placed on the Subject Land shall conform to all applicable federal, state, county and municipal laws and ordinances.

10.6 All improvements placed upon the Subject Land by Lessee in conformance with Paragraph 10.2 shall be the property of Lessee or any successor in interest ("Owner") and shall, unless they become the property of Lessor, be subject to assessment for taxes in the name of the Owner, as other property.

10.7 The Lessee or Owner shall be entitled to reimbursement for improvements authorized in accordance with Paragraph 10.2 by any subsequent lessee or purchaser of the Subject Land upon expiration of this Lease as provided by A.R.S. § 37-322.02 or any successor statute, subject to any rights acquired by the Lessor under Paragraph 3.4.

ARTICLE 11
LESSEE'S COOPERATION; INGRESS AND EGRESS

11.1 Lessee shall cooperate with Lessor in Lessor's inspection, appraisal and management of the Subject Land and permit reasonable access by Lessor's employees to isolated State Land across Lessee's private land during the term of this Lease.

11.2 Lessee shall not interfere with the authorized activities of Lessor's employees, agents, licenses or other lessees or permittees on the Subject Land.

ARTICLE 12
LESSEE SHALL NOT PERMIT LOSS OR WASTE

12.1 Lessee shall not cause nor grant permission to another to cause any waste or loss in or upon the Subject Land. Lessee, its employees and agents shall not cut, consume or remove any timber, or standing trees that may be upon the Subject Land, without the prior written consent of Lessor, except that Lessee may cut wood for fuel for domestic uses and authorized improvements on the Subject Land. Nothing herein shall permit the cutting of saw timber for any purpose.

ARTICLE 13
NATIVE PLANTS AND CULTURAL RESOURCES

13.1 Lessee shall comply with the provisions of the Arizona Native Plant Law (A.R.S. § 3-901 et seq., or any successor statutes) and with Arizona laws relating to archaeological discoveries (A.R.S. § 41-841 et seq., or any successor statutes). Lessee shall not disturb any cacti or other protected native plants nor disturb any ruins, burial grounds or other archaeological sites except as may be permitted by these laws.

ARTICLE 14
LESSEE SHALL PROTECT THE LAND, PRODUCTS AND IMPROVEMENTS

14.1 Lessee is hereby authorized to use means which are reasonable and which do not result in a breach of the peace or in creating a concealed hazard, to protect the Subject Land and improvements against waste, damage and trespass.

14.2 In the event of known trespass on the Subject Land resulting in damage thereto, Lessee shall make reasonable efforts to notify Lessor and appropriate law enforcement authorities.

ARTICLE 15
ASSIGNMENT, SUBLEASE, PASTURAGE AGREEMENT AND ENCUMBRANCE

15.1 Lessee, if not in default in the payment of rent and having kept and performed all the conditions of this Lease may, with the written consent of Lessor, assign this Lease. An assignment of this Lease shall not be made without the consent of all lienholders of record. In the event of assignment of this Lease, Lessee shall file with Lessor a copy of applications for transfer of all certificates for stockponds on the Subject Land to assignee, as agent for the State of Arizona, showing that the applications have been filed with the appropriate governmental agency.

15.2 Lessee shall not sublease or sell or lease pasturage to lands included in the Lease without first obtaining the written consent of Lessor. Subleasing by the sublessee, or pasturing of animals not branded with the sublessee's brands, is not allowed. The term "sublease" includes the transfer of control of all or part of the ranch unit or units containing the Subject Land. Not with-standing any sublease, Lessee shall remain responsible to the Lessor for the performance of the provisions of this Lease. In no event may this Lease be sublet unless all rent due has been paid and all provisions of this Lease are complied with.

15.3 This Lease authorizes only the grazing of livestock bearing the registered brand(s) of Lessee or Lessee's immediate family. If Lessee wishes to permit the grazing of livestock bearing any other brands pursuant to pasturage agreements of any kind, Lessee must so inform Lessor prior to the release of such livestock on the Subject Land.

15.4 Copies of all assignments, subleases, or pasturage agreements pertaining to the Subject Land shall be filed with the Lessor.

15.5 In the event, this Lease is canceled or terminated prior to the expiration date any sublease or pasture agreement shall automatically terminate on the date the Lease is terminated.

ARTICLE 16
RESERVATIONS, RELINQUISHMENTS TO UNITED STATES

16.1 Lessor excepts and reserves out of the grant hereby made, all oils, gases, geothermal resources, coal, ores, minerals, fossils, fertilizers, common mineral products and materials, and all natural products of very kind that may be in or upon the Subject Land any legal claim existing or which may be established under the mineral land laws of the United States or the State of Arizona.

16.2 Lessor reserves the right to execute leases, permits, or sales agreements covering the Subject Land for the purpose of entering upon and prospecting for, and the extraction of such reserved materials.

16.3 Lessor reserves the right to grant rights of way, easements and sites over, across, under or upon the Subject Land for public highways, railroads, utility lines, pipelines, irrigation works, flood control, drainage works, logging and other purposes.

16.4 Lessor reserves the right to relinquish to the United States land needed for irrigation works in connection with a government reclamation project and to grant or dispose of rights of way and sites for canals, reservoirs, dams, power or irrigation plants or works, railroads, tramways, transmission lines or any other purpose or use on or over the Subject Land.

16.5 In the event of such relinquishment, grants or disposal, the Lessee waives all right to any compensation whatsoever as against the Lessor except as may be allowed under the provisions of Article 17, and as limited therein.

ARTICLE 17
CONDEMNATION AND EMINENT DOMAIN

17.1 If at any time during the duration of this Lease the whole or any part of the Subject Land shall be taken for any quasi-public or public purpose by any person, private or public corporation, or any governmental agency having authority to exercise the power of condemnation or eminent domain pursuant to any law, this Lease shall expire on the date when the leased property is taken or acquired as to the leased property so taken or acquired. Except as set forth below, the rights of Lessee and Lessor to compensation for such taking shall be as provided by law. The Lessee shall have no compensable right or interest in the real property being condemned or interest in the unexpired term of this Lease or any renewal except as provided by law and in any event no interest greater than 10 percent of the total award for the land. The Lessor shall be entitled to and shall receive any and all awards for severance damages to remaining proceedings concerning the Subject Land. Lessee shall have the right to (1) prorated reimbursement for prepaid rent, (2) any and all awards for payments made for any authorized improvements which are taken, and (3) severance damages for any damage to Lessee's remaining ranch operation resulting from the taking.

ARTICLE 18
WATER RIGHTS

18.1 The Lessee shall be entitled to the use on the Subject Land of groundwater as defined in A.R.S. § 45-101, or any successor statute, for purposes consistent with this Lease. If the Lessee shall develop any groundwater on the Subject Land, he shall not acquire any rights with respect to the groundwater, except the right to use such water in accordance with applicable law, on the Subject Land during the term of this Lease.

18.2 If the Lessee uses, on the Subject Land, groundwater from a source not on the Subject Land, that use alone shall not (1) cause such water or any rights with respect to that water to be appurtenant to the Subject Land, or (2) affect in any way the Lessee's rights with respect to the water.

18.3 The rights of the Lessor and the Lessee concerning the application for an establishment of any rights with respect to surface water as defined in A.R.S. § 45-101, or any successor statute, shall be governed by the laws of the State of Arizona.

18.4 Nothing in the provisions of this Lease shall affect the validity of any rights established by or for the Lessor or Lessee with respect to surface water, as defined in A.R.S. § 45-101, prior to the Commencement Date of this Lease.

18.5 The application for and establishment by the Lessor or Lessee (as agent of the State of Arizona) of any water rights shall be for the State of Arizona; such rights shall attach to and become appurtenant to the Subject Land.

18.6 Notwithstanding Paragraph 18.5 above, the Lessee, as agent of the State of Arizona, shall be entitled to any certificate of water right, issued pursuant to the Stockpond Registration Act, A.R.S. § 45-271 through 45-276 (as it may be amended) relating to a stockpond constructed as an authorized improvement on the Subject Land. Any such certificate and the rights it evidences and represents shall be appurtenant to the Subject Land and shall pass to any successor lessee; or, if the land is not leased but is retained by the State of Arizona, then to the State of Arizona; or if the land is sold, then to the purchaser.

18.7 The Lessee shall promptly notify the Lessor in writing of any initial filings made by the Lessee with any governmental agency or court concerning the establishment or adjudication of any claim to a water right relating to the Subject Land. Upon request of the Lessor, the Lessee shall furnish copies of any document filed with the agency or court.

ARTICLE 19
DEFAULT AND CANCELLATION

19.1 Violation by Lessee of any provision of this Lease shall be a default hereunder entitling Lessor to any and all remedies it may have under Arizona law.

19.2 Upon any such default, the Lease may be canceled pursuant to A.R.S. § 37-289 or any successor statute.

19.3 This contract is subject to cancellation pursuant to A.R.S. § 38-511.

ARTICLE 20
HOLDOVER LESSEE

20.1 Upon expiration or termination of this Lease, Lessee agrees to surrender to Lessor peaceful and uninterrupted possession of the Subject Land. Holdover tenancy by the Lessee is prohibited and shall be deemed a trespass for which Lessor may seek all appropriate civil and criminal remedies; except that a Lessee in good standing who has filed a timely application for renewal may continue to occupy and use the Subject Land, pursuant to the terms of this Lease, pending action on the renewal application by Lessor.

ARTICLE 21
INDEMNIFICATION

21.1 Except as provided by A.R.S. § 33-1551 (or its successor statutes), Lessee hereby expressly agrees to indemnify and hold Lessor harmless, or cause Lessor to be indemnified and held harmless from and against all liabilities, obligations, damages, penalties, claims, causes of action, costs, charges and expenses, including attorneys' fees and costs, which may be imposed upon or incurred by or asserted against Lessor by reason of the following: (a) any accident, injury or damage to any persons or property occurring on or about the Subject Land or any portion thereof resulting from Lessee's use of the Subject Land, (b) any use, non-use or condition of the Subject Land or any portion thereof resulting from Lessee's intentional actions or negligence, and (c) any failure on the part of Lessee to perform or comply with any of the provisions of this Lease; except such as may be the result solely of Lessor's intentional conduct or active negligence.

21.2 In case an action or proceeding is brought against Lessor by reason of any such occurrence, Lessee, upon Lessor's request and at Lessee's expense, will resist and defend such action or proceedings, or cause the same to be resisted and defended either by counsel designated by Lessee or, where such occurrence is covered by liability insurance, by counsel designated by the insurer.

21.3 Lessee shall protect, defend, indemnify and hold harmless the Lessor from and against all liabilities, obligations, losses, environmental responses, and clean up costs, charges and expenses, including attorneys' fees and court costs arising out of or related to the presence or existence of any substance regulated under any applicable Federal, State or local environmental laws, regulations or ordinances or amendments thereto because of: (a) any substance that came to be located on the Subject Land resulting from any use or occupancy of the Subject Land by the Lessee before or after the issuance of the Lease; or (b) any release, threatened release, escape, seepage, leakage, spillage, discharge or emission of any such substance in, on, under or from said Subject Land that is caused, in whole or in part, by any conduct, actions or negligence of the Lessee, regardless of when such substance came to be located on the Subject Land.

ARTICLE 22
RENEWAL

22.1 Upon application to the Department not less than thirty days nor more than one year before the Expiration Date, Lessee, if a bona fide resident of the State or legally authorized to transact business in the State, shall have a preferred right to renewal for a term not to exceed ten years, as provided by law, bearing even date with the Expiration Date. The preferred right of renewal shall not extend to a Lessee if there has not been substantial compliance with the terms of this Lease or if the Subject Land has not been placed to the use prescribed in this Lease, unless for good cause, the failure to perform was given written authorization by the Department. If the Department determines the continued leasing of the land to the Lessee is not in the best interest of the State, the Lease shall not be renewed.

ARTICLE 23
INSURANCE REQUIREMENTS

23.1 Lessee shall maintain in full force a commercial general liability insurance policy during the lease term affording protection to the limit of not less than one million dollars. This policy shall contain a provision that Lessor, named as an additional insured, shall be entitled to recovery for any loss occasioned to it, its agents and employees. Further, the policy shall provide that their coverage is primary over any other insurance coverage available to the Lessor, its agents and employees. Insurance policies must contain a provision that the Lessor shall receive an advance 30 day written notice of any cancellation or reduction in coverage.

ARTICLE 24
ENVIRONMENTAL MATTERS

24.1 Lessee shall strictly comply with Environmental Laws, relating but not limited to hazardous and toxic materials, wastes and pollutants. Compliance means the Lessee shall act in accordance with the necessary reporting obligations obtain and maintain all permits required, provide copies of all documents as required by Environmental Laws. For purposes of this Lease the term "Environmental Law" shall include but not be limited to any relevant federal, state, or local laws, and applicable regulations, rules and ordinances, and publications promulgated pursuant thereto, including any future modifications or amendments relating to environmental matters.

ARTICLE 25
MISCELLANEOUS

25.1 This Lease grants Lessee only those rights expressly granted herein and Lessor retains and reserves all other rights in the Subject Land.

25.2 This Lease is subject to all current and subsequently enacted rules, regulations and laws applicable to State Lands and to the rights and obligations of Lessors and Lessees. No provisions of this Lease shall create any vested right in Lessee except as otherwise specifically provided in this Lease.

25.3 The Lessor shall be forever wholly absolved from any liability for damages which might result to the Lessee in the event this Lease is found to be void, canceled, forfeited or terminated prior to the Expiration Date or in the event this Lease is not renewed.

25.4 If it is determined that Lessor has failed to receive title to any of the Subject Land, the Lease is null and void insofar as it relates to the land to which Lessor has failed to receive title. Lessor shall not be liable to Lessee or any assignee or sublessee for any damages that result from Lessor's failure to receive title.

25.5 In any action arising out of this Lease, the prevailing party is entitled to recover reasonable attorneys' fees incurred therein in addition to the amount of any judgment, costs and other expenses as determined by the court. In the case of Lessor, reasonable attorneys' fees shall be calculated at the reasonable market value for such services when rendered by private counsel notwithstanding that it is represented by the Arizona Attorney General's Office or by other salaried counsel.

25.6 No provisions of this Lease shall create any right or interest in Lessee to a fee interest in the Subject Land.

25.7 Any notice to be given or other documents to be delivered to Lessee or Lessor hereunder shall be in writing and delivered to Lessee or Lessor by depositing same in the United States Mail, with prepaid postage addressed as follows:

To Lessor: Arizona State Land Department
1616 West Adams Street - First Floor
Phoenix, AZ 85007

To Lessee: Address of Record

Lessee must notify Lessor within thirty (30) days by written notice of any change in address. Lessor's notice shall be deemed adequate if sent to the Lessee's best known address of record and no change of address form is on file.

25.8 This Lease shall be governed by, construed and enforced in accordance with Arizona laws.

25.9 Any attempt to assign, sublease, convey, transfer or otherwise dispose of any estate or interest in this Lease, other than pursuant to its term, shall not be effective.

25.10 This Lease, together with all attached Appendices, embodies the whole agreement of the parties. There are no other agreements or terms, oral or written. This document supersedes all previous communications, representations and agreements, oral or written, between the parties.

25.11 THIS DOCUMENT is submitted for examination and shall have no binding effect on the parties unless and until executed by the Lessor (after execution by the Lessee), and a fully executed copy is delivered to the Lessee.

25.12 IN THE EVENT OF A DISPUTE between the parties to this Lease, it is agreed to use arbitration to resolve the dispute but only to the extent required by A.R.S. § 12-1518; and, in no event shall arbitration be employed to resolve a dispute which is otherwise subject to administrative review by the Department.

25.13 Every obligation of the State under this Lease is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Lease, this Lease may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or any damages as a result of termination under this paragraph.

25.14 The parties agree to be bound by applicable State and Federal rules governing Equal Employment Opportunity, Non-discrimination and Disabilities, including Executive Order No. 2009-09.

25.15 Upon the sale, exchange, redemption, relinquishment or taking, whether by eminent domain or institutional use of all or any portion of the Subject Land, this Lease shall terminate on the date of such disposition as to the property so affected.

APPENDIX A

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE: 30 December 2013
RUN TIME: 20:47 PM
PAGE: 1

KE-LEASE# 005-003321-00-007 APPTYPE: RENEWAL
AMENDMENT#: 0

LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
19.0-N-14.0-E-04-03-031-1007	LOT 1 AND LOT 2 LY E OF PAT 6056	0.50	68.460
19.0-N-14.0-E-04-03-031-1008	LOTS 3 4 AND LOT 2 LY W OF PAT 6056 AND S2NW LY N OF 95-98642	1.30	170.910
19.0-N-14.0-E-04-03-031-1009	S2NW LY S OF 95-98642 AND N OF RR AND N2N2NESW LY N OF RR	0.10	16.070
19.0-N-14.0-E-06-03-031-1003	THAT PT N OF RR	0.10	20.000
20.0-N-12.0-E-02-03-030-1003	LOTS 1 2 AND LOTS 3 4 S2NE N2N2SENW N2N2NESE LY N OF RR	1.60	208.610
20.0-N-12.5-E-02-03-030-1002	LOTS 1 THRU 4 S2N2 S2	5.50	710.840
20.0-N-12.5-E-10-03-031-1003	N2 N2NENESE LY N OF RR	1.50	200.000
20.0-N-12.5-E-12-03-031-1002	ALL	5.00	640.000
20.0-N-13.0-E-08-03-031-1002	LOTS 1 THRU 4 S2N2 S2	4.90	638.960
20.0-N-13.0-E-10-03-031-1002	LOTS 1 THRU 4 S2N2 S2	4.90	635.160
20.0-N-13.0-E-12-03-031-1002	LOTS 1 THRU 7 SWNE S2NW W2SE SW	4.90	630.970
20.0-N-13.0-E-14-03-031-1002	ALL	5.00	640.000
20.0-N-13.0-E-16-03-030-1002	ALL	5.00	640.000
20.0-N-13.0-E-18-03-031-1002	LOTS 1 THRU 4 SENW E2SW E2	4.80	626.640
20.0-N-13.0-E-20-03-031-1002	ALL	5.00	640.000
20.0-N-13.0-E-22-03-031-1002	E2	2.50	320.000
20.0-N-13.0-E-24-03-031-1002	ALL	5.00	640.000
20.0-N-13.0-E-26-03-031-1002	ALL	5.00	640.000
20.0-N-13.0-E-28-03-031-1004	N2 N2SE AND SW S2SE LY N OF 95-98642 AND NE OF PAT 2951	4.40	562.390
20.0-N-13.0-E-28-03-031-1005	SWNWSW SWSW SWSESW LY SW OF PAT 2951 AND N E S OF 95-98642	0.20	29.470
20.0-N-13.0-E-28-03-031-1006	S2SESW LY NE OF PAT 2951 AND S OF 95-98642 AND S2S2S2SE LY S OF 95-98642	0.10	10.760
20.0-N-13.0-E-34-03-031-1005	N2N2 LY N OF 95-98642	0.30	39.140

APPENDIX A

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE: 30 December 2013
RUN TIME: 20:47 PM
PAGE: 2

KE-LEASE# 005-003321-00-007 APPTYPE: RENEWAL
AMENDMENT#: 0

20.0-N-13.0-E-34-03-031-1006	N2 LY S OF I-40 AND N OF RR	1.40	181.880
20.0-N-13.0-E-36-03-030-1005	LOTS 1 2 NWNE N2NW AND LOT 3 SWNE S2NW LY N OF 95-98642	2.20	286.980
20.0-N-13.0-E-36-03-030-1006	LOT 3 S2S2SWNE S2NW N2N2SW NWSE LY S OF 95-98642 AND N OF RR	0.70	96.020
20.0-N-14.0-E-04-03-031-1002	LOTS 1 THRU 4 S2N2 S2	4.80	626.460
20.0-N-14.0-E-06-03-031-1002	LOTS 1 THRU 6 SENW E2SW S2NE SE LOT 7 LY NE OF PAT 6057	4.70	605.940
20.0-N-14.0-E-08-03-031-1002	ALL	5.00	640.000
20.0-N-14.0-E-16-03-030-1002	ALL	5.00	640.000
20.0-N-14.0-E-18-03-031-1004	E2NENE LY E OF PAT 6058	0.00	4.030
20.0-N-14.0-E-18-03-031-1005	LOTS 1 THRU 4 W2NE SENE E2W2 SE AND NENE LY W OF PAT 6058	4.80	615.570
20.0-N-14.0-E-20-03-031-1004	E2E2 LY E OF PAT 6059	0.30	38.730
20.0-N-14.0-E-20-03-031-1005	W2E2 W2 AND E2E2 LY W OF PAT 6059	4.50	581.970
20.0-N-14.0-E-28-03-031-1006	E2E2 W2NE AND E2NW NENWNW E2NENENESW W2SE LY E OF PAT 6060	2.70	347.040
20.0-N-14.0-E-28-03-031-1007	SWNW W2SW AND NWNW E2NW E2SW W2SWSE LY W OF PAT 6060	2.00	265.760
20.0-N-14.0-E-30-03-031-1002	LOTS 1 THRU 4 E2W2 E2	4.80	625.440
20.0-N-14.0-E-32-03-030-1002	ALL EX 95-98642 LY IN SWSWSWSWSW	4.90	639.250
	TOTALS	115.40	14,923.450

IN WITNESS HEREOF, the parties hereto have signed this Lease effective the day and year set forth previously herein.

STATE OF ARIZONA, LESSOR
Arizona State Land Commissioner

Amber Yosel 1/14/14
By: **Date**

ARIZONA STATE LAND DEPARTMENT 1915

City of Flagstaff- Utilities
Lessee

[signature] 1/9/14
Authorized Signature **Date**

211 W. Aspen Ave
Address

Flagstaff AZ 86001
City **State** **Zip**

Arizona State Land Department
Red Gap Ranch Grazing Lease

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

9. B.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Kristine Pavlik, Housing and Grants Administrator
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE:

Consideration and Adoption of Resolution No. 2021-15: A resolution approving the City of Flagstaff's 2021/2025 Consolidated Plan and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

Consideration and Adoption of Resolution No. 2021-16: A resolution approving the City of Flagstaff's 2021 Analysis of Impediments to Fair Housing Choice and authorizing its submission to the U.S. Department of Housing and Urban Development (HUD).

Consideration and Adoption of Resolution No. 2021-17: A resolution approving the City of Flagstaff's 2021/2022 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. 2021-15 by title only
2) City Clerk reads Resolution No. 2021-15 (if approved above)
3) Adopt Resolution No. 2021-15

4) Read Resolution No. 2021-16 by title only
5) City Clerk reads Resolution No. 2021-16 (if approved above)
6) Adopt Resolution No. 2021-16

7) Read Resolution No. 2021-17 by title only
8) City Clerk reads Resolution No. 2021-17 (if approved above)
9) Adopt Resolution No. 2021-17

Executive Summary:

This staff summary is for the approval of three separate documents required by the US Department of Housing and Urban Development (HUD) as part of the Community Development Block Grant Program (CDBG). The 2021-2025 Consolidated Plan, 2021/2022 Annual Action Plan, and the Analysis of Impediments to Fair Housing Choice are due to be submitted to HUD on May 15, 2021, and are required in order for the City of Flagstaff to maintain its compliance with federal CDBG regulations. Timely submission of these documents will enable the City to continue its annual entitlement allocation of CDBG funding.

Resolution No. 2021-15

The PY(Program Year) 2021-2025 Consolidated Plan (Con Plan) is a 5-year strategic plan and assessment of community needs. This plan will function as a community guiding document to help achieve HUD's primary objective and national objectives.

Resolution No. 2021-16
The Analysis of Impediments to Fair Housing Choice (AI) reviews current information and data available from a number of sources, identifies current impediments to fair housing in the City of Flagstaff, evaluates the efficacy of the 2016 Fair Housing Plan of Action and develops an updated plan that takes appropriate steps to overcome the effects of any impediments identified, efforts by the City further fair housing choice and maintains records reflecting the actions taken.

Resolution No. 2021-17
The PY 2021/2022 Annual Action Plan (AAP) identifies how the anticipated 2021 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.

All documents are due to HUD on May 15th, 2021. The City of Flagstaff Housing Section has received notice of its 2021 allocation from the Department of Housing and Urban Development and it is outlined in detail below.

Financial Impact:
Approval of the above resolutions is critical to the City of Flagstaff receiving its annual CDBG entitlement allocation. The 2021/2022 CDBG allocation is $571,367, a decrease of $39,928 from the last program year. In addition, the City of Flagstaff is able to include program income and reallocated funds from previous years to increase the funds available for allocation. Total program income and reallocated funds equal $312,406.17 for a grand total of $883,773.17 available for the 2021/2022 program year, through the Annual Action Plan process.

The proposed allocation takes into consideration the City's financial impacts by including the estimated indirect rate of 10% in addition to 10% for administration and planning.

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)

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

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.

Has There Been Previous Council Decision on This:

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

Options and Alternatives:

A) Approve Resolution Nos. 2021-15, 2021-16 and 2021-17 and authorize the submission of the Con Plan, AI, and the AAP to HUD.
B) Modify one or all Resolution Nos. 2021-15, 2021-16 and 2021-17 and authorize the submission to HUD.
C) Not approve Resolution Nos. 2021-15, 2021-16 and 2021-17 and risk losing future CDBG allocations.

Background/History:

In order to receive CDBG funding, the City must complete and submit to HUD three required documents by May 15, 2021.

1. The Consolidated Plan (Con Plan) (Resolution No. 2021-15) is due to HUD every five years. With Council's approval, the City's Con Plan will provide the framework for the use of Community Development Block Grant (CDBG) funding beginning July 1, 2021 and ending June 30, 2026. The Con Plan was created with extensive community outreach and involvement and includes community identified goals for the next five years.
2. The Analysis of Impediments to Fair Housing Choice (AI) (Resolution No. 2021-16) is an analysis of Flagstaff's fair housing conditions and outlines appropriate actions/goals to overcome any impediments identified while maintaining records reflecting the actions taken to further fair housing choice in Flagstaff. As an entitlement community, the City of Flagstaff must annually certify that it will affirmatively further fair housing.
3. Lastly, the City must complete an Annual Action Plan (AAP) (Resolution No. 2021-17). 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 Con Plan.

Every two years, staff requests guidance from Council on CDBG Priorities and the overall CDBG process 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)

Per the Department of Housing and Urban Development guidance, the City of Flagstaff's CDBG allocation for the 2021/22 Program Year is $571,367. The City also has program income and de-obligated funds available for allocation in the amount of $312,406.17 for a total available of $883,773.17.

During the 2021 CDBG process, the City of Flagstaff Housing Section received 8 external Community Development Block Grant proposals for the 2021 Program Year. One applicant withdrew their application leaving 7 proposals for ranking. The total requested in CDBG funding from all proposals was $897,773.17 with a total of $883,773.17 available to allocate for the 2021/2022 Program Year.

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. A comprehensive Proposal Book that includes each of the below proposals was distributed to Council on March 30, 2021.

Housing Activities	Proposal/ Project	Request	Ranking
Catholic Charities of Northern Arizona	Closing the Gap Facility Acquisition	$300,000.00	153
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation	$257,896.00	142

Public Service Activities	Proposal/ Project	Request	Ranking
Homeless Youth Connection	Empowering Youth for the Future	$30,000.00	128
Native Americans for Community Action	Small Business Assistance	$54,337.50	142
Boys and Girls Club of Flagstaff	Afterschool and School Break Programs	$50,000.00	110
Tynkertopia	Community Based STEAM Education	$100,000.00	65
Southwest Fair Housing Council	Flagstaff Fair Housing Media Campaign	$14,000.00	56

Key Considerations:

In order to receive CDBG funding, the City must complete a Con Plan every five years. In addition to the 5-year Con Plan, 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 Con Plan. As part of the 5-year Con Plan and AAP, the City certifies it will affirmatively further fair housing. As part of this certification, the City completes an AI, takes appropriate actions to overcome the effects of any impediments identified through the analysis, and maintains records reflecting the actions taken.

Resolution No 2021-15 - Consolidated Plan (Con 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 below 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	**Special Population**	**Priority Level**	**5 Year Goal**
Priority Need: **Neighborhood Revitalization, Public Facilities & Infrastructure**			
Neighborhood Facility and Infrastructure Improvements *Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.*		High	3,000 people
Public Facilities *Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.*	**X**	High	100 people
Acquisition for Affordable Housing Development *Land/ Real Property/ Etc.*		Low	3 units
Priority Need: **Public Services & Economic Opportunities**			
Services to Meet Basic Needs *Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.*	**X**	High	300 people
Workforce Development *Includes Employment/ Job Training/ Business mentorship/ support/ assistance*	**X**	Low	15 people
Housing Stabilization *Includes Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services/ Housing Counseling/ Etc.*		High	50 households
Priority Need: **Addressing Homelessness**			

Service and Facility Operating Support *Includes Outreach/ Shelter Managers / Case Managers/ Coordinated Entry/ Etc.*	**X**	High	1,500 people
Increase Shelter Beds/Units *Includes Emergency / Transitional Shelter/* *Permanent Supportive Housing/ Etc.*		High	15 beds/units
Priority Need: **Decent Affordable Housing**			
Housing Rehabilitation *Includes Owner and Renter Housing*	**X**	High	20 housing units
Housing Development *Includes Owner and Renter Housing*		High	3 units
Housing Assistance *Includes Owner and Renter Housing*		High	50 households

Resolution No. 2021-16 - Analysis of Impediments to Fair Housing Choice (AI)

Similar to the Con Plan, the AI is created utilizing substantial community involvement (stakeholder surveys, community member surveys, and a public comment process). The purpose of the AI is to identify legitimate fair housing problems (impediments) faced by people seeking housing in Flagstaff. The AI reviews current information and data available from a number of sources, identifies current impediments to fair housing in the City of Flagstaff, evaluates the efficacy of the 2016 Plan of Action and develops a new Plan of Action to address current impediments.

The City's goals for the 2021 AI include:

1. Increase affordable and accessible housing opportunities to provide for greater Housing Choice among low- and moderate income and/or diabled citizens. Provide community education regarding and incentivize the acceptance of Housing Choice Vouchers for landlords and property management organizations.
2. Create public awareness of fair housing laws and affordable housing advocacy. Promote equal opportunity and prevent unlawful discrimination by providing relevant training, reliable information, and targeted outreach to both Housing sector stakeholders and city residents especially those most at-risk for discrimination.
3. Advocate for local and regional policy changes that increase affordable housing development as well as development outside of minority and low income areas of concentration.

Resolution No. 2021-17 - Annual Action Plan (AAP)

The 2021/2022 Annual Action Plan (AAP) identifies how the anticipated 2021 CDBG allocation will address Flagstaff's community needs identified in the 2021-2025 Consolidated Plan and how funding will be distributed with Flagstaff city limits.

In the 2021 CDBG process, the City of Flagstaff Housing Section received 8 external Community Development Block Grant proposals for the 2021 Program Year. 1 applicant withdrew their application leaving 7 proposals for ranking. The total requested in CDBG funding from all proposals was $897,773.17 with a total of $883,773.17 available to allocate for the 2021/2022 Program Year. Funding recommendations are made after an extensive risk assessment. Funds are allocated starting with the highest scoring proposal, until all funds are accounted for.

Below is the 2020/2021 CDBG funding available for allocation:

Total 2021 Entitlement Award	**$571.367.00**
Program Income (PI) and reallocated funds	**$312,406.17**
Total Available Funding for Allocation	**$883,773.17**

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 program income at $60,000, allowable administrative funding for Program Year 21/22 equals $126,273.40.

Below are the 2021 funding recommendations for the Planning and Administration category:

Planning and Adminstration Activities (20% cap.)	
Grant Compliance and Adminstration	$69,949.00
Estimated City Indirect at 10%	$55,051.00
Total Planning and Adminstration	**$125,000.00**

Public Service Funding Recommendation
Federal CDBG regulations do not allow more than 15% of funds to be spent on Public Service Activities; allowable public service funding for the 2021/2022 Program Year is $112,689.29.

Below are the 2021/2022 funding recommendations for the Public Service Category:

Public Service Activities	Proposal/Project	Request	Staff Recommendation	Ranking
Homeless Youth Connection	Empowering Youth for the Future	$30,000.00	$30,000.00	128
Native Americans for Community Action	Small Business Assistance	$54,337.50	$54,337.50	127
Boys and Girls Club of Flagstaff	Afterschool and School Break Programs	$50,000.00	$25,000.00	110
Tynkertopia	Community Based STEAM Education	$100,000.00	$0	65
Southwest Fair Housing Council	Flagstaff Fair Housing Media Campaign	$14,000.00	$0	56

Total Public Service Allocations	$109,337.50

Housing Activity Funding Recommendation

After the above recommended allocations are accounted for, there is $649,435.67 in CDBG funds available for Housing Activities. This is $91,539.67 more than received in proposal requests.

Below are the 2021 funding recommendations for the Housing Category:

Housing Activities	Proposal/Project	Request	Staff Recommendation	Ranking
Catholic Charities of Northern Arizona	Closing the Gap Facility Aquisition	$300,000.00	$345,769.84	153
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation (OOHR)	$257,896.00	$303,665.83	142
Total Housing			**$649,435.67**	

The chart below details 2021/2022 CDBG funding and allocation recommendations:

2021/2022 CDBG Funding Allocation Recommendations		
Housing and Public Service Activities	**Staff Recommended Funding**	**Individuals/ Households Served**
Catholic Charities Closing the Gap Facility Purchase	$345,769.84	8 chronically homeless/ smi/ individuals in the first year
Housing Solutions of Northern Arizona Owner Occupied Rehabilitation	$303,665.83	8 LMI households
Homeless Youth Connection Empowering Youth for the Future	$30,000.00	70 youth experiencing homelessness
Native Americans for Community Action Small Business Assistance	$54,337.50	12 LMI small business owners
Boys and Girls Club of Flagstaff	$25,000.00	50 LMI households with children

Total Project -Housing & Public Services- Allocation	**$758,773.17**
Total Admin & Planning Allocation	**$125,000.00**
Total City of Flagstaff 2021/2022 CDBG Allocation	**$883,773.17**
Total Individuals/ Households Served PY2021/2022	**58 households 90 individuals**

Expanded Financial Considerations:

The City of Flagstaff's CDBG allocation for the 2021/22 Program Year is $571,367, a decrease of $39,928 from the last program year. In addition, the City of Flagstaff is able to include program income and reallocated funds from previous years to increase the funds available for allocation. Total program income and reallocated funds equals $312,406.17 for a grand total of $883,773.17 available for the 2021/2022 program year, through the Annual Action Plan process.

In order to meet the goals identified in the Con Plan, the City expects to receive between $550,000 to $620,000 in CDBG funding during *each* of the next five years.

The attached Resolution 2021-17 is reflective of the recommendations listed above. The 2021/2022 CDBG recommendations are based on a total of $883,773.17 in available funding and the City of Flagstaff's estimated indirect rate for PY 2021/2022 of 10%.

The Citys 2021/2022 entitlement allocation is $571,367, a decrease of $39,928 from the 2020/2021 Program Year. In addition to the annual allocation, there is $278,216 available from prior year program income and $34,190.17 in reallocated unspent funds for a total of $883,773.17 available to allocate this PY. Program income is gathered through the repayment of loans from the Owner Occupied Housing Rehabilitation and Homebuyer Financial Assistance programs. Reallocated funds derive from de-obligation of funds and/or activities completing their scope of work with a remainder of unspent funding. The amount of program income available is an increase of $229,230 from 2020/2021 due to an uncharacteristically high amount of program income last year. The increase in program income is likely due to favorable housing market conditions and low interest rates leading to many former clients of the above mentioned programs either selling their homes or refinancing their home loans thus making the deferred payment loans due for re-payment to the City of Flagstaff.

Federal CDBG regulations do not allow more than 15% of funds to be spent on public service activities; $112,689.29. Similarily there is also a reglatory 20% limit on the amount of funds to be spent on adminstration and planning activities; $126,273.40. Staff is recommending an allocation of $109,337.50 for public service acitivities and $125,000 for administration as it is safer to budget slightly below the required caps.

Of the $125,000 adminstration allocation, $69,949 will be used for grant compliance and administration and $55,051.00 for the City's estimated indirect rate (estimated at 10%).

Community Benefits and Considerations:

Within the 2016-2020 Consolidated Plan and excluding administration, Flagstaff has leveraged $2,094,651.19 in CDBG expenditures with $7,939,690.71 in other, private, or public funds.

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 5,073 unique individuals and an additional 13 households were beneficiaries of CDBG funded services and projects during the 2019/2020 Program Year.

If funded, the above recommendations would serve an additional 90 individuals and 58 households in the 2021/2022 program year. The projects recommended for funding will aid the community by:

- preserving existing housing stock and providing LMI and/or disabled households with critically needed health, safety, and accessability renonvations while also creating the possiblity for future CDBG program income; and
- providing afterschool and school break childcare scholarships to low- and moderate income families; and
- creating 8 premanent supportive housing units for chronically homeless individuals with case managment, substance abuse counseling and other wraparound services; and
- employ a full time youth couch for 70 youth experiencing homeless in the Flagstaff Unified School District, helping them to meet their educational potential; and
- aid 12 individuals in their efforts to start or improve a small business, and enhance and develop their economic self suffciency with an emphasis on serving low- and moderate income, Native American Artisans.

Community Involvement:

All three of the proposed documents involved extensive community involvement and collaboration ranging from public meetings and public comment periods to online surveys and stakeholder focus groups to a ranking focused committee. In 2020 and 2021 all meetings were conducted virtually due to health and safety concerns from the ongoing COVID-19 global pandemic.

Initial Public Outreach – September 1, 2020

- Presentation to the Coconino County Continuum of Care (CoC) asking for CoC member involvement in the CDBG five year strategic planning process.
- Discussion and request for Con Plan input regarding 1) community needs and 2) proposed goals, activities, and objectives.
- Request for responses to online surveys to secure input into community needs and priorities; as well as Fair Housing knowledge and community member fair housing experiences.

Priority Needs Focus Groups – December 2020

- Agencies and organizations represented include NACA, Coconino County, Health Choice Integrated Care, Unsheltered Relatives Task Force, Habitat for Humanity, Northern Arizona Healthcare, Flagstaff City Council, Northern Arizona Veterans Resource Center, and the Salvation Army.
- Presentation to discuss the CDBG five year strategic planning process and 4 identified priority needs.
- Discussion and request for Con Plan input regarding 1) community needs and 2) proposed goals, activities, and objectives.
- Request for responses to online surveys to secure input into community needs and priorities; as well as Fair Housing knowledge and community member fair housing experiences.
- Virtual focus groups were held on Teams and included:?
    - **Revitalization, Public Facilities, and Infrastructure Focus Group**
        - December 7th – 2-3pm
    - **Public Services & Economic Opportunities Focus Group**
        - December 9th – 2-3pm
    - **Addressing Homelessness Focus Group**
        - December 14th – 2-3pm
    - **Decent Affordable Housing Focus Group**
        - December 16th – 2-3pm

Housing Commission Public Meeting - December 17th, 2020

- Presentation to discuss the CDBG five year strategic planning process and 4 identified priority needs.
- Discussion and request for Con Plan input regarding 1) community needs and 2) proposed goals, activities, and objectives.
- Request for responses to online surveys to secure input into community needs and priorities; as well as Fair Housing knowledge and community member fair housing experiences

City Council Work Session – December 22nd, 2020

- Council direction to establish City Council CDBG funding priorites for PY 2021s and 2022.

First Public Meeting – December 28th, 2020

- Display advertisement (January 26th & 27th, 2020 – AZ Daily Sun)
- Meeting to discuss the CDBG proposal process and the Annual Action Plan

Second Public Meeting February 26th, 2021

- Display advertisement (February 19th & 20th, 2021 – AZ Daily Sun)
- Meeting to review the submitted proposals and allowed public comment in preparation for making funding recommendations to City Council.
- Presentation and discussion or proposed 2021-2025 Con Plan identified priority needs and activity goals.

Open Grant Process

- NoFA (Notice of Funding Available) Released -December 28th, 2020
- Proposal dues to the City of Flagstaff February 22nd, 2021
- Proposal Ranking Committee with Citizen Participation and Staff on March 11, 2021

Public Comment Period for Draft documents posted on City of Flagstaff Housing Section Website: Consolidated Plan, Analysis of Impediments to Fair Housing Choice, Annual Action Plan

- **Public Comment accepted March 1 – April 15, 2021**
- Display advertisement (January 26th & 27th, 2021 – AZ Daily Sun)
- Display advertisement (February 19th & 20th, 2021 – AZ Daily Sun)
- Available on City Housing Section webpage begining March 1, 2021

Social Media Promotions

- Fair Housing Online Community Survey and Stakeholder Survey posted weekly on City of Flagstaff Housing Facebook
- Fair Housing Online Community Survey and Stakeholder Survey posted twice each on Flagstaff City Government Main Facebook
- Fair Housing Online Community Survey and Stakeholder Survey shared by City and County Public Officials, Community Leaders and Northern Arizona Association of Relators
- All public meetings and hearings posted 1x on Housing Facebook 2 days prior

Public Hearings

- **City Council Work Session – April 13th, 2021**
  - Presentation and Discussion with City Council regarding 2021-2025 Consolidated Plan, Analysis of Impediments to Fair Housing Choice, 2021/2022 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 20th, 2021**
  - Consideration and Approval of Resolutions Nos. 2021-15, 2021-16 and 2021-17 and

authorizing the submission of the Consolidated Plan, Analysis of Impediments to Further Fair Housing Choice and Annual Action Plan to HUD.

Resolution 2021-15 - Consolidated Plan (Con Plan)

- The Housing Section met with the Coconino County Continuum of Care, which leads efforts to address homelessness for the Rural Continuum of Care managed by the Arizona Department of Housing.
- Two public consultation meetings and four focus groups took place to seek Con Plan input into 1) community needs and 2) proposed goals, activities, and objectives.
- An online survey was conducted to secure input into community needs and priorities; 24 responses were received.
- 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)

Resolution 2021-16 - Analysis of Impediments to Further Fair Housing (AI)

- During the months of October, November and December 2020, a resident survey was conducted with 84 respondents. In addition, a stakeholder survey was conducted with 45 respondents including housing sector professionals, community leaders, and social service agency staff. Both surveys focused on gathering information to help identify possible fair housing impediments and ways to address them.
- A virtual fair housing training in partnership with Southwest Fair Housing was held on Wednesday September 30th, 2020 regarding COVID-19 and fair housing law.

Resolution 2021-17 - Annual Action Plan (AAP)

- The AAP process had three public meetings, a ranking committee with citizens and city staff, and a public comment period for community involvement.
- 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, 2021.

Expanded Options and Alternatives:

A) Approve any or all of the Resolution Nos. 2021-15, 2021-16 and 2021-17 and authorize the submission of the Consolidated Plan, Analysis of Impediments to Further Fair Housing Choice and Annual Action Plan to HUD.
B) Modify any or all of the Resolution Nos. 2021-15, 2021-16 and 2021-17.
C) Not approve any or all of the Resolution Nos. 2021-15, 2021-16 and 2021-17.

Attachments:

2021 CDBG Proposal Book
April 13 CDBG Presentation
Res. 2021-15 - Con Plan
Res. 2021-17 - AAP
Res. 2021-16 - Impediments to Fair Housing
2021 Con Plan Executive Summary
2021 Fair Housing Analysis Executive Summary
Draft 2021 Con Plan
Draft 2021 Fair Housing Analysis
Draft 2021 AAP

CITY OF FLAGSTAFF
COMMUNITY DEVELOPMENT
BLOCK GRANT

Housing Flagstaff

Proposals and Ranking Forms

2021

Housing Flagstaff

City of Flagstaff, Housing Section
381 N Fanning Dr, Flagstaff, Arizona
(928) 213-2749 (phone)

EQUAL HOUSING OPPORTUNITY

TTY/TDD (800) 367-8939

2021 Grant Applications

Public Service Applications

Boys and Girls Club: Afterschool and School Break Programming	Page 3
Homeless Youth Connection: Empowering Youth for the Future	Page 21
Native Americans for Community Action: Business Incubator	Page 45
Southwest Fair Housing Council: Fair Housing Media	Page 63
Tynkertopia: Community STEAM Education	Page 80

Housing Applications

Catholic Charities: Closing the Gap Facility Purchase	Page 105
Housing Solutions of Northern Arizona: Owner Occupied Housing Rehabilitation	Page 131

BOYS & GIRLS CLUB
OF FLAGSTAFF

The City of Flagstaff is soliciting funding proposals for the 6th Year (July 1, 2001 – June 30, 2002) of its Community Development Block Grant (CDBG) Program

DUNS Number: 45-3083785
SAMS Number: 0198385540000
Primary Contact: Deanna Burrell

Executive Summary

Agency requesting funding: Boys and Girls Club of Flagstaff

Agency DUNS Number: 45-3083785
Agency CAGE (SAM.org) Number: 0198385540000

Are you a participating member in the Coconino County Continuum of Care? (Yes or No) Yes
Amount of funds requested: $50,000
Project name: After-School and School-Break Programs
Please indicate the following agency representative who will be the primary contact person for this project:

- Name Deanna Burrell
- Title Director of Operations
- Mailing address 301 S Paseo del Flag
- Fax number 928-266-0492
- E-mail deanna.burrell@bgcflag.org
- Phone number 9284404445

Brief project description (4 to 5 sentences):
For fiscal year 2021-2022, the Boys & Girls Club of Flagstaff is going to offer a wide range of activities for the youth of Flagstaff. In every activity that we offer, we strive to make that activity safe and educational. We want to have a positive impact on the life of every young person that we serve. By participating in many of our activities, young people become members of our club.

Total estimated number of persons to be assisted (Average household size is 2.61 people per household): 50 families

Council CDBG priority (mark all that apply):
☐ Housing – Rental and Ownership
☐ Homelessness
☒ Neighborhood Revitalization
☒ Workforce Development

Will the activity take place in a target neighborhood?
☐ Southside
☒ Sunnyside
☐ La Plaza Vieja
☒ Pine Knoll

Special population (if any) to be assisted:
☒ Abused Children
☐ Elderly Persons
☐ Severely Disabled Persons
☒ Victims of Domestic Violence
☐ Persons with HIV/AIDS
☐ Migrant Farm Workers
☒ Persons experiencing homelessness
☐ Illiterate Adults

Name of authorized representative: _____Title: _____
Signature: _____ Date: _____

1. Mark the public service activity that best fits your proposed service.

- Employment services (e.g., job training)
- Crime prevention and public safety
- Childcare
- Health services
- Substance abuse services (e.g., counseling and treatment)
- Fair housing counseling
- Education programs
- Energy conservation
- Services for senior citizens
- Services for homeless persons
- Welfare services (excluding income payments)
- Recreational services
- COVID-19 Preparation, Prevention and Response services
- Other

2. Clearly define how the proposed service is one of the following:

- A new service.
- A quantifiable increase in the level of an existing service.

For fiscal year July 2021- June 2022, the Boys & Girls Club of Flagstaff [BGCF] is going to offer a wide range of activities for the youth of Flagstaff. In every activity that BGCF offers, we strive to make that activity safe and educational. BGCF wants to have a positive impact on the life of every young person that is served. By participating in many of BGCF's activities, young people become members of the club. This allows them to participate in other programs, and it also helps them feel a sense of belonging. These activities include after-school, school break, and summer programs. BGCF will also work with other local organizations to offer programs where the participants do not become members, but BGCF still interacts with them on a regular basis. The organization's desire is to have a positive impact on as many youth as we can, so BGCF will also offer many one-time events and specialty programs.

On almost every weekday during the year, clubs are open to the youth of the community. During the school year, BGCF operates 6 after-school programs- 3 in Flagstaff and 1 in Williams, Winslow & Holbrook.

BGCF has two Flagstaff elementary/middle school programs that are open from Afterschool (2:30 - 6:30 pm every week day, and the high school program is open from Afterschool - 6:30 pm every week day. Members are transported by bus to one of the programs from every elementary and middle school in FUSD (BGCF also picks up approximately 20 students each day from Kinsey Elementary School and walk them to our Cogdill Branch). Once inside the facility, the younger members (K-5) rotate through six program areas on a set schedule with their age group while the older members (6-12) spend most of their time in the Teen Center (however, teens have access to at one other program area every day). The five program areas are the Art Room, the Computer Lab, the Game Room, the Gym, and the Outdoor Area. Each area is supervised by one trained staff member who leads the students in different fun, educational and engaging activities. When school is not in session, (i.e. for winter or summer break), BGCF is open from 7:30 am - 5:30 pm at the designated Summer Camp Venue. Over the past year, the organization has served

approximately 600 members (in Flagstaff) per day with the after-school programs and 225 members per day with the school-break programs.

3. Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community (e.g. what gap will the proposed service fill?):

There are over 10,000 students in Flagstaff, and outside of BGCF programming, there are very few after-school opportunities for these students to take advantage of. There are a number of daycare providers in town and some schools provide their own after-school programs, however these programs can be expensive and most local families are unable to afford them. In addition, these programs charge by the hour for after school care; the Boys and Girls Club does not. At the core of BGCF, our staff are mentors; they are there to help youth with their social recreation skills, decision-making skills, and how to achieve success in whatever field they wish to pursue next. The Boys and Girls Club of Flagstaff does this through targeted programming on both a local and national level.

5. Describe the proposed scope of the project, including:

- An estimated number of persons who will receive assistance from the proposed activity (an average of 2.61 people per household).
- Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how.
- The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.)
- Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable).
- Attach a price estimate or quote if applying for construction or rehabilitation funding (required if applicable). Multiple quotes are encouraged to ensure an accurate estimation of project costs and to anticipate inflation.

The importance of after-school and school-break programs cannot be overstated. According to www.youth.gov, these programs can boost academic performance, reduce risky behaviors, promote physical health and provide a safe, structured environment for young people when they are not in school. There are over 10,000 students in Flagstaff, and outside of BGCF programming, there are very few after-school opportunities for these students to take advantage of. There are a number of daycare providers in town and some schools provide their own after-school programs, however these programs can be expensive and most local families are unable to afford them. Last year, 90% of the students attending the Boys and Girls Club of Flagstaff qualified for Free or Reduced Lunches. As mentioned earlier, our organization works hard to ensure that our services are available to all young people, regardless of their families' financial situation. Our program fee is $7 per day, but there are many families in Flagstaff who cannot afford that amount. Currently, 65% of our younger members (in grades K-5) receive financial assistance while BGCF scholarships 100% of students in grades 6-12. Without this help, these families would not have anywhere for their children to go after school. And as BGCF looks forward to Fiscal Year 2021-22, we anticipate that demand for our services (and the number of scholarships) will increase dramatically due to the ongoing economic and financial challenges caused by the COVID-19 pandemic (according to www.azeconomy.org, Coconino County's unemployment rate was 5% higher this December than it was a year ago, and we expect this number to continue to increase as a number of major employers in town have announced and/or undergone major job cuts since the start of the pandemic). This project

will increase our current 25 spots for free attendance exclusive to Brannen Homes to 50 spots for free attendance to any youth from any low income housing (i.e. section 8 housing) in Flagstaff.

6. Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods.

Note: Your project does not need to align to all objectives. Be realistic.
Focus your response on:

- Providing decent housing
- Providing a suitable living environment
- Expanding economic opportunities principally for low-moderate income persons or neighborhoods.

Our organization's mission is "to inspire and enable all young people to realize their full potential as productive, caring and responsible citizens." Every young person that we serve deserves a chance at a great future. For a variety of reasons, many of our Club Members face a series of external roadblocks on their quest for success. Our Clubs provide high-impact, affordable programs, and caring adult mentorship to give our members a chance to learn and grow. Our goal is to help each of our Club Members achieve the following outcomes:

- ***Academic Success-*** We want all of our members to graduate from high school ready for college, trade school, military service or employment.
- ***Good Character & Citizenship-*** We want all of our members to be engaged citizens who are involved in their communities and who model strong character.
- ***Healthy Lifestyles-*** We want all members to adopt a healthy diet, to practice healthy lifestyle choices and to make a lifetime commitment to fitness.

Through these outcomes, the Boys and Girls Club of Flagstaff is able to provide basic needs services including, but not limited to; food assistance, clothes, school supplies, winter wear, and medical/dental/vision assistance and clinics.

7. Identify how the proposal meets one or more of the City Council's CDBG Priorities:
Note: Your project doesn't have to address every Council Priority.

- Housing – Rental/ Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Development

In order for the Boys and Girls Club of Flagstaff to meet our national goal of Academic Success, BGCF provides additional resources and workplace opportunities to the teens participating in our programming. Through programs such as CareerLaunch and Youth of the Year and national partnerships with organizations such as Old Navy, the Boys and Girls Club of Flagstaff offer opportunities for employment and secondary education both inside and outside of the organization.

8. Agency mission and commitment to diversity, equity and inclusion.

- How will this project advance the agency's mission?

- How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?
- What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?
- Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.
- What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?

The Boys and Girls Club of Flagstaff's mission is simple: To inspire and enable all young people, especially those that need us most, to reach their full potential as productive, caring, and responsible citizens. This project will enable BGCF to serve more youth that need a safe place to go after school. The Boys and Girls Club of Flagstaff welcomes all children and is committed to act in a non-discriminatory manner and to make reasonable accommodations to provide equal opportunity and service to individuals with disabilities and other complex needs. The Boys and Girls Club of Flagstaff's staff members work with families to understand the special needs of children seeking accommodation, and to identify the modifications necessary to support the disability. Staff will work to integrate individual accommodations as safely and feasibly as possible. Staff training/development training and support is provided to ensure that staff members are knowledgeable and aware of how to meet the developmental needs of Club members for which an accommodation is being provided. Club staff will work with parents to understand specific or individualized needs, and to identify additional support and resources as necessary and/or appropriate. Additional training on inclusive verbiage is provided to all staff during the onboarding process.

9. If applicable, indicate whether the project takes place in one of the four target neighborhoods.
- Southside
- Sunnyside
- Plaza Vieja
- Pine Knoll

10. Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan.
Include activity, special population if applicable, priority level and 5 year goal
Priority Need: Public Services & Economic Opportunities - Services to Meet Basic Needs, High Priority
300 people

Our organization's mission is "to inspire and enable all young people to realize their full potential as productive, caring and responsible citizens." Every young person that we serve deserves a chance at a great future. For a variety of reasons, many of our Club Members face a series of external roadblocks on their quest for success. Our Clubs provide high-impact, affordable programs, and caring adult mentorship to give our members a chance to learn and grow. Our goal is to help each of our Club Members achieve the following outcomes:

- ***Academic Success-*** We want all of our members to graduate from high school ready for college, trade school, military service or employment.
- ***Good Character & Citizenship-*** We want all of our members to be engaged citizens who are involved in their communities and who model strong character.

- ***Healthy Lifestyles-*** We want all members to adopt a healthy diet, to practice healthy lifestyle choices and to make a lifetime commitment to fitness.

Through these outcomes, the Boys and Girls Club of Flagstaff is able to provide basic needs services including, but not limited to; food assistance, clothes, school supplies, winter wear, and medical/dental/vision assistance and clinics.

11. Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding local needs within Flagstaff city limits.
How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.

The following is a list of outcomes that we expect to achieve:

- No Club Members turned away because of their families' inability to pay our fee
- Increased number of youth served
- To provide a world-class Club experience to all Club Members
- Club Members will do better on the AzMERIT Test than will their peers who do not attend Club programs

We will collect data and track success in numerous ways:

- Membership Applications- how many youth are we impacting
- Scholarship Applications- How many need assistance
- Program Pre- and Post-Tests- track success and growth
- Club Member Survey- track program quality and member assessment
- Parent Feedback- track program quality and progress
- Data from school partners- Track grades and scores

12. Briefly describe the scope of the community collaboration surrounding the proposed project.
- Be specific, citing additional leverage funding sources, agreements, staffing partnerships, etc.
- If formal partnerships exist, please include documentation of all leveraged resources and identify leverage in budget.
- Attach letters of community collaboration/support for the specific project.

Killip Elementary, Tynkertopia, United Way, Kinlani, Unlocked Potential, NAU Volunteer (GEMS), Threaded Together

13. Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.
N/A

14. Briefly describe:
- The organization's history administering this or similar projects.
- The organization's realistic capacity for undertaking this project.
- Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.
- Was the agency ever asked to return awarded funds for cause?
- Has your agency ever requested a budget amendment or contract extension? If yes, why?

The Boys & Girls Club of Flagstaff [BGCF] opened in July 2012 as an after-school program that moved into a vacant City owned building called the Cogdill Recreation Center. At that time, the organization had approximately 50 members. In 2014, the club expanded with San Francisco De Asis and Pine Forest. This move allowed the Boys and Girls Club of Flagstaff to serve more young people on a daily basis. In 2017, as part of the Obama Administration ConnectED initiative, BGCF added three extensions; Kinlani Bordertown Dormitory, Winslow Residential Hall, and Tiisyaakin Residential Hall (Holbrook). In 2018, BGCF partnered with Killip Elementary to offer youth after school sports programming and have continued that relationship to the present day. In addition to Killip Elementary, BGCF opened our Williams Club which is housed in Williams Elementary Middle School. In 2020 the pandemic hit, after which BGCF decided to remain open to serve essential worker families and low income households to address access to technology and good quality child care. BGCF currently has 1300 registered members and last year served over 300 youth throughout the pandemic.

15. Divide the execution and administration of the project into areas of responsibility by providing the following:

- Names, titles, and resumes of all staff involved with carrying out these areas of responsibility.
- Job descriptions for any new positions created for the proposed project.
- Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).
- Distinguish between in-house agency staff and contracted assistance.
- Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.

1. Deanna Burrell, Director of Operations, Project Manager
2. Mark Cox, Chief Executive Officer
3. Alexis Adelberg, Area Director (Killip Branch)
4. Dani Shanahan, Executive Assistant
5. Carly Golding, Administrative Assistant

All staff listed are in house agency staff. No new job positions will be created for the purpose of the proposed project. All of our full-time staff members have been part of our team for over one year, and many of them worked for other Boys & Girls Clubs organizations prior to joining our organization. Deanna Burrell (one key employee who oversees the daily operations of our Clubs) have been with our organization for over 3 years and in their current positions for at least 1 year. A staff roster of all BGCF personnel is attached.

16. Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following:

- A proposed schedule in the provided Excel format.
- A narrative summary describing the expenditure of CDBG Funds.
- Explain the rate of expenditure and the predicted progress of the proposed schedule.
- An estimated completion of project.

Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.

17. Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary describing exactly for what CDBG funds will pay.

- Include any contract bids or quotes for construction projects.
- Include leverage amounts listed in Question 10.

Appendix C
Schedule of Completion

Project Description:	**After School and School Break Program**													
Implementing Agency:	**Boys and Girls Club of Flagstaff**													
Project Number:														
Persons Served:	**50**													
Date Submitted:	**2/22/2021**													
Action Items:	**Item Desription**				**YEAR**	**1st month begins with the Notice To Proceed**								
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
1	**Community Open House**													
2	**Monthly CDBG Reporting**													
3	**Conduct Outreach and Marketing**													
4	**Process Additional Family Assistance Applications**													
5	**Processs Applications**													
6	**Process Billing and Scholarships awarded**													
7														
8														
9														

As mentioned previously, our program is open most week days during the year. As such, the program related to this grant will start on November 1, 2021 and end on June 30, 2022. Our after-school programs will begin on August 3, 2021 and end on May 28, 2022. Deanna Burrell is our Director of Operations, and she oversees all Club programs. Each of BGCF's club locations has a Program Director who oversees the daily operations of that specific club. Depending upon daily attendance data, each of our Clubs has between 3-8 program staff professionals that work directly with the members.

The Boys and Girls Club of Flagstaff would use $35,000 of the funds towards scholarships during the school year for anyone attending the club; priority given to those living in any low income neighborhood in Flagstaff, with any additional funds helping scholarship those club members on reduced or free lunch. The other $15,000 would be used for the same reason during summer camp. The reason this is skewed so is due to the fact that after school programming costs less per person than summer: 2020-2021 rates during the school year are at $7 per day or $35 per week and summer being $35 per day or $150 per week. Project funds would be fully expended by June 30th, 2022.

Appendix D
Budget

	Teen Director - Cogdill	$ -	$ 10,000.00	**$ 5,000.00**	$ 10,000.00	
	Program Director - Cogdill	$ -	$ 10,000.00	**$ 10,000.00**	$ 10,000.00	
C	**Programming Staff (25 staff @ $15/Hr * 30 Hr/Wk**		$ 100,000.00	**$ 100,000.00**	$ 70,000.00	
D	**Fringe Benefits (salary @17%)**	$ -	$ 7,990.00	**$ 6,630.00**	$ 8,500.00	
2	**Operating Cost**					$ 30,144.00
A	Supplies	$ -	$ 10,000.00	**$ 5,000.00**	$ 5,000.00	
B	Equipment	$ -	$ -	**$ -**	$ -	
C	Rent/Lease	$ -	$ -	**$ 144.00**	$ -	
D	Insurance	$ -	$ -	**$ 10,000.00**	$ -	
E	Printing	$ -	$ -	**$ -**	$ -	
F	Telephone	$ -	$ -	**$ -**	$ -	
G	Travel	$ -	$ -	**$ -**	$ -	
H	Other (Utilities)	$ -	$ -	**$ -**	$ -	
3	**Contract Services**					$ 96,250.00
A	Acquisition	$ -	$ -	$ -	$ -	
B	Development	$ -	$ -	**$ -**	$ -	
C	Rehab Hard Costs	$ -	$ -	**$ -**	$ -	
D	Physical Inspections	$ -	$ -	**$ -**	$ -	
E	Architectural Engineering	$ -	$ -	**$ -**	$ -	
F	Rehab Loan Costs	$ -	$ -	**$ -**	$ -	
G	Permits and Fees (Scholarship/ Program Fees (50 youth * daily fee ($7) * 180 School Days) + Summer Days (19 days * daily fee $35)	$ 50,000.00	$ 20,000.00	**$ 10,000.00**	$ 16,250.00	
H	Insurance	$ -	$ -	**$ -**	$ -	
I	Legal Fees	$ -	$ -	**$ -**	$ -	
J	Financing	$ -	$ -	**$ -**	$ -	
K	Appraisal Costs	$ -	$ -	**$ -**	$ -	
L	Other	$ -	$ -	$ -	$ -	
	CDBG Totals					
	Totals	$ 50,000.00	$ 204,990.00	$ 185,774.00	$ 169,750.00	$ 590,514.00

NOTE
Identify all funding sources for this project separating CDBG from other sources. Assign dollar amounts for any in-kind contributions. Provide narratives about what the CDBG funds will be used for.

For financial leverage to be counted, include letters of award from other funding sources (including in-kind) AND make sure that the letters match the budget amounts outlined in the budget. Make sure that the leverage is for the same program year you are applying for.

The Boys and Girls Club of Flagstaff would use $35,000 of the funds towards scholarships during the school year for anyone attending the club; priority given to those living in any low income neighborhood in Flagstaff, with any additional funds helping scholarship those club members on reduced or free lunch. The other $15,000 would be used for the same reason during summer camp.

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Boys and Girls Club of Flagstaff**

Amount of Funds Requested: **$50,000**

Name of Project: **Afterschool and School Break Programming**

☒ Public Service

☐ Housing

☐ Economic Development

Additional Considerations:

$1000/Year/Student Ratio of dollars per person benefitted by proposed project

__**0%**____ Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

___**No**___ Has your organization administered a successful CDBG contract in past years? (yes or no)

___**110**___ Total Points out of 175 possible

1- 3. ***(For Public Service Submissions Only)*** (10 points)
How well does the answer define one of the following:

- A new service?
- A quantifiable increase in the level of an existing service?
- To what extent does the answer explain how the proposed project will fulfill service gaps in Flagstaff?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

4. ***Question is not applicable to this application***

---

5. How well does the answer explain the proposed scope of the project?
Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The current status of the project is not clearly defined. The answer lacked specifics regarding who will be served and at what program site.

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6. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: There are documented links to how quality childcare can expand future economic opportunities for children. The Ranking committee would have liked to see information on the influence of after school childcare on expanding economic opportunities for families/working parents.

7. **How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities** (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Details about each program's function and activities would have been helpful. The answer was missing information on how the proposed project meets Flagstaff City Council's CDBG priorities and instead provided information about how the project meets the agency's goals.

---

8. **How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Grateful for the information on disability inclusion. The Ranking committee would have liked to see information about the agency's commitment to diversity regarding race, sexual orientation, gender, ethnicity, etc. The answer could have expanded upon the agency's mission.

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9. **Does the proposed project take place in one of the target neighborhoods?**

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

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10. **How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: It would have been advantageous to see measurable goals and supportive data.

---

11. How well does the answer justify the local need for the proposed project within Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: This answer would have benefited from the provision of Flagstaff specific data. The answer was rich with information of how the agency will identify success.

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12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: Some letters of support were attached, but this answer would have been enhanced by providing a narrative about what these partnerships and programs would provide this project.

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13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) Yes (10 points)

Comment: The ranking committee would like to encourage the Boys and Girls Club to join the Coconino County Continuum of Care.

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14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?

- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: CDBG grant administration requires attention to detail and the ability to address all questions clearly. The answer to this question demonstrates the agency's capacity for growth, but direct answers to the questions were not provided.

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15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The Ranking Committee would have liked to see staff responsibilities in relation to this project broken down.

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16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

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17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: Leverage letters not attached. The format of the budget made it difficult for the ranking committee to identify funding sources.

General Criteria:

1. **How realistic is this project in terms of probability of success within the community?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

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2. **How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule?** (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

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3. **How realistic is the project budget? Was the correct format used? Does the budget include:** (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Comments: The budget was unclear due to a formatting error. There was no identified leverage.

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4. **Has the applicant exhibited competence in preparing the proposal?** (10 points) Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The application would have been stronger with attention to detail when providing narrative and local data specific to the agency's capacity to administer this project.

City of Flagstaff
Housing Section – CDBG Proposal

Cover Page

Agency:
Homeless Youth Connection (HYC)

Program/Activity:
Empowering Youth For The Future (EYFTF)

DUNS:
042628309

SAM:
7WV52

Primary Contact:
Dawn Bogart, CEO
dbogart@hycaz.org
602-565-3218

Executive Summary
Agency requesting funding: Homeless Youth Connection
Agency DUNS Number: 042628309
Agency CAGE (SAM.org) Number: 7WV52

Are you a participating member in the Coconino County Continuum of Care? (Yes or No) No

Amount of funds requested: $30,000
Project name: Empowering Youth For The Future (EYFTF)

Please indicate the following agency representative who will be the primary contact person for this project:
Name: Dawn Bogart Phone number: 602-565-3218
Title: CEO E-mail: dbogart@hycaz.org
Mailing address: 9950 W. Van Buren Street, Ste. 114 Avondale, AZ 85323

Brief project description (4 to 5 sentences):
Homeless Youth Connection (HYC) will partner with the Flagstaff Unified School District and local charter schools to provide youth experiencing homelessness in grades 9th through 12th with basic needs and resources to ensure they stay in school and complete their education.

HYC's Empowering Youth for the Future (EYFTF) program is a comprehensive social services program that engages high school aged youth experiencing homelessness in trauma-informed, client-led, strengths-based interventions. Youth Coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills. Youth then identify their strengths and goals, and partner with the youth coach to establish a plan. HYC believes that through authentic youth engagement and positive youth development, youth will succeed and reach their highest potential.

Total estimated number of persons to be assisted (Average household size is 2.61 people per household): 600 total program, 70 to 100 in the FUSD.

Council CDBG priority (mark all that apply):
☐ Housing – Rental and Ownership
☒ Homelessness
☐ Neighborhood Revitalization
☐ Workforce Development

Will the activity take place in a target neighborhood?
☐ Southside
☒ Sunnyside
☐ La Plaza Vieja
☐ Pine Knoll

Special population (if any) to be assisted:
☐ Abused Children
☐ Elderly Persons
☐ Severely Disabled Persons
☐ Victims of Domestic Violence
☐ Persons with HIV/AIDS
☐ Migrant Farm Workers
☒ Persons experiencing homelessness
☐ Illiterate Adults

Name of authorized representative: Dawn Bogart **Title:** Chief Executive Officer

Date: 02/18/2021
Please respond to the following questions in the order listed. Reformat as necessary. Make sure to include the entire question in your response.

Answer questions 1 - 3 for *Public Service submissions only*
To find out if your activity is categorized as a Public Service activity please contact Kristine.Pavlik@flagstaffaz.gov

1. ***(10 Points)***
   Mark the public service activity that best fits your proposed service.

   For a definition of the below categories visit:
   https://www.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf

   - Employment services (e.g., job training)
   - Crime prevention and public safety
   - Childcare
   - Health services
   - Substance abuse services (e.g., counseling and treatment)
   - Fair housing counseling
   - Education programs
   - Energy conservation
   - Services for senior citizens
   - ✓ Services for homeless persons
   - Welfare services (excluding income payments)
   - Recreational services
   - COVID-19 Preparation, Prevention and Response services
   - Other

2. Clearly define how the proposed service is one of the following:
   - A new service.
   - ✓ A quantifiable increase in the level of an existing service.

HYC is requesting funds to **expand existing service** to youth experiencing homelessness in the Flagstaff Unified High School District.

HYC's mission is to eliminate barriers to education so that youth experiencing homelessness can graduate and create lasting solutions for a successful future.

Beginning in 2010 with a goal of providing for their basic needs, the organization has grown and now provides services and programs designed to help homeless teens achieve a successful, self-sufficient future. In our first year, HYC assisted 47 homeless teens with basic necessities. Services expanded from providing to basic needs to include case management, housing, counseling, life skills and resources for healthcare needs, vital documents and much more. Today, HYC serves more than 800 youth per year in 115 high schools throughout Maricopa County.

Funding from the City of Flagstaff will enhance HYC's ability to expand services to Coconino County.

3. Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community (e.g. what gap will the proposed service fill?):

The FUSD receives funding from the Mc-Kinney-Vento Act to assist homeless youth with their educational needs. However, most of the schools run out of this funding before the end of the school year. HYC was founded to meet the needs created by the gaps in funding schools experience as a result of limited McKinney-Vento funding.

The Northland Family Health Center (NFHC) operates Flagstaff's shelter for unaccompanied children and youth. The shelter has 15 beds for youth from birth to age 17. Additional services include advocacy, counseling, case management, life skills and basic needs.

HYC plans to partner with the FUSD and Northland Family Help Center to provide additional resources, including housing, to homeless youth between the ages of 13 and 21.

The most effective types of interventions for homeless youth engage the youth early in the cycle of homelessness. When services are provided at a separate facility, youth may not be able to find transportation to and from appointments, which greatly limits their ability to benefit from these programs. HYC alleviates this by providing youth with basic needs and by stabilizing them in appropriate and supportive environments. HYC uses an innovative approach to helping homeless youth stay in school and complete their education by meeting youth "where they are."

HYC's Empowering Youth for the Future (EYFTF) program is a comprehensive social services program that engages high school aged youth experiencing homelessness in trauma-informed, client-led, strengths-based interventions. The program provides youth with basic necessities, such as clothing, food, hygiene items, school supplies, case management, housing if needed, assistance with medical, dental, vision and mental healthcare, educational assistance including class fees and extracurricular fees, vital documents and life skills.

Youth Coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills. Youth then identify their strengths and goals, and partner with the youth coach to establish a plan. HYC believes that through authentic youth engagement and positive youth development, youth will succeed and reach their highest potential. All services and resources are provided at no cost to the student, school, district or state.

To address the housing needs of unaccompanied homeless youth, HYC implemented a Host Home Housing model as part of the EYFTF program. Host homes are a low-cost, community-engaging strategy to address the immediate housing need without incurring the high costs of operating an emergency shelter or transitional housing program. The host family provides shelter, food and transportation for youth, while the organization delivers case management and comprehensive services. The primary impact of placing youth in a home setting is to allow them to build stronger relationships and interpersonal skills, experience stability in their home life, and learn positive life skills that will help them transition to independence. According to the National Association for the Education of Homeless Children and Youth (NAEHCY), the host family model is the most effective method in addressing housing for homeless youth. There is almost a 100% high school graduation rate for youth participating in this type of program.

According to the National Alliance to End Homelessness, the youth homelessness system consists of programs aimed to assist youth only after they have become homeless. The majority of non-profit or government services for homeless youth focus on runaway and homeless youth who are not attending high school.

Far too often, youth become homeless because neither the public welfare system nor the private nonprofit agencies offer early intervention or prevention. This creates a gap through which may youth at risk will fall, creating avoidable episodes of homelessness.

Approximately 40% of youth participating in the HYC program are seniors or second-year seniors between the ages of 17 and 21. Based on intake reports, these youth frequently lack basic needs (clothing, food, hygiene), they are behind academically, and they are at greater risk of developing emotional and mental health issues. Many of them have not been to the doctor or dentist in several years. They often lack access to reliable transportation, and their housing has been unstable for most of their high school experience.

HYC addresses these challenges by filling the gaps in available services and providing effective interventions that meet the needs of youth experiencing homelessness while they are attending high school. HYC is able to catch these youth before they are at a point of hopelessness. Our youth coaches meet with youth to build their strengths and resiliency, giving them tools for success and independence.

Through motivational interviewing and solution focused approaches, youth coaches encourage youth on changing behaviors and developing healthier coping skills. Through trauma-informed, strengths-based interactions, youth coaches help youth see their own strengths and discover ways to further develop and share their expertise with others. HYC works to help each youth develop a network of healthy adults to utilize in times of adversity in the future. By creating a net of resources, skills, and dreams, each youth will eliminate barriers to their graduation and have lasting solutions for a successful future.

Answer question 4 for *Economic Development submissions only*
To find out if your activity is categorized as an Economic Development activity, please contact Kristine.Pavlik@Flagstaffaz.gov

4. ***(1 Point)***
Economic Development activities create jobs or support businesses in low income neighborhoods or for low income people. Please check one of these eligible activities if applying under the Economic Development category.

HYC's is not applying for Economic Development funding.

Answer the following questions for ALL submissions:
Please ensure that each question is accompanied with a thorough answer in the proper order. Repetition is acceptable.

5. ***(10 Points)***
Describe the proposed scope of the project, including:

- An estimated number of persons who will receive assistance from the proposed activity (an average of 2.61 people per household).
- Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how.
- The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.)
- Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable).

- Attach a price estimate or quote if applying for construction or rehabilitation funding (required if applicable). Multiple quotes are encouraged to ensure an accurate estimation of project costs and to anticipate inflation.

HYC is requesting funds from the City of Flagstaff for the **Empowering Youth For The Future (EYFTF) program**. Funding would be used to **provide case management to youth who are experiencing homelessness** so they can stay in school and complete their education.

HYC serves homeless youth between the ages of 13 and 21. The AZ Dept. of Education reported more than 9,000 homeless youth, in 9th-12th grade, live in Arizona and more than 3,000 are unaccompanied youth. In the Flagstaff Unified School District liaisons report between 75 and 100 homeless youth in 9th-12th grade and 30 of those are unaccompanied homeless youth. These students face numerous barriers to education, keeping many of them from completing high school or achieving post-secondary education. Most individuals are unaware of the youth we serve because they are invisible. They are not part of the child welfare system, and they do not ask for help. Homeless youth are identified by their teachers, counselors, and coaches.

HYC partners with more than 115 high schools in 12 districts in Maricopa County. Beginning in August for the 20/21 school year, HYC plans to serve the Flagstaff Unified School District and the Ponderosa High School. **We anticipate serving 600 homeless youth, including 70 to 100 youth attending school in Flagstaff.**

HYC's operational structure allows youth coaches to adapt direct service for homeless youth in response to the pandemic. Normally, youth coaches meet with youth experiencing homelessness at their school. Due to the pandemic, youth coaches are meeting with youth at their home, while practicing social distancing, as well as through phone, email and social media. HYC provides youth with basic needs including hygiene items, clothing and school supplies. To support remote learning, HYC can also provide computers, hotspots and wi-fi if needed.

The EYFTF program was designed in 2014 and is ongoing. Each year, HYC has expanded to additional school districts as they learn about our services. Funding from the City of Flagstaff would allow us to expand to the Flagstaff Unified School District.

HYC has a very unique operational model. As mentioned earlier, youth coaches typically meet with youth at the high school. Additionally, they have a home office. **HYC will not require a physical location in Flagstaff in order to provide services.**

6. ***(10 Points)***
Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods.

HYC's Empowering Youth For The Future program achieves the CDBG Primary and National Objectives in several ways.

- HYC provides direct service and resources to youth who are experiencing homelessness.
- Some of these youth attend high school in the Sunnyside neighborhood.
- Some of the youth will be participating in HYC's Host Home Housing program which provides youth with safe, stable and decent housing through graduation.
- All seniors participating in the HYC program complete their Plan for the Future, which includes job readiness and employment.

- Eliminating barriers to education allows homeless youth to graduate from high school which will expand economic opportunities for these youth.

Homeless youth face numerous barriers to education that prevent many of them from completing high school or achieving post-secondary education. This affects a young person's future ability to live independently, and results in undeveloped learning and communication skills, leading youth to have future difficulty integrating into society.

These problems, coupled with the lack of a diploma, lead youth to face severe challenges in supporting themselves emotionally and financially. A 2018 study prepared for the Arizona Mayors Education Roundtable indicated that approximately 18,000 children dropped out of school each year; resulting in a lifetime cost to society of over $9.2 billion. That is an average cost of $498,920 per child. Without proper education or a diploma, unaccompanied youth find themselves contributing to unemployment rates in America.

7. ***(10 Points)***
Identify how the proposal meets one or more of the City Council's CDBG Priorities:

As indicated above, HYC provides basic needs and resources to homeless youth so they can stay in school, complete their education and graduate.

Part of the EYFTF program prepares youth for the workforce once they graduate high school. **HYC collaborates with St. Joseph the Work (SJW) and Trinity Opportunity Alliance to provide a comprehensive set of services to assist homeless youth, providing a supported pathway to employment and independence**. This collaborative support will prepare disconnected and homeless youth to be employment ready, including completing their high school educations, with the ultimate goal of helping them to secure employment with local companies that offer entry level positions with competitive wages, benefits, and opportunities for growth. Obtaining a job that fits these criteria will put them on the pathway to longer term employment and economic self-sufficiency.

8. (10 Points)
Agency mission and commitment to diversity, equity and inclusion.

- How will this project advance the agency's mission?
- How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?
- What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?
    - Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.
    - What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?

Homeless Youth Connection's (HYC) mission is to eliminate barriers to graduation for homeless youth and create lasting solutions for a successful future through community support and increased awareness.

Since 2010, HYC has served more than 3,000 homeless youth. Typically, the population is made up equally of females and males. Our demographics are 38% Hispanic/Latino; 28% Caucasian; 26% African American; 1% Native American; 1% Asian/Pacific Islander and 6% Multi-racial.

As part of the federal funding HYC, the organization must commit to providing a positive youth development and trauma informed care approach. HYC uses a strengths-based approach with all students, utilizing a positive youth development model for services and engagement. This model ensures that each student is the focus of their own program, allowing Youth Coaches to customize the program goals and activities to fit the uniqueness, individuality, and culture of each student. In this way, our team is trained to shape and mold the program to meet the values, traditions, priorities, and goals of each student on a personal and culturally appropriate level.

In January 2020, HYC youth coaches participated in CTSS Training (Certified Trauma Support Specialist) with the Arizona Trauma Institute. In August 2020, the agency began its training to become a Certified Trauma Informed Organization. All staff, as well as board members are part of this comprehensive training.

Additionally, HYC is participating in a Racial Equity training series offered through Maricopa Association of Governments. HYC also provides Cultural Diversity trainings annually.

Last year, HYC's board established an ad hoc committee to examine the agency's incorporation of equity, inclusion and diversity. Like many organizations, HYC created a Statement of Racial Equality in response to Black Lives Matters. Please see Attachment A.

As part of HYC's policies, the organization has employment policies and procedures that promote equity, inclusion, and diversity. The Governance Committee has prepared a diversity policy for the Board of Director's approval.

9. ***(5 Points)***
If applicable, indicate whether the project takes place in one of the four target neighborhoods.

HYC will partner with Coconino High School to provide basic needs and resources to youth experiencing homelessness. **Coconino High School is located in the Sunnyside neighborhood.**

10. ***(10 Points)***
Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan.

Include activity, special population if applicable, priority level and 5 year goal
The proposed 2021-2025 Consolidated Plan Goals are available at https://www.flagstaff.az.gov/626/Community-Development-Block-Grants.

HYC's EYFTF program is consistent with the needs, priorities, goals and objectives of two areas identified in the City of Flagstaff 2021-2025 Consolidated Plan.

Priority Need: Public Services & Economic Opportunities

- Services to Meet Basic Needs

Through the EYFTF program, HYC youth coaches go into local high schools to meet with youth who have been identified as homeless by their homeless school liaison. The most effective types of interventions for homeless youth engage the youth early in the cycle of homelessness.

When services are provided at a separate facility, youth may not be able to find transportation to and from appointments, which greatly limits their ability to benefit from these programs. **HYC alleviates this by providing youth with basic needs, including clothing, food, hygiene items and school supplies and by stabilizing them in appropriate and supportive environments**. HYC uses an innovative approach to helping homeless youth stay in school and complete their education by meeting youth "where they are." Youth Coaches work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills.

Priority Need: Addressing Homelessness

- Service and Facility Operating Support, including Outreach
- Increase number of emergency /transitional shelter and permanent supportive housing beds

To address the housing needs of unaccompanied homeless youth, HYC will provide a Host Home Housing model as part of the EYFTF program. We anticipate increasing transitional housing by a minimum of five beds. **Host homes are a low-cost, community-engaging strategy to address the immediate housing need without incurring the high costs of operating an emergency shelter or transitional housing program.** The host family provides shelter, food and transportation for youth, while the organization delivers case management and comprehensive services. The primary impact of placing youth in a home setting is to allow them to build stronger relationships and interpersonal skills, experience stability in their home life, and learn positive life skills that will help them transition to independence.

Since the program began, HYC has assisted more than 120 unaccompanied homeless youth with housing through the Host Family program. According to the National Association for the Education of Homeless Children and Youth (NAEHCY), the host family model is the most effective method in addressing housing for homeless youth. There is almost a 100% high school graduation rate for youth participating in this type of program.

11. ***(10 Points)***

Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding <u>local</u> needs within Flagstaff city limits.

HYC is needed in our community to serve homeless youth, between the ages of 13 and 21, who wish to remain in high school, but may be forced to drop out because they lack a safe or stable home or other resources to stay in school.

The AZ Dept. of Education reported more than 9,000 homeless youth, in 9th through 12th grade, are living in Arizona and more than 3,000 are unaccompanied youth. These students face numerous barriers to education, keeping many of them from completing high school or achieving post-secondary education. Most individuals are unaware of the youth we serve because they are invisible. They are not part of the child welfare system, and they do not ask for help. Homeless youth are identified by their teachers, counselors, and coaches.

The McKinney-Vento Education Liaison from the Flagstaff Unified School District reported that 70 to 100 youth were identified as homeless for the past several school years. Of those youth, 25 to 30 were identified as unaccompanied homeless youth. During this recent school year, 12 of these youth dropped out as a result of the pandemic.

Through the McKinney-Vento Act, schools are provided with funds to assist homeless youth with their educational needs. However, most of the schools run out of this funding before the end of the school year. HYC was founded to meet the needs created by the gaps in funding schools experience as a result of limited McKinney-Vento funding.

According to the National Alliance to End Homelessness, in many urban communities, the youth homelessness system consists of programs to assist youth only after they become homeless. The majority of nonprofit or government services for homeless youth focus on runaway and homeless youth who are not attending high school. For youth under 18, most efforts help youth avoid the need for emergency shelter whenever possible by connecting and/or reunifying them with members of their family or other natural supports.

Far too often, youth become homeless because neither the public child welfare system nor the private nonprofit agencies offer early intervention or prevention. This creates a gap through which many at-risk youth fall, creating avoidable episodes of homelessness. HYC addresses these challenges by filling gaps in available services and providing effective interventions that meet the needs of homeless youth attending high school in Coconino County.

How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.

Program success is measured by the number of youth who complete the school year, increase independent living skills, establish a plan for after high school, and have a healthy support network in their life.

Positive Youth Development

- 90% of homeless youth will remain enrolled and complete the school year.
- 80% of eligible youth will have health insurance, food assistance, vital documents.
- 80% of youth will be fluent in the use of public transportation.
- 75% of youth will increase their independent living skills by 20%.

Authentic Youth Engagement

- 35% of seniors will have a job.
- 90% of seniors will complete their FAFSA and Plan for the Future.
- 90% of youth will have a permanent connections support map.

HYC uses short- and long-term goals are designed to help increase the development of each youth and provide them with skills to be independent and resilient adults. Goals focus on improving safety, well-being, self-sufficiency and increasing permanent connections.

Each youth will partner with their Youth Coach to develop a Plan for the Future, individualized to their specific strengths, goals, and vision. Youth coaches meet weekly with youth to discuss progress on their plan towards identified goals and develop next steps. The plan encompasses such areas as education, employment, life skills, housing, healthcare and money management. Youth coaches maintain documentation notes on each visit and youth activity to track progress and needs. Plans for the Future are evaluated at least every two weeks and then at the end of each youth's program to determine areas of success. Success is determined individually for each youth. At the beginning on the program, youth complete a self-assessment on their readiness for independence. At the end of the program, youth take the assessment again, and aim to improve overall scores specific to them.

HYC also uses an online database called the Homeless Management Information System (HMIS). This database stores digital records and progress for all youth participating in HYC. The database allows

the youth coaches and HYC's management team to evaluate data department-wide to compare with HYC's program goals.

12. ***(10 Points)***

Briefly describe the scope of the community collaboration surrounding the proposed project.

- Be specific, citing additional leverage funding sources, agreements, staffing partnerships, etc.
- If formal partnerships exist, please include documentation of all leveraged resources and identify leverage in budget.
- Attach letters of community collaboration/support for the specific project.

HYC's primary collaborative partners are the high schools throughout Maricopa and Coconino Counties. The homeless liaison in each high school identifies youth experiencing homelessness based on the McKinney-Vento criteria.

The Flagstaff Unified School District is reviewing the Memorandum of Understanding (MOU) from HYC and they will present to their school board for final approval. HYC renews MOUs with each school district annually.

HYC will also provide assistance to homeless youth referred by Northland Family Help Center. We are also happy to share in-kind donations with NFHC.

HYC partners with numerous organizations to ensure that youth are connected with needed resources. Examples include:

- AZ Department of Economic Security – Provides welfare assistance, SNAP, health insurance, childcare vouchers, and bus passes
- Trinity Opportunity Alliance – Provides employment assistance through corporate partnerships
- West-MEC (Maricopa Education Center) and EVIT (East Valley Institute for Technology) - Provides vocational training
- Adelante Healthcare and Brighter Way – Provides medical and dental care and assistance with health insurance
- Vision Works – Provides vision exams and glasses
- Job Corps – Provides education and employment services
- Walmart – Provides monthly donations of hygiene items, household items, school supplies and bicycles for our youth
- Dick's Sporting Goods – Provides clothing and sporting equipment
- ALWAYS – Provides legal services
- Host Families – Community individuals that volunteer to provide safe and stable housing.

Additionally, HYC works with local companies, service organizations, the faith-based community, and individuals to ensure funding for resources and services in each district. Our goal is to get local support for homeless youth in each district. This provides a diverse and sustainable funding base for the program. HYC is in the process of meeting the various groups and homeless providers in Flagstaff.

Please find attached letters from three funders that support the HYC program through 2021 and 2022. (Tab 9)

- The Bob and Renee Parsons Foundation
- Garcia Family Foundation
- City of Glendale CDBG

13. (10 points)

Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.

HYC does not participate in the coordinated entry process because the majority of youth who are homeless are part of an entire family that is homeless and already a part of the system.

Additionally, through HYC's Host Home Housing program, we can provide unaccompanied homeless youth with housing options without taking any inventory from Flagstaff's Front Door.
HYC has met with members of the Northland Family Help Center Youth Shelter and Northern Arizona United Way. HYC is scheduled to meet with members of Flagstaff's Front Door and the CoC.

14. *(10 Points)*

Briefly describe:

- The organization's history administering this or similar projects.
- The organization's realistic capacity for undertaking this project.
- Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.
- Was the agency ever asked to return awarded funds for cause?
- Has your agency ever requested a budget amendment or contract extension? If yes, why?

HYC has been the recipient of government funding for eight years, including CDBG funds and federal Runaway and Homeless Youth (RHY) funding. In 2019, HYC was awarded a $189,000 grant from RHY for three years. For the past nine years, HYC has received funding from local municipalities including the cities of Avondale, Buckeye, Glendale, Goodyear, Litchfield Park, Mesa, Peoria, Phoenix and Tolleson. Grants range in size from $1,200 to $50,000. On average, HYC receives approximately $50,000 annually in CDBG funding from the municipalities.

HYC has never had to return awarded funds or ask for a budget extension. Funding awards for the past three years listed below.

City	2018/2019	2019/2020	2020/2021
Avondale	4,000	3,850	5,000
Buckeye	5,000	5,000	5,000
Glendale	4,500		25,000
Glendale From the Heart	4,500	5,000	5,000
Goodyear	1,535	1,500	1,500
Litchfield Park	1,525	1,250	1,200
Mesa	9,640		
Peoria	2,500	2,500	
Phoenix	30,000		50,000
Tolleson	2,500		
FSBY – Runaway and Homeless Youth Act – TLP Program	189,000	189,000	189,000

In 2010, HYC began serving homeless youth in one high school in one district. Each year, we expanded to include more districts and serve more youth. Currently, HYC partners with 115 high schools in 12 districts including numerous charter schools.

The initial conversation begins with a call to the district homeless liaison to determine the number of homeless youth throughout the district, as well as current resources. Once service is agreed upon, a Memorandum of Understanding (Tab 10) is completed and approved by each school board. Additionally, HYC reaches out to the local community to secure funding, volunteer and in-kind donations to support the schools in the district. This model has helped HYC expand throughout Maricopa County and will be used to support schools in the FUSD.

Case managers use HMIS to record client data. We have internal tracking systems in place to record case management time spent with homeless youth. This is the primary activity that is funded by local municipalities and federal funds. We have experience submitting applications, as well as quarterly, interim, and final reports.

15. ***(10 Points)***

Divide the execution and administration of the project into areas of responsibility by providing the following:

Names, titles, and **resumes** of all staff involved with carrying out these areas of responsibility.

- Job descriptions for any new positions created for the proposed project.
- Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).
- Distinguish between in-house agency staff and contracted assistance.
- Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.

HYC's CEO Dawn Bogart has 30 years' experience working with nonprofit organizations. Ms. Bogart has experience in fundraising, nonprofit management, finance, program development and implementation, donor development and recognition, volunteer development, event management, strategic planning, and fiscal management. She also has an extensive working relationship with Valley corporations, foundations, the ecumenical community, service organizations, United Way and government entities.

She has raised more than $15 million for homeless families and children. Ms. Bogart has a BS in Journalism/Public Relations and the Nonprofit Management Certificate from ASU Lodestar.

Korina Mitchell joined HYC in November 2015 as the Office Manager. She has more than 25 years of experience as an administrative professional with much of it in the non-profit sector. As Office Manager, she enjoys supporting others and making a difference while always looking for new challenges and goals. She says every day is an opportunity to grow, learn and do good for the world. She is responsible for general office support, managing all administrative support as well as support to the Chief Executive Officer.

Budgets are developed by the President, Chief Executive Officer and Treasurer, and include current year actual vs. budget analysis. All financial documents are reviewed and approved by Executive Committee, then reviewed and approved by Board of Directors.

HYC has established detailed policies and procedures for internal controls, including second party review and approval of all monthly deposits and disbursements. We have an independent bookkeeping service that prepares our monthly unaudited financial statements along with a monthly reconciliation of all cash accounts. These statements are reviewed by an independent CPA who presents the statements to the HYC finance committee for their review and comments prior to distribution to the board of directors.
As part of the monthly board of directors' meetings, the entire board reviews these detailed comparative financial statements. Analysis of key financial accounts is included in the monthly reporting package, and the board is required to approve the monthly financial statements. Please see Attachment B - Fiscal Management Assessment

In addition, HYC enlists an independent accounting firm, Heinfeld, Meech & Co., to provide Board of Director's oversight and an annual financial audit. We feel this is a necessary step for our fiscal integrity. HYC has received a "clean" opinion for every audit performed.

16. ***(10 Points)***

Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following:

- A proposed schedule in the provided Excel format.
- A narrative summary describing the expenditure of CDBG Funds.
- Explain the rate of expenditure and the predicted progress of the proposed schedule.
- An estimated completion of project.
  Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.

Funding from the City of Flagstaff will pay a portion of the Youth Coaches' salary. HYC will provide 1 FTE Youth Coach to provide services to youth experiencing homelessness in the FUSD. Funding will be drawn quarterly ($3,750.00) and will be expended by the end of the school year.

Additionally, HYC will provide 1 FTE Host Family Youth Coach to assist with housing and resources for unaccompanied homeless youth in the FUSD.

Funding for remaining youth coaches and youth services staff, housing stipends, medical, dental, vision, mental health, education assistance, transportation, vital documents and any other costs will be incorporated in the EYFTF total program budget.

Please see Tab 7, Appendix C.

Homeless Youth Connection
Empowering Youth For The Future
Schedule of Completion

Project Schedule				
Project Description	Empowering Youth For the Future			
Implementing Agency	Homeless Youth Connection			
Persons Served	70 to 100 homeless youth			
Action Items	**Item Description**	**Timeline**	**Completion**	**Billing/Expenditure**
Youth are identified as homeless by the homeless school liaison utilizing the McKinney-Vento criteria.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022
Youth are referred to HYC youth coach. Youth coach meets with youth at their school.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022
Youth coach completes an assessment for basic needs and resources with the youth.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022
Youth coach work together with youth to identify needs related to academics, health, housing, hygiene, employment, and independent living skills.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022
Youth graduates from high school.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022
HYC provides youth with After Care Service.	Case management	August through June	June 1, 2022	Nov 1, 2021 Feb. 1, 2022 April 1, 2022 June 1, 2022

17. *(10 Points)*

Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary describing exactly for what CDBG funds will pay.

- Include any contract bids or quotes for construction projects.
- Include leverage amounts listed in Question 10.

Please see Tab 8.

Funding from the City of Flagstaff would pay a portion of the salaries for 1 FTE Youth Coach and 1 FTE Host Family Youth Coach that would serve the FUSD.

These positions are full time and have a starting salary of $41,000 annually.

The EYFTF budget includes four sections listed below.

Salaries - $839,150

- Youth Coaches 10 FTE 436,761 ($30,000 from City of Flagstaff)
- Senior Youth Coaches 1FTE 50,000
- Residential Assistant THH 1 FTE 2 PT 56,162
- Donation and Volunteer Manager 43,050
- Program Manager 1FTE 52,500
- Client Services Director 1 FTE 78,750
- Payroll and EREs 121,927

Empowering Services - $242,100
Expenses in this section are all direct service to youth experiencing homelessness, including

- Staff expenses (travel reimbursement cms, phone, training) 74,100
- Stipends for host families 80,000
- Student assistance (clothing, educational costs, beds, tools, bikes) 25,000
- Vital records 1,000
- Medical/Dental/Vision/Mental Health (copays and prescriptions) 2,000
- Program Supplies 8,000
- Transportation for Students 3,000
- Emergency Host Home 35,000
- HMIS/student database 6,000
- 8 interns 8,000

In-kind Donations - $240,000
HYC receives donations from the community, Walmart and Dick's Sporting Goods. These items and divided and distributed to Resource Closet in each district.

Facilities/Operating - $130,085
This includes rent, utilities, maintenance, insurance and general operating costs including printing, postage, IT, office supplies, meals.

Project Description:	**Empowering Youth For The Future**
Implementing Agency:	**Homeless Youth Connection**
Project Number:	
Persons Served:	**70 to 100 homeless youth**
Date:	**Program Year 2021/2022**

Item and Activity	**Item/Activity Description**	Source 1 **City of Flagstaff CDBG**	Source 2 **Other Grant FUNDING**	Source 3 **Leverage FINANCING**	Source 4 **In-Kind DONATIONS**	**Project TOTALS**
1	**Program or Project Related Expenses**					
A	Salaries	30,000	517,650	291,500		**839,150**
B	Construction					**-**
C	ETC					**-**
D	**Youth Empowerment/Support Services**					**-**
E	Staff expenses (travel reimbursement cms, phone, training, w/c insurance)		74,100			**74,100**
F	Stipends for host families		80,000			**80,000**
G	Student assistance(clothing 10K, Bedding, beds, food)		25,000			**25,000**
H	Vital records		1,000			**1,000**
I	Medical		2,000			**2,000**
J	Program Supplies		8,000			**8,000**
K	Transportation for Students		3,000			**3,000**
L	Emergency Host Home		35,000			**35,000**
M	HMIS/student database		6,000			**6,000**
N	8 interns		8,000			**8,000**
O	In-kind donations and gift cards				240,000	**240,000**
2	**Administration**					**-**
A	Salaries					**-**
B	Agency Indirect					**-**
3	**Facility Value**					**-**
A	Facilities		57,691			**57,691**
	Operating		72,394			**72,394**
4	**Grant Leverage Resources**					**-**
A	ADOH					**-**
B	United Way					**-**
Totals		30,000	889,835	291,500	240,000	1,451,335

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Homeless Youth Connection**

Amount of Funds Requested: **$30,000**

Name of Project: **Empowering Youth for The Future**

☒ Public Service

☐ Housing

☐ Economic Development

Additional Considerations:

$428/Student Ratio of dollars per person benefitted by proposed project

25% Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

No Has your organization administered a successful CDBG contract in past years? (yes or no)

128 Total Points out of 175 possible

1- 3. ***(For Public Service Submissions Only)*** (10 points)

How well does the answer define one of the following:

- A new service?
- A quantifiable increase in the level of an existing service?
- To what extent does the answer explain how the proposed project will fulfill service gaps in Flagstaff?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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4. ***Question 4 is not applicable to this application***

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5. How well does the answer explain the proposed scope of the project? Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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9. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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10. How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: It would have beneficial to see how these Phoenix based services will be implemented in Flagstaff.

---

11. How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: With Flagstaff's demographics drastically different than that of Phoenix, it would have been valuable to see how this project anticipates serving Flagstaff's residents, including and especially Native American youth.

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9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

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10. How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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11. How well does the answer justify the local need for the proposed project within Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Data surrounding local needs and context about the uniqueness of the Flagstaff community is crucial to understanding how this project plans to meet the needs of youth specifically in Flagstaff.

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12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: It would have been favorable to highlight Flagstaff resources, both in place and planned, before highlighting Phoenix based partnerships. The ranking committee would have liked to see a letter of support from the McKinney-Vento liaison at FUSD, if possible.

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13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) Yes (10 points)

Comments: The ranking committee would like to encourage the agency to participate in the Coconino County Continuum of Care and case conferencing with the Front Door once established and providing services in Flagstaff.

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14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: There was some detail lacking to aid the ranking committee in understanding which areas of responsibility correspond to which staff member.

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16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

---

17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

General Criteria:

5. How realistic is this project in terms of probability of success within the community? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

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6. **How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule?** (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

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7. **How realistic is the project budget? Was the correct format used? Does the budget include:** (15 points)

   - All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
   - Leverage numbers on budget match to leverage letters (3 points)
   - Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
   - Overall Budget Evaluation: (10 points)
     - Is the project cost effective?
     - What percentage of the project budget is leveraged funding?
     - What percentage of the budget is for administration?
     - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

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8. **Has the applicant exhibited competence in preparing the proposal?** (10 points) Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The proposal was clear, concise, and very informative. The ranking committee would have liked to see more information as to how youth are exited out of their host homes. Although clarity on how the model would be implemented in Flagstaff and how Phoenix resources would replicate in Flagstaff were lacking, the ranking committee sees this as a much-needed program for youth experiencing homelessness in Flagstaff. The program's successes in Phoenix were impressive.

Native Americans for Community Action, Inc.

Agency DUNS Number: 020117115

Agency CAGE (SAM.org) Number: 49KA2

Amount of funds requested: $54,337.50

Project name: NACA Business Incubator

Primary contact person for this project:

- Name Tallerita Tunney Rogers
- Title Director of Community Development
- Mailing address 2717 N. Steves Blvd, Suite 11, Flagstaff, AZ 86004
- Fax number 928-526-0708
- E-mail TRogers@nacainc.org
- Phone number 928-526-2968

Executive Summary

Agency requesting funding: Native Americans for Community Action, Inc.

Agency DUNS Number: 020117115

Agency CAGE (SAM.org) Number: 49KA2

Are you a participating member in the Coconino County Continuum of Care? (Yes or No) Yes

Amount of funds requested: $54,337.50

Project name: NACA Business Incubator

Please indicate the following agency representative who will be the primary contact person for this project:

- Name Tallerita Tunney Rogers
- Title Director of Community Development
- Mailing address 2717 N. Steves Blvd, Suite 11, Flagstaff, AZ 86004
- Fax number 928-526-0708
- E-mail TRogers@nacainc.org
- Phone number 928-526-2968

Brief project description (4 to 5 sentences): The NACA Business Incubator project will utilize a storefront where established Overlook vendors can rent space to sell their wares as well as to provide business coaching and mentorship (at a reduced or waived rate) to project participants interested in developing skills in retail sales or to start/operate their own small or microbusiness.

Total estimated number of persons to be assisted (Average household size is 2.61 people per household): 12 individuals will gain retail sales skills or start/expand their small business/microbusiness over the course of 1 year

Council CDBG priority (mark all that apply):

☐ Housing – Rental and Ownership
☐ Homelessness
☐ Neighborhood Revitalization
☒ Workforce Development

Will the activity take place in a target neighborhood?

☐ Southside
☐ Sunnyside
☐ La Plaza Vieja
☐ Pine Knoll

Special population (if any) to be assisted:

☐ Abused Children
☐ Elderly Persons
☐ Severely Disabled Persons
☐ Victims of Domestic Violence
☐ Persons with HIV/AIDS
☐ Migrant Farm Workers
☐ Persons experiencing homelessness
☐ Illiterate Adults

Name of authorized representative: __Jeff Axtell_____Title: _NACA CEO_____
Signature: _____ Date: _____

Please respond to the following questions in the order listed. Reformat as necessary. Make sure to include the entire question in your response.

Answer questions 1 - 3 for *Public Service submissions only*
To find out if your activity is categorized as a Public Service activity please contact Kristine.Pavlik@flagstaffaz.gov

1. ***(10 Points)***
   Mark the public service activity that best fits your proposed service.

   For a definition of the below categories visit:
   https://www.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf

   - X Employment services (e.g., job training)
   - o Crime prevention and public safety
   - o Childcare
   - o Health services
   - o Substance abuse services (e.g., counseling and treatment)
   - o Fair housing counseling
   - o Education programs
   - o Energy conservation
   - o Services for senior citizens
   - o Services for homeless persons
   - o Welfare services (excluding income payments)
   - o Recreational services
   - o COVID-19 Preparation, Prevention and Response services
   - o Other

2. Clearly define how the proposed service is one of the following:
   - o A new service.
   - o A quantifiable increase in the level of an existing service.

3. Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community (e.g. what gap will the proposed service fill?):

Answer question 4 for *Economic Development submissions only*
To find out if your activity is categorized as an Economic Development activity, please contact Kristine.Pavlik@Flagstaffaz.gov

4. *(1 Point)*
Economic Development activities create jobs or support businesses in low income neighborhoods or for low income people. Please check one of these eligible activities if applying under the Economic Development category.

Definitions for the below categories can be found at:
https://www.hudexchange.info/resources/documents/Basically-CDBG-Chapter-8-Section-108.pdf

- Special economic development
- Economic development undertaken by a Community Based Development Organization (CBDO)
- X Technical assistance to businesses
- X Microenterprise development
- Commercial rehabilitation
- Public facilities and improvements
- X Job Training (not including job training offered as a public service)

Answer the following questions for ALL submissions:

Please ensure that each question is accompanied with a thorough answer in the proper order. Repetition is acceptable.

5. *(10 Points)*
Describe the proposed scope of the project, including:

- An estimated number of persons who will receive assistance from the proposed activity (an average of 2.61 people per household).
- Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how.
- The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.)
- Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable).
- Attach a price estimate or quote if applying for construction or rehabilitation funding (required if applicable). Multiple quotes are encouraged to ensure an accurate estimation of project costs and to anticipate inflation.

The NACA co-op will establish a business incubator/store front for retail sales training and business management skill development. A business incubator is an “organization geared toward speeding up the growth and success of startup and early stage companies… some are located in an actual physical space meant to foster networking among entrepreneurs and their coaches (Entrepreneur.com, 2021).”

NACA’s Economic Development program currently operates a vendor program where Indigenous artisans and buyers can learn to market their wares. This business incubator will expand on this concept by capitalizing on the retail sales, and business management (accounting and recordkeeping) and development (business plan creation and marketing, business license applications, etc.) expertise currently developed and held by Overlook vendors through the establishment of a store front, location to be determined. Current Overlook vendors will serve as business coaches and vendors, with the support of Project Coordinators partially funded by CDBG funds to provide technical assistance and liaison supports.

We estimate that this project will assist twelve (12) individuals establish skills necessary to start or improve/expand their microbusiness over the course of 1 year. The City of Flagstaff’s CDBG 2021-2025 HUD Consolidated Plan Executive Summary highlights Employment & Job Training Support Services as a Low priority with the 5-year goal of serving 5 people by the end of Fiscal Year 2025.

6. ***(10 Points)***

Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods.

Note: Your project does not need to align to all objectives. Be realistic.

Focus your response on:

- Providing decent housing
- Providing a suitable living environment
- Expanding economic opportunities principally for low-moderate income persons or neighborhoods.

NACA primarily serves and connects with low-moderate income persons through current programming, including physical and behavioral health services. Many Social Support services are only available to low-moderate income persons, particularly those with a direct and financial support opportunity (i.e. medical financial assistance, educational financial support, bus passes, etc.). By utilizing current clients and services in creating economic development opportunity, NACA supports the overall wellbeing of current clients and services by addressing economic supports which positively influence social and health needs. NACA also will be able to capitalize and expand on current practices within the Overlook vendor program which has over 200 established small and microbusiness practitioners.

7. *(10 Points)*

Identify how the proposal meets one or more of the City Council's CDBG Priorities:

Note: *Your project doesn't have to address every Council Priority.*

- Housing – Rental/ Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Development

8. (10 Points)

Agency mission and commitment to diversity, equity and inclusion.

- How will this project advance the agency's mission?
- How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?
- What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?
    - Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.
    - What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?

The Native Americans for Community Action, Inc.'s (NACA) mission is to provide preventive wellness strategies, empower, and advocate for Native peoples and others in need to create a healthy community based on Harmony, Respect, and Indigenous values. By creating economic development opportunity at the individual level, we empower individuals to seize control over their financial, social and health circumstances. NACA provides all services in culturally relevant manners and will continue to support the delivery of services to promote equity, inclusion and diversity, particularly as this project incorporates individuals who are not necessarily Indigenous.

NACA's Overlook vendor program requires that vendors be Indigenous to support the Native American crafts vending project through the established Memorandum of Understanding (MOU) between the U.S. Forest Service and NACA, which has been in place since 1988. The Overlook Vending Program was originally established to abolish illegal Native American vending attempts on United States Forest Service Lands. However, the project created a unique opportunity for Native Americans to enhance and develop their economic self-sufficiency and lessen public assistance dependency. Above all, Indigenous families involved with the project have gained dignity, self-worth, economic empowerment, and renewed pride in themselves, for many of the families the artists our multi-generational. This same concept will apply to this project in terms of the overall goals of self-sufficiency, economic empowerment as well as improved sense of self-worth and pride which improve dignity.

9. ***(5 Points)***

If applicable, indicate whether the project takes place in one of the four target neighborhoods.

- Southside
- Sunnyside
- Plaza Vieja
- Pine Knoll

NACA and the proposed project is not anticipated to be located within one of the four target neighborhoods but is anticipated to serve residents coming from one of these four neighborhoods. NACA is also committed to marketing this project to residents of these neighborhoods to meet the intentions of CDBG opportunities. This project can help in determining the rate at which residents from these neighborhoods ultimately gain access to and success from this proposed project.

10. ***(10 Points)***

Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan.

Include activity, special population if applicable, priority level and 5 year goal
The proposed 2021-2025 Consolidated Plan Goals are available at https://www.flagstaff.az.gov/626/Community-Development-Block-Grants.

This project intends to address Employment & Job Training Support Services through the creation of small or microbusinesses, which are self-employment activities. This end goal will be accomplished as project participants develop their retail sales, and business management and development skills.

11. ***(10 Points)***

Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding local needs within Flagstaff city limits.

How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.

The Small Business Administration's Office of Advocacy 2019 and 2020 Small Business Profile demonstrate a decrease of 14.6% for private-sector employment for the 12-month period ending April 2020 while noting the creation of 1.6 million net jobs in 2019 from small businesses. Additionally, this resource also noted the median income for self-employed individuals at their own incorporated businesses to be $51,816 in 2018, whereas for the same population employed at their own unincorporated firms, median income was $26,084. For self-employed individuals, having the protection and supports of incorporated business ownership appears to have a significant impact on income.

While the Overlook program has over 215 active vendors, many do not hold formal business licenses, which proved to be detrimental to their ongoing financial security during the COVID-19 pandemic. Due to the majority of vendors lacking business licenses, those who did not, could not secure grants and loans to support their businesses while they could not sell as usual at the Overlook site. By working with this core group of businesses to secure business licenses and formalizing their record-keeping practices, this project will contribute to the sustainability efforts of these business owners. Through this process, retail sales skills and business development skills will be strengthened and duplicated across retail industries as well as transferred to others within the community to increase small business and microbusiness ownership.

12. ***(10 Points)***

Briefly describe the scope of the community collaboration surrounding the proposed project.

- Be specific, citing additional leverage[1] funding sources, agreements, staffing partnerships, etc.
- If formal partnerships[2] exist, please include documentation of all leveraged resources and identify leverage in budget.
- Attach letters of community collaboration/support for the specific project.

In 1988, a Memorandum of Agreement was signed by the U.S. Forest Service and NACA, thus establishing a legal Native American arts and crafts vending project located at the Oak Creek Vista Overlook. The Overlook Vending Program was originally established to abolish illegal Native American vending attempts on United States Forest Service Lands. The program develops a Native American outdoor artisan market to legitimately sell authentic Native American art within the Oak Creek Canyon Overlook. The Overlook Project constitutes a unique cooperative relationship between a federal governmental agency (U.S Forest Service) and a private non-profit Indian corporation (NACA, Inc.) The Oak Creek Vista Vendor Project has operated successfully for the past 32 years. The Overlook Project is self-sufficient.

13. (10 points)

Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.

NACA is a participating organization in the County's Continuum of Care Coalition, the 2017 MOU as well as an updated MOU for 2021 is attached.

[1] Leveraged funds are specific non-city, non-federal (unless specifically allowed) funds committed toward this project.

[2] Formal Partnerships are contractual agreements that exist between two agencies. Informal partnerships are existing proposed business relationships not formalized by contract or funding agreement.

14. ***(10 Points)***

Briefly describe:

- The organization's history administering this or similar projects.
- The organization's realistic capacity for undertaking this project.
- Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.
- Was the agency ever asked to return awarded funds for cause?
- Has your agency ever requested a budget amendment or contract extension? If yes, why?

NACA has extensive experience administering federal and foundation grants and complying with federal statutes. NACA has not had to return awarded funds for cause. NACA has not requested budget amendments or contract extensions through formal request channels.

NACA currently has the following federal grants (annual award amounts):
Indian Health Service
Meth and Suicide Prevention Initiative $100,000
Special Diabetes Program $380,938
Substance Abuse Prevention $197,265
Title V $208,404
Family Health Center $1,569,396
Federal Diabetes $313,856
COVID and CARES ACT Funding 2020-2021 $1,583,433
Centers for Disease Control
Lasting Indigenous Family Enrichment $172,567
Good Health & Wellness $594,819
SAMHSA (Substance Abuse Mental Health Services Administration
Native Connections $362,469
Reach UR Life $736,000
Coconino County, Public Health District
Tobacco Education $56,000
United Way of Northern Arizona $20,485
University of Arizona Cancer Research $79,141
Colorado Plateau Foundation $25,000
Navajo United Way $2,550

15. ***(10 Points)***

Divide the execution and administration of the project into areas of responsibility by providing the following:

- **Names, titles,** and **resumes** of all staff involved with carrying out these areas of responsibility.
- Job descriptions for any new positions created for the proposed project.
- Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).
- Distinguish between in-house agency staff and contracted assistance.

- Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.

Dorothy Denetsosie Gishie, Economic Development Program Manager
The Program Manager will serve as Project Manager.

Two Project Coordinators will need to be hired for on-site operations support of the store front and to provide support to Overlook Vendors serving as coaches/mentors as well as to Project participants.

Tallerita Tunney Rogers, Director of Community Development
The Department Director provides administrative oversight of all activities and supervises the Project Director (Program Manager).

A Project Coordinator job description is attached.

NACA's Organizational Chart is attached; Project Coordinators will be supervised by the Economic Development Program Manager (listed as Overlook Program Manager).

Overlook vendors will serve as subject matter experts on business development and retail sales skills in exchange for reduced or waived space fees either at the Overlook site or storefront site. There are currently 215 Overlook vendors actively registered with the NACA Overlook program.

16. ***(10 Points)***

Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following:

- A proposed schedule in the provided Excel format.
- A narrative summary describing the expenditure of CDBG Funds.
- Explain the rate of expenditure and the predicted progress of the proposed schedule.
- An estimated completion of project.
  Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.

17. ***(10 Points)***

Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary describing exactly for what CDBG funds will pay.

- Include any contract bids or quotes for construction projects.
- Include leverage amounts listed in Question 10.

APPENDIX C
SCHEDULE OF COMPLETION

Project Schedule	
City of Flagstaff	
Project Description: NACA Business Incubator	
Implementing Agency: NACA, Inc.	
Project Number:	
Persons Served:	12
Date Submitted:	2/22/2021

Action Items:	**Item Desription**	**YEAR: 2021 1st Month Begins with the Notice to Proceed**											
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
1	Secure Storefront												
2	Construction												
3	Hire Project Coordinators												
4	Schedule Q1 OL Vendor coaches												
5	Market Business Incubator												
6	Orient OL Vendors w/interest in coaching/mentoring												
	Schedule Q2 OL Vendor coaches												
	Run business development workshops												
	Live coaching for retail sales skills development												
	Schedule Q3 OL Vendor coaches												
	Schedule Q4 OL Vendor coaches												
	Monthly Reporting												
	Contract Monitoring and Close Out												

Appendix D
Budget Example

Project Description:	NACA Economic Development
Implementing Agency:	Native Americans for Community Action, Inc.
Project Number:	
Persons Served:	
Date:	Program Year 2021

Item and Activity	Item/Activity Desription	Source 1 City of Flagstaff CDBG	Source 2 Other Grant FUNDING	Source 3 Leverage FINANCING	Source 4 In-Kind VENDOR Space sales	Project TOTALS
1	**Program or Project Related Expenses**					
A	Project Coordinator x2	$0.00			$90,000.00	**$90,000.00**
B	Employee Related Expenditures	$0.00			$22,500.00	**$22,500.00**
2	**Operating Supplies**					**$0.00**
A	Office Supplies	$4,500.00				**$4,500.00**
B	Network Structure	$3,500.00				**$3,500.00**
C	Furniture and Equipment	$15,000.00				**$15,000.00**
3	**Facility Expenses**					**$0.00**
A	Rent	$21,000.00			$21,000.00	**$42,000.00**
B	Utilities	$3,250.00			$3,250.00	**$6,500.00**
C	Janitorial				$15,000.00	**$15,000.00**
D	Insurance				$5,600.00	**$5,600.00**
4	**Professional Services**					**$0.00**
A	Consulting/Resource Contractors				$12,000.00	**$12,000.00**
B	Transportation				$7,000.00	**$7,000.00**
C						**$0.00**
D						**$0.00**
5	**Administration**					**$0.00**
A	Director Oversight				$ 7,400.00	**$7,400.00**
B	Agency Indirect Costs (@15%)	$7,087.50			$27,562.50	**$34,650.00**
Totals						**$0.00**
CDBG Totals		$54,337.50			$211,312.50	**$265,650.00**

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Native Americans for Community Action, Inc**

Amount of Funds Requested: **$54,337.50**

Name of Project: **Business Incubator**

☒ Public Service

☐ Housing

☐ Economic Development

Additional Considerations:

$4,528/Person Ratio of dollars per person benefitted by proposed project

0% Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

No Has your organization administered a successful CDBG contract in past years? (yes or no)

127 Total Points out of 175 possible

1- 3. ***(For Public Service Submissions Only)*** (10 points)

How well does the answer define one of the following:

- A new service?
- A quantifiable increase in the level of an existing service?
- To what extent does the answer explain how the proposed project will fulfill service gaps in Flagstaff?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

4. ***Question is not applicable to this application***

---

5. How well does the answer explain the proposed scope of the project? Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

12. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Some clarity was needed to distinguish whether individuals being served were entirely new to the NACA program or already existing at the Overlook program.

---

13. How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comment: This question was not answered.

---

14. How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

---

10. How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

11. How well does the answer justify the local need for the proposed project within Flagstaff city limits? Are recent data and/or supportive statistics attached? How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: While the data provided was valuable, the ranking committee would have liked to see more data specific to Flagstaff. Information on how many vendors were able

to apply for federal COVID related assistance would have been great to see as part of this answer.

---

12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The ranking committee would like to encourage a collaboration with other organizations offering similar services, such as Market of Dreams, Coconino County's Basic Business Empowerment program, the NACET Business Incubator, NAU's School of Business, any other local non-profits, etc. This would maximize the program's impact and avoid duplication of services.

---

13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) Yes (10 points)

---

14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?

- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

---

16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: There was no narrative included with the schedule of completion.

---

17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: There was no narrative included with the budget. The ranking committee would have liked to understand why there is no other grant funding included in the budget, as well as an explanation for in-kind contributions.

General Criteria:

9. How realistic is this project in terms of probability of success within the community? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

---

10. How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule? (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

---

11. **How realistic is the project budget? Was the correct format used? Does the budget include:** (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Comments: The agency's financial audit for FY 2018 contained findings related to end of fiscal period/year closing procedures.

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12. **Has the applicant exhibited competence in preparing the proposal?** (10 points) Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Cover Letter
2021/22 CDBG Funding

Proposed Activity: Flagstaff Fair Housing Media Proposal
Name of Agency: Southwest Fair Housing Council
DUNS: 872788260
SAMS: 38PC1
Primary Contact:
Jay Young
Executive Director
jyoung@swfhc.com
(520) 798-1568 ext. 17
Fax (520) 620-6796
177 N. Church Ave., Suite 1104
Tucson, AZ 85701

Executive Summary (Not to exceed one page)
Agency requesting funding: Southwest Fair Housing Council
Agency DUNS Number: 872788260
Agency CAGE (SAM.org) Number: 38PC1

Are you a participating member in the Coconino County Continuum of Care? No

Amount of funds requested: $14,000

Project name: Flagstaff Fair Housing Media Proposal

Please indicate the following agency representative who will be the primary contact person for this project:
Jay Young
Executive Director
jyoung@swfhc.com
(520) 798-1568 ext. 17
Fax (520) 620-6796
177 N. Church Ave., Suite 1104
Tucson, AZ 85701

Brief project description (4 to 5 sentences):
Southwest Fair Housing Council (SWFHC) will provide a full-service fair housing outreach and media program. Specifically, SWFHC plans to complete:
- 4 English/Spanish print or video Public Service Announcements (PSA's)
- 1 Community outreach event or Facebook Live event (depending on Covid-19)
- 2 Virtual Fair Housing Trainings

Citywide fair housing counseling, referrals, and support through the complaint filing process provided in other grant funding.

Total estimated number of persons to be assisted: 5,000

Council CDBG priority (mark all that apply): Housing

Will the activity take place in a target neighborhood? All programming can target areas identified as a CDBG priority.

Special population (if any) to be assisted: Low income persons, persons with disabilities, families with children, and non-English speakers represent individuals with higher rates of victims of housing discrimination and closely align with several special population categories.

Name of authorized representative: _____Title: _____
Signature: _____ Date:
_____

Narrative Questions

1. *(10 Points) Mark the public service activity that best fits your proposed service:*

Fair housing counseling

2. *Clearly define how the proposed service is one of the following:*
A quantifiable increase in the level of an existing service. SWFHC is currently funded statewide to conduct limited enforcement and outreach in Flagstaff. This funding would allow SWFHC to develop a targeted media campaign that would enhance the community's awareness of fair housing rights, responsibilities, and available resources.

3. Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community:
SWFHC is the only HUD funded Fair Housing Initiatives Program that serves Flagstaff.

4. (1 Point) Economic Development activities create jobs or support businesses in low-income neighborhoods or for low-income people. Please check one of these eligible activities if applying under the Economic Development category.
N/A

5. (10 Points) Describe the proposed scope of the project, including:
A. An estimated number of persons who will receive assistance from the proposed activity (an average of 2.61 people per household):
5,000
B. Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how:
SWFHC maintains a Covid-19 resources page on its website that is continually updated with the latest housing related Covid-19 information. SWFHC has incorporated Covid-19 housing and fair housing information into outreach materials and trainings. New resources, referrals, and policies are continually added to all resources. SWFHC is also able to pursue any Covid-19 related fair housing complaints that are brought forward to the agency. Covid-19 has resulted in a rise in disability related fair housing issues. Additionally, SWFHC is monitoring changes in the housing market as fears of upcoming evictions and foreclosures loom.
C. The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.):
This project has not been started in the City of Flagstaff yet; however, similar projects have been completed statewide and SWFHC would be prepared to begin the project immediately.
D. Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable):
N/A
E. Attach a price estimate or quote if applying for construction or rehabilitation funding:
N/A

6. (10 Points) Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods. Note: Your project does not need to align to all objectives. Be realistic. Focus your response on:

Free housing choice and equitable access to quality housing impacts nearly every aspect of an individual's life, therefore fair housing education and enforcement helps a community in providing decent housing to all citizens. Additionally, fair housing programs assist a community in providing a suitable living environment that includes economic opportunities, transportation access, access to health care and quality food, and recreation opportunities. SWFHC will target its programming in low-and moderate-income neighborhoods that are priority areas for the City of Flagstaff. All media campaigns, events, and outreach can be targeted to low- to moderate-income areas of low opportunity.

7. (10 Points) Identify how the proposal meets one or more of the City Council's CDBG Priorities: Note: Your project doesn't have to address every Council Priority:
SWFHC's proposal more closely supports the Housing CDBG priority by enhancing the community's awareness of fair housing rights, responsibilities, and available resources. SWFHC is a fair housing outreach and enforcement agency, which allows SWFHC to educate communities regarding fair housing, but also pursue fair housing complaints through administrative complaints and lawsuits. Additionally, SWFHC is a referral agency that connects callers to the agency to other community resources that may be better able to help them if the issue is not fair housing related. SWFHC's recently developed Covid-19 resources assists individuals understand their housing rights during the changes brought by the pandemic.

8. (10 Points) Agency mission and commitment to diversity, equity and inclusion.
A. How will this project advance the agency's mission?
SWFHC's mission is to provide comprehensive services to achieve and preserve equal access to housing for all people. This project will allow SWFHC to more effectively achieve this mission in the City of Flagstaff.
B. How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?
SWFHC staff is able to provide all programming in English and Spanish. Additionally, SWFHC ensures all programming and its website are available in an accessible manner for persons with disabilities. Additionally, SWFHC staff continually attends community cultural awareness and sensitivity trainings to ensure its ability to effectively engage and advocate for diverse populations.
C. What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?
Equity is at the heart of Martin Luther King Jr.'s vision and at the heart of SWFHC's fair housing mission. SWFHC requires many positions to be bilingual and openly advertises all positions to ensure the most diverse audience possible is able to access the posting.
D. Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.
SWFHC is an equal opportunity employer, as stated on the website at swfhc.com/job-opportunities. SWFHC actively seeks to hire a diverse and representative staff.
E. What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?
SWFHC intentionally hires bilingual staff to ensure all services are equally available in English and Spanish. SWFHC utilizes a language line and translation services to ensure anyone can receive SWFHC services. SWFHC's website has been evaluated to make sure it is fully

accessible to persons with disabilities. SWFHC's office is also fully accessible and located on several transit lines in Tucson. Additionally, SWFHC demonstrates commitment by submitting proposals like this to educate communities throughout Arizona about their fair housing rights and how to seek justice when those rights have been violated.

9. (5 Points) If applicable, indicate whether the project takes place in one of the four target neighborhoods. - Southside - Sunnyside - Plaza Vieja - Pine Knoll 12
SWFHC is able to work with its media partners to target PSA's and Facebook Live events in certain areas of the community and to specific income areas. SWFHC can use the 4 PSA's, 2 trainings, and 1 Facebook Live or in-person event to ensure all target neighborhoods receive elements of the programming. Additionally, SWFHC can partner with local agencies to ensure programming reaches the Native American community in Flagstaff, which was identified as a priority by City of Flagstaff staff.

10.(10 Points) Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan. Include activity, special population if applicable, priority level and 5 year goal The proposed 2021-2025 Consolidated Plan Goals are available at https://www.flagstaff.az.gov/626/Community-Development-Block-Grants.
SWFHC's proposed Outreach and Media Campaign will target low-moderate income communities in Flagstaff and can be specifically tailored to serving the four target neighborhoods. SWFHC can target the content of its media on identified areas of need, such as disability, familial status, non-English speaking individuals, and race (Native American) protected classes. SWFHC's programs support the Housing Stabilization Services including Eviction/Foreclosure Prevention and Legal Services goal of the proposed 2021-2025 Consolidated Plan Goals.

11. (10 Points) Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding local needs within Flagstaff city limits. How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.
While SWFHC provides enforcement and outreach services in the City of Flagstaff, it is currently not funded to conduct a targeted media campaign. Currently, advertising of SWFHC's services is limited to the few housing providers and agencies that participate in SWFHC trainings. This limits the amount of community members who are aware of SWFHC's services and call to receive fair housing counseling. This funding will allow SWFHC to connect with more grassroots agencies and vulnerable communities that are at the greatest risk of housing discrimination. SWFHC will be able to monitor its reporting database to observe call volume and referrals increase from Flagstaff, the location of web hits to see how many more people from Flagstaff visit the website, and impression data provided by SWFHC's media partners.

12. (10 Points) Briefly describe the scope of the community collaboration surrounding the proposed project. Be specific, citing additional leveraged funding sources, agreements, staffing partnerships, etc. If formal partnerships exist, please include documentation of all leveraged resources, and identify leverage in budget. Attach letters of community collaboration/support for the specific project.

SWFHC has already been funded to provide fair housing enforcement statewide. This means SWFHC will be able to provide fair housing counseling, referrals, and assistance through the complaint process to any clientele who contact SWFHC because of the increased media presence in the community. Additionally, SWFHC will work to build new partnerships with the appropriate agencies to ensure that the most vulnerable communities in Flagstaff are recipients of SWFHC's fair housing efforts.

13. (10 points) Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.
No

14. (10 Points) Briefly describe:
A. The organization's history administering this or similar projects.
SWFHC has successfully administered similar CDBG projects in communities throughout the State.
B. The organization's realistic capacity for undertaking this project.
The SWFHC staff responsible for this project have extensive experience administering similar projects staff wide and the infrastructure to implement the project is already in place.
C. Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.
SWFHC has been a recipient of HUD Fair Housing Private Enforcement Initiatives and Outreach Initiative funding for over 30 years. Currently SWFHC was funded under a 3 year HUD grant for $425,000.00 in 2020. SWFHC receives an annual CDBG grant from Pima County for $25,000.00. In 2020, SWFHC was awarded a CDBG grant with the City of Yuma to provide a similar service to the one in this proposal for $20,000.00.
D. Was the agency ever asked to return awarded funds for cause?
No
E. Has your agency ever requested a budget amendment or contract extension? If yes, why?
No

15. (10 Points) Divide the execution and administration of the project into areas of responsibility by providing the following:
A. Names, titles, and resumes of all staff involved with carrying out these areas of responsibility.

- Beth Ann Justvig, Finance Director
- Laura Leyva, Education, Outreach, and Media Specialist
- Erica Hardwick, Enforcement Director
- Maria Medina, Intake Specialist
- Jay Young, Executive Director

B. Job descriptions for any new positions created for the proposed project.
N/A
C. Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).
Laura Leyva, Education, Outreach, and Media Specialist
D. Distinguish between in-house agency staff and contracted assistance.
All staff is in house.

E. Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.
Beth Ann Justvig, Finance Director
Laura Leyva, Education, Outreach, and Media Specialist
Erica Hardwick, Enforcement Director
Maria Medina, Intake Specialist
Jay Young, Executive Director

16. (10 Points) Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following: A proposed schedule in the provided Excel format, a narrative summary describing the expenditure of CDBG Funds, explain the rate of expenditure and the predicted progress of the proposed schedule, an estimated completion of project. Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.

SWFHC will complete the Media and Campaign project in the following timeframe:

Action Item	Item Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4 total Public Service Announcements (PSAs)	Print, internet, or other media PSA	X (1 PSA)	X (1 PSA)	X (1 PSA)	X (1 PSA)
2 Total Trainings	Virtual fair housing trainings for housing professionals, agency staff, or consumers.		X (1 Training)	X (1 Training)	
1 Event	An in-person fair housing event or Facebook Live event, depending on Covid-19 restrictions on in-person meetings,				X (1 Fair Housing Month Event)

The outreach event/Facebook Live event will be timed to coincide with fair housing month in April 2022. All deliverables and expenditures will be completed by June 2022. The four PSA's are budgeted at $1,800 each and will be expended once each Quarter of the grant. The in person event or Facebook Live event is budgeted at $785.00 and will be expended in the 4th Quarter of the grant to coincide with Fair Housing Month in April 2022. Staff time and miscellaneous materials and supplies for advertising will be expended accordingly throughout the grant period.

17. (10 Points) Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary

describing exactly for what CDBG funds will pay. - Include any contract bids or quotes for construction.

STAFF TIME: 5 staff members Total CDBG portion:$3,225

1. Finance Director: 36 hours per year to the Flagstaff grant.
2. E&O Specialist: 48 hours per year to the Flagstaff grant.
3. Intake Specialist: 24 hours per year to the Flagstaff grant.
4. Enforcement Director (Program Supervisor): 36 hours to the Flagstaff grant.
5. Executive Director: 24 hours to the Flagstaff grant. ADMIN

ERE: Grant portion of benefits and taxes for 5 staff members: includes FICA/SUTA/W/Comp and Health benefits (medical, life, dental, ect…) Total CDBG portion: $815

SUPPLIES: Cost of supplies for the grant including flyers, postage, and office supplies. Total CDBG portion: $200

ADVERTISING: 4 PSAs Total CDBG portion: $7,200

COMMUNICATION: Facebook Live fee Total CDBG portion: $750

RENT & COMMUNICATION: Grant portion of cost for facility and staff communication (internet, webinars, and telephone). Total CDBG portion: $785

TAB 5

Map of Project Location

Not applicable. There is no map of the project location due to the nature of the project.

TAB 6

Job Descriptions

Not Applicable. This funding is not for operational assigned assistance or positions specific funding. We have included resumes for staff that will be working on this grant.

TAB 7
Schedule of Completion

SWFHC will complete the Media and Campaign project in the following timeframe:

Action Item	Item Description	Quarter 1	Quarter 2	Quarter 3	Quarter 4
4 total Public Service Announcements (PSAs)	Print, internet, or other media PSA	X (1 PSA)	X (1 PSA)	X (1 PSA)	X (1 PSA)
2 Total Trainings	Virtual fair housing trainings for housing professionals, agency staff, or consumers.		X (1 Training)	X (1 Training)	
1 Event	An in-person fair housing event or Facebook Live event, depending on Covid-19 restrictions on in-person meetings,				X (1 Fair Housing Month Event)

TAB 8

Budget

Project Description:	Fair Housing Media Campaign					
Implementing	SWFHC					
Project Number:						
Persons Served:						
Date:	Program Year 2021-22					
Item and		Source 1	Source 2	Source	Source 4	
Activity	Item/Activity Desription	City of Flagstaff	Other Grant	Leverage	In-Kind	Project
		CDBG	FUNDING	FUNDING	DONATIONS	TOTALS
1	Program or Project Related					
A	Salaries	3,225.00		183,732.00		$186,957.00
B	ERE/TAXES	815.00		49,867.00		$50,682.00
C	SUPPLIES	200.00		2,520.00		$2,720.00
D	ADVERTISING	7,200.00		2,000.00		$9,200.00
E	COMMUNICATION	750.00		25,629.00		$26,379.00
F	RENT	785.00		12,308.00		$13,093.00
G	OTHER: AUDIT, TRAVEL, OTHER			20,300.00		$20,300.00
H						
I						
2	Administration					
A	Salaries & ERE/TAXES	1,025.00		35,814.00		$36,839.00
B	Agency Indirect			27,830.00		$27,830.00
3	Facility Value					
A						
4	Grant Leverage Resources					
A	ADOH					
B	United Way					
CDBG Totals						
Totals		$14,000.00		$360,000.00		$374,000.00

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Southwest Fair Housing Council**

Amount of Funds Requested: **$14,000**

Name of Project: **Flagstaff Fair Housing Media**

☒ Public Service

☐ Housing

☐ Economic Development

Additional Considerations:

$3/Person Ratio of dollars per person benefitted by proposed project

__**96%**__ Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

___**No**___ Has your organization administered a successful CDBG contract in past years? (yes or no)

___**58**___ Total Points out of 165 possible

1- 3. ***(For Public Service Submissions Only)*** (10 points)

How well does the answer define one of the following:

- A new service?
- A quantifiable increase in the level of an existing service?
- To what extent does the answer explain how the proposed project will fulfill service gaps in Flagstaff?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The ranking committee felt it was important for the agency to provide context about what is already required to be provided to the City of Flagstaff through other funding sources.

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4. ***Question is not applicable to this application***

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5. How well does the answer explain the proposed scope of the project? Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Details were needed about how a benefit of 5,000 people was determined. Clarification about how this service relates to the SWFHC's website and the services that are already being offered on their site would have provided a better understanding of this project.

---

15. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: It is not clear how low- and moderate-income individuals will be targeted.

---

16. **How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities** (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The City of Flagstaff is grateful for SWFH's ongoing partnership. Based on the answer to this question, it is unclear if the agency had reviewed the City's Analysis of Impediments to Fair Housing Choice and the City's current Fair Housing efforts.

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17. **How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The answer needed information about what needs are specific to Flagstaff. The focus was placed on Spanish/English capacity but fails to identify other demographics. The answer does not explain how the project will advance the agency's mission.

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9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

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10. How well does the answer document that the proposed project will meet the

needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The question was not addressed, and a specific priority need and goal was not identified. The ranking committee found it concerning that the proposal refers to the protected classes, but the focus was on Spanish/English resources. For race, only the Native American population was discussed. The agency displayed a lack of understanding of Flagstaff-specific demographics and Impediments to Fair Housing Choice.

---

11. How well does the answer justify the local need for the proposed project within Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Local statistics to support the need for the project or how to project will address Flagstaff specific issues were not provided. How success is defined in this answer is not impactful. The ranking committee strongly felt that "call volume" was not a good measure of success. The first part of the question was not answered.

---

12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: Partnerships, even the one with the City of Flagstaff, are not discussed in the answer. The proposal reads as if it's written for a different agency/grant. Evidence of partnerships, collaboration, support, or leverage is absent.

---

13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) Yes (10 points)

14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The agency does not demonstrate experience with or a history of creating media campaigns. The answer does not demonstrate how the media campaign will be carried out.

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15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The formatting of this answer was difficult to follow. The answer needed more detail about which responsibilities would be completed by each person involved in the project. No clear scope was identified.

---

16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The schedule of completion needed details beyond quarterly PSAs. Details about what channels would be utilized and how frequently, as well as what funds would be spent and when were missing. This information was vital to answering this question.

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17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: It is unclear why certain roles are included under CDBG funding, given the lack of involvement in the project. Letters of leverage are not included. There is no information about what supplies are needed or what the rent is for if this is a proposal for a project without a physical location.

General Criteria:

13. How realistic is this project in terms of probability of success within the community? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

Comments: This question was difficult to score by the ranking committee because the application fails to identify how vulnerable individuals will be targeted, as there isn't an effective and impactful way to truly define success.

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14. How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule? (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

Comments: The Schedule of Completion is lacking specific details about when the PSA's would run and on what channels.

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15. How realistic is the project budget? Was the correct format used? Does the budget include: (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Comments: Leverage letters were not included. The allocation of CDBG funds to rent is questionable as no physical location was identified as a part of the project. The leverage numbers do not match, and the budget is not thorough. There seems to be a lack of understanding about what is considered leverage and what is considered other grant funding. There are inconsistencies between the scope and budget. Cost of PSA's seems high and no quotes were provided as supporting information. The application is missing vital information about the definition of "media." Since there is not a local news station and there are few local radio stations in Flagstaff, the ranking committee is missing fundamental details.

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16. **Has the applicant exhibited competence in preparing the proposal?** (10 points) Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: This proposal identifies a vital need, but the approach taken by this outreach campaign to vulnerable populations is unclear. How will resources be utilized and developed in ways that low/moderate income individuals can access them? The concept has potential, but the steps to deliver this project in Flagstaff lack detail and specificity. The Fair Housing missions and commitments of SWFHC and the City of Flagstaff are not included in the proposed project.

2021 Community Development Block Grant Application: Educational Program

Agency requesting funding: Tynkertopia, Inc.

Agency DUNS Number: In process
Agency CAGE (SAM.org) Number: In process
Are you a participating member in the Coconino County Continuum of Care? (Yes or No) Yes
Amount of funds requested: $100,000

Project name: *Community-Based STEAM Education*

Please indicate the following agency representative who will be the primary contact person for this project:

Name: Dr. Alice Christie
Title: Tynkertopia Founder and Executive Director
E-mail: founder@tynkertopia.org
Mailing address: 1165 Flowing Springs Trail, Flagstaff, AZ 86004
Phone number: 928-326-3400
Fax number: 928-774-1875

Brief project description (4 to 5 sentences):

Our project, *Community-Based STEAM Education,* requests operational funding through a Community Development Block Grant (CDBG) in order to provide expanded programming to low-moderate income children and families living in Sunnyside. We wish to grow our STEAM educational programing to children, youth, and families in our target neighborhood by hiring and training two new employees at Tynkertopia: a Science Education Specialist and a Community Outreach Specialist. Tynkertopia is a nonprofit corporation that serves as Flagstaff's STEAM Community Center. Our programming focuses on helping low-moderate income children, youth, and families develop Science, Technology, Engineering, the Arts, and Mathematics (STEAM) knowledge, and skills, as well as creativity, confidence, and inquiry skills.

If funded, the estimated number of people to receive assistance include:

- a minimum of 3,000 low-moderate income children and youth who will receive direct assistance in STEAM learning when they participate in our face-to-face activities or participate in online STEAM learning opportunities;
- a minimum of 1,000 students who will receive direct assistance in STEAM learning when they attend community events sponsored by Tynkertopia; and
- two employees-in-training who will receive direct assistance (training and salary) through one-year of employment at Tynkertopia.

Total estimated number of persons to be assisted: All 4,530 households in Sunnyside

Council CDBG priority: Workforce Development

Target neighborhood: Sunnyside

Name and title of authorized representative: Dr. Alice Christie, Tynkertopia Founder and Executive Director

Alice A. Christie
Date: February 1, 2021

Executive Summary

Tynkertopia is Flagstaff's only 501 (c)(3) nonprofit STEAM Community Center. We provide outside-of-school learning opportunities for PK– 12th grade students in Science, Technology, Engineering, the Arts, and Mathematics (STEAM). Tynkertopia's mission is to empower youth of Flagstaff to cultivate skills, strategies, and confidence as independent, lifelong learners, and to expand creativity, inquiry skills, and STEAM skills and knowledge by inviting curiosity, inspiring wonder, encouraging playfulness, and celebrating unique solutions. Our vision is to build a stronger future for Flagstaff youth and families by offering community-based STEAM learning opportunities.

Tynkertopia's target population is public, private, charter, and home-schooled children, their parents, grandparents or guardians, and their teachers. In addition, Tynkertopia serves many children from families in distress, youth in poverty, and youth un- or under-represented in STEAM areas who visit Tynkertopia with case workers. During our twenty months of face-to-face operation, Tynkertopia hosted over 10,500 (non-unique) visits from children, parents, grandparents, teachers and community members from Flagstaff and northern Arizona. Admission to Tynkertopia is always free to all.

The Tynkertopia learning environment is based on the 7C Model (see Appendix G) that (a) acknowledges the importance of choice, (b) inspires deep learning, (c) fosters creativity and creative confidence, (d) encourages critical thinking, and (e) engages learners in collaboration and connections with other learners. This model was developed by Tynkertopia founder, Dr. Alice Christie (Arizona State University President's Professor Emerita, Founding Fellow of the ASU Distinguished Teaching Academy, a Google Certified Teacher and Innovator), and an educator with 50+ years of experience in PK through university education.

Tynkertopia's exponential growth and success since mid-2018 indicates the need to expand our staff and our programming. Currently, Tynkertopia employs one low-moderate income person for 80 hours per month. Dr. Alice Christie, Tynkertopia founder, volunteers between 40-60 hours per week. Our volunteer coordinator provides a total of 10 hours of service per week. Because we have grown so quickly and to such a great extent, we are now grossly understaffed.

Our CDBG application requests operational funding to help low-moderate income children develop Science, Technology, Engineering, the Arts, and Mathematics (STEAM) knowledge and skills by expanding our programming and hiring and training two new employees at Tynkertopia: a Science Education Specialist and a Community Outreach Specialist. The employees-in-training will be mentored by Tynkertopia Founder and Executive Director, Dr. Alice Christie.

The employees-in-training will be responsible for:

- facilitating the daily face-to-face and online operations of Tynkertopia;
- fostering excitement and a sense of wonder in children, parents and grandparents, teachers, case workers, and community members;
- expanding our class offerings and extending our hours to better serve the Sunnyside community;
- raising awareness of Tynkertopia's offerings to the children, youth, and families in the community through increased social media and marketing;
- expanding our grant writing and fundraising activities so Tynkertopia can continue serving low-moderate income children, youth, and families in Sunnyside and greater Flagstaff; and
- attending training workshops to improve STEAM knowledge and skills.

Authorized representative: Dr. Alice Christie, Founder & Executive Director of Tynkertopia, Inc.

Alice A. Christie

Narrative Questions

1. The public service activity that best fits our proposed service is **Education Programs**.

2. The proposed service is an **Expansion Service**. Tynkertopia, a nonprofit organization focusing on Science, Technology, Engineering, the Arts, and Mathematics (STEAM) education opened its doors in mid 2018. Since then, Tynkertopia has seen exponential growth in the number of Flagstaff children, youth, and their families we serve. Currently, we are staffed by:

   - our Founder and Executive Director, Dr. Alice Christie, who volunteers full time;
   - one part-time (eighty-hour per month) employee; and
   - one volunteer who provides 10 hours per week of service.

   We need to increase our staff so that we are better able to serve our targeted population of low-moderate income children, youth, and families residing in Sunnyside.

3. Currently, Tynkertopia is the ONLY Community Center focusing on STEAM in Flagstaff. Admission to Tynkertopia is always free to all. Once the COVID pandemic is behind us and we have hired additional staff with CDBG funding, we will be open from 9 AM – 6 or 7 PM on weekdays and 9 AM – 5 PM on Saturdays. During the summer, we will be open from 9 AM – 5 PM or later six days a week. We will also be open evenings and Sunday for community events.

   The Boys and Girls Club of Flagstaff offers after-school opportunities for students, but their focus is not primarily STEAM, and they operate on a sliding scale fee basis.

4. NA

5. Proposed scope of the project:

   Our project, *Community-Based STEAM Education*, focuses on improving STEAM skills in low-moderate income children and youth living in the Sunnyside neighborhood, Flagstaff's most diverse and economically challenged neighborhood. Ten percent of Flagstaff's overall population lives in Sunnyside, including 4,530 households. Tynkertopia was intentional in locating in this neighborhood where:

   - Almost half (46.7%) of the residents live in extreme poverty,
   - 31% of the neighborhood's population is 17 years old and younger, and
   - 72% of neighborhood children aged 5-17 live in poverty.

   Tynkertopia's goal is to serve the Flagstaff children and youth most in need of extended, hands-on learning opportunities to improve their STEAM skills and knowledge, as well as their creativity, confidence, and inquiring minds. Such opportunities have the potential to translate into better jobs in their futures. Another of Tynkertopia's goal is to help in the development of Flagstaff's future workforce.

   We seek to expand our services in the Sunnyside neighborhood by hiring two people who will receive salaries and training for one year at Tynkertopia. By hiring additional staff through a Community Development Block Grant, Tynkertopia will be able to offer more services to a greater number of children, youth, and families during the 2021-2022 grant cycle. This project has the potential to reach all 4,530 households in Sunnyside, as well as children and families from other neighborhoods who choose to visit Tynkertopia.

Community-Based STEAM Education, if awarded a CDBG, will provide salaries to two new employees through our job training program. This will not only benefit the employees-in-training, it also will benefit the thousands of children who come to Tynkertopia to explore, discover, create, learn, develop STEAM skills and knowledge, and have fun in a safe and inclusive space dedicated to creativity and inquiry. Each community-based STEAM learning experience will spark creativity and engaged learning for area youth, thereby inspiring learning for an expanded population.

The employees-in-training will receive instruction on COVID-19 response and will assist the founder in carrying out temperature checks, masking, social distancing, sanitizing the facility, and handwashing procedures once we reopen and begin providing face-to-face STEAM learning opportunities to area children, youth, and families.

The proposed project, *Community-Based STEAM Education*, is in the final planning stage and is awaiting funding.

6. The proposed project achieves the CDBG Primary National Objective of **Expanding Economic Opportunity for Low-Moderate Income Neighborhoods.** Our proposed project, *Community-Based STEAM Education,* will provide:

    - Outside-of-school educational opportunities in Science, Technology, Engineering, The Arts, and Mathematics to children and youth living in Sunnyside; and
    - economic opportunities for two new employees who will help expand the services of Tynkertopia, a nonprofit organization located in and serving the children, youth, and families of Sunnyside. It is anticipated that these jobs will become permanent jobs that will continue beyond the grant period.

7. *Community-Based STEAM Education* meets the Flagstaff City Council's CDBG **Workforce Development Priority**.

    The objective of our workforce development is to create economic prosperity for children and youth in Sunnyside, thereby fostering future economic prosperity for the Sunnyside community. To achieve this goal, we will offer numerous practical, skill-based learning opportunities aimed to increase the STEAM skills of our target population, so they can become skilled, creative and confident members of Flagstaff's future workforce.

    We will help our low-moderate income participants grow their STEAM skills as well as the soft skills they will need to be productive members of the twenty-first century workforce. These soft skills include:

    - creative thinking and problem-solving
    - oral communication skills
    - teamwork and collaboration skills
    - digital and financial literacy
    - adaptability, flexibility and initiative
    - confidence to take risks
    - ability to learn through mistakes

    In addition, this project will provide job training and employment to two people who will help expand Tynkertopia's programs and services. Our central goal will be to engage, educate, enlighten, and empower

these employees-in-training and provide them with a living wage. Tynkertopia will pay for these individuals to attend a variety of professional development opportunities to help develop or improve skills needed in today's workforce.

The job training will include:

- Defining goals and expectations,
- Creating a culture that promotes collaboration and student-driven learning,
- Developing cultural awareness and sensitivity to the low-moderate income population Tynkertopia serves,
- Training in 21st century skills (soft and hard) in which the employees-in-training will:
    - create personal mission statements,
    - identify/establish time management techniques, and
    - develop strategic plans (with 1- 3- and 5-year goals) in the areas of education, career, and family.

8. Tynkertopia's mission is to serve as a safe, welcoming, and inclusive space for students, teachers, parents, artists, crafters, inventors, makers, and *tynkerers* of all ages. We welcome community collaborations in which partners work together to share expertise, resources, and responsibility for achieving mutual goals.

   We chose to locate in Sunnyside to better serve those living in poverty or extreme poverty and those un- or under-represented in STEAM areas. We also chose Sunnyside because it is the most densely populated neighborhood in Flagstaff with the greatest ethnic diversity in Flagstaff. Demographics follows:
   - 45% identify as Hispanic or Latino
   - 29% identify as Native American
   - 19.5% identify as White
   - 4.5% identify as of two races or more
   - 2% identify as Black/African American

   On November 30, 2020, the Tynkertopia Board of Directors developed and adopted a **Non-discrimination Statement and Policy** that states:

   > Tynkertopia, Inc. does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our staff, visitors, volunteers, subcontractors, vendors, and clients.
   >
   > Tynkertopia, Inc. is an equal opportunity employer. We will not discriminate and will take affirmative action measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the basis of race, color, gender, national origin, age, religion, creed, disability, veteran's status, sexual orientation, gender identity or gender expression.

9. The project is located in **Sunnyside**.

10. Our project, *Community-Based STEAM Education,* is consistent with the needs, priorities, goals, and objectives in the **Public Services and Economic Opportunities** category of the City of Flagstaff 2021/2025 HUD Consolidated Plan Draft. Our project provides public service to residents of the Sunnyside neighborhood. It provides innovative, up-to-date, research-based educational programming for thousands of Sunnyside children, youth and families. Dr. Alice Christie, Tynkertopia Founder and Executive Director, brings to this project both her extensive education experience and acumen, as well as her passion for bringing educational programming to those children, youth, and families most in need in our community.

11. Since Tynkertopia's *Community-Based STEAM Education* project serves the Sunnyside neighborhood, additional statistics about this neighborhood follow.

    Almost half (46.7%) of the residents live in extreme poverty. Thirty-one percent of the neighborhood's population is 17 years old and younger and 72% of neighborhood children aged 5-17 live in poverty. Over 50 percent of the households in the neighborhood are single parent households. Sixty-eight percent of Sunnyside housing units are rental properties and 59% of households pay 50% or more of their total household income in rent. According to the American Community Survey, almost one-fourth (24.9%) of households in Sunnyside are linguistically isolated.

    In addition, elementary and middle school students in our low-moderate income target neighborhood are **failing** statewide high-stake tests in mathematics and science at an alarmingly high rate, as shown below:

Elementary and Middle Schools Serving Sunnyside Residents	2016 AZ Merit Math **Fail Rates**	Statewide Average Math **Fail Rates**	2015 AIMS Science **Fail Rates**	Statewide Average Science **Fail Rates**
Killip Elementary School	70%	45%	70%	59%
Puente de Hozho Bilingual Magnet	61%	45%	46%	59%
The PEAK School	71%	45%	61%	59%
Mount Elden Middle School	77%	45%	Not Available	

    Statistics on the **fail rates** of students attending schools in our target neighborhood indicate that Flagstaff needs to create more in-school and outside-of-school opportunities for students to learn and thrive in math and science.

    Tynkertopia offers numerous enriching outside-of-school STEAM learning opportunities for area students to gain these skills through STEAM-centered activities, challenges, classes, and clubs. With additional staff, Tynkertopia will be able to reach a greater number of students and provide them with varied STEAM learning experiences and opportunities to increase their STEAM skills and knowledge.

    Finally, Tynkertopia is proud to support and nurture the City of Flagstaff's affirmation of Flagstaff as *America's First STEM Community*. Tynkertopia is proud to be Flagstaff's first and only STEAM Community Center (STEM + A for the Arts = STEAM).

    Our project, *Community-Based STEAM Education,* will identify success as follows:

    Success of the Overall Project:

- Providing community-based STEAM learning opportunities to a minimum of 3,000 low-moderate income children, youth, and families at our community center in Sunnyside;
- Providing community-based STEAM learning opportunities to a minimum of an additional 1,000 children, youth, and families in city-wide community events;
- Collaborating with numerous educational and nonprofit entities in Flagstaff;
- Gathering and reporting ethnic data, income data, and program accomplishments;
- Maintaining and filing organization documents, Board of Directors actions/minutes, citizen comments, and spreadsheets showing funding sources and cost allocation formulas; and
- Complying with CDBG regulations

Success of the Employees-in-Training Component of the Project:

- Clear job descriptions, including goals, objectives, and units of service for the two new employees;
- Performance appraisals (self and supervisor) to communicate with the employees regarding areas of achievement and growth;
- Performance appraisals to include documentation of bi-weekly meetings between the employees and their supervisor;
- Successful participation of the employees-in-training in professional development opportunities; and
- Pre/post learning assessment indicating an increase in knowledge, skills and abilities.

12. Tynkertopia collaborates with a number of local agencies including the Boys and Girls Club of Flagstaff, STEM City, Habitat for Humanity, Flagstaff Unified School District (FUSD), many of the charter and private schools, Coconino Community College, Northern Arizona University, Rocky Ridge Boarding School on the Navajo Reservation, Coconino Coalition for Children & Youth, Building Community, and the Flagstaff Family Food Center. We have a formal partnership with the US Department of Agriculture and St. Mary's Food Bank Alliance that allows us to provide free meals to any child between the ages of 1 and 18 years. We anticipate offering meals to the majority of those who visit Tynkertopia during the grant cycle.

    Our new staff members will staff the Center and support outreach to all public schools, charter schools, home schools, and afterschool programs serving low-moderate income children and youth to ensure that community-based STEAM learning experiences are accessible to a diverse cross-section of our community. CDBG funding will allow Tynkertopia to expand STEAM learning opportunities to more children, youth, and families in the Sunnyside area.

    New staff will allow our Executive Director more time to create, expand, and formalize community-based partnerships and collaborations. It will also allow her to devote more time to grant writing and fundraising to support Tynkertopia's mission and ongoing programming.

    Finally, our new staffing pattern will allow us to bring additional Tynkertopia learning opportunities, including additional drop-in hours, field trips and ongoing classes in STEAM areas, to the following youth:
    - Low-moderate income children, youth and families living in Sunnyside
    - FUSD Family and Community Teaming for Students (FACTS) Program
    - Boys and Girls Club
    - FUSD
    - Charter, Private Schools, and Home School Organizations

It will also allow us to extend partnerships with:

- Willow Bend
- Lowell Observatory
- W.L. Gore
- Festival of Science
- Coconino Coalition for Children & Youth (CCC&Y)
- Master Gardeners
- North Country HealthCare

Leveraged funding information follows.

To date, Tynkertopia has received approximately $24,000 from the Arizona Community Foundation, $17,000 from the Flagstaff Arts Council, $20,000 from United Way of Northern Arizona, and $1,600 from the City of Flagstaff Sustainability Division to support the Tynkertopia Gardening Program. In addition, we received approximately $33,000 in COVID Relief Funding. These funds have been used to cover the cost of services we have offered the community since late-March 2020. In order to keep our services free for all and to expand our activities, we will continue submitting annual grant proposals to the Arizona Community Foundation, the Flagstaff Arts Council, and United Way of Northern Arizona. We also plan to pursue Arizona Department of Education grants and grants from corporations such as APS, Findlay, and Nackard Beverages, to name a few.

On Giving Tuesday, 2020, Tynkertopia raised $8,400 from individual donors. In addition, The Wonder Factory, a nonprofit organization with a mission similar to ours, dissolved and donated approximately $16,000 to Tynkertopia. Finally, Women Empowering Northern Arizona (WENA) recently donate $11,000 to Tynkertopia.

In terms of other leveraged funding, our Founder, Dr. Alice Christie, has donated approximately $60,000 to cover start-up costs, including numerous STEAM materials as well as first year rent and utilities. In addition, her in-kind volunteer time is considerable and invaluable.

13. No. Tynkertopia is not participating in Flagstaff's Front Door. However, we have recently joined the Continuum of Care.

14. Organization's History and Capacity:

History: Tynkertopia is the actualization of our founder's vision. Dr. Alice Christie has been an educator for more than 50 years; she considers herself a lifelong learner. When considering how she could continue learning while simultaneously contributing to her community, she decided to create a safe, welcoming, and inclusive space where children and youth could come to explore, discover, create, build, *tynker*, and learn. And so, Tynkertopia was born.

Tynkertopia opened its door in early August 2018 in a 1,200 square foot facility. During the first month, attendance averaged 4-8 visitors per day. During September, we held two open houses and four workshops during the Flagstaff Festival of Science. Our attendance skyrocketed to an average of 22-25 visitors per day. During the remainder of our first year of operation, we averaged 20-30 visitors each day at Tynkertopia. As our number of visitors grew, it was obvious we needed more space. We quickly expanded to 2,000 square feet including a STEAM Challenge Room, Art Room, Workshop, Playroom for kids 1-6, Recycling Room,

Library, Multipurpose Room, Videography Room, and Storage Room. Each room was filled with materials that stimulate both creativity and inquiry in our learners. During our second year of operation, we averaged 50-80 visitors each day at Tynkertopia, until we closed on March 14, 2020 due to COVID-19.

Since March 14, 2020, Tynkertopia has reinvented itself. We quickly pivoted from a *come-to-our-location* model to a *we-deliver-to-you* model. During the last 10 months, we have:

- created and distributed over 13,000 STEAM Challenge Kits to low-moderate income children; each kit contains all the materials learners will need to meet the challenge along with directions in English and Spanish to guide the learners as they complete the challenge, plus a Tynkertopia flyer and sticker for personal use;
- hosted 47 online STEAM Challenges, in which Tynkertopia staff served as facilitators to help learners use the Engineering Design Process to build or create a STEAM project;
- hosted 56 families in socially distanced geocaching events designed to help learners understand cardinal directions and follow a map to find hidden treasure;
- offered a Coding Mentorship Program to area youth in which we paired high school mentors with elementary school mentees to develop computer programming/coding skills.

Learning at Tynkertopia focuses on the Engineering Design Process where participants make things based on their own interests. *Tynkering* is a playful way to approach and solve problems through experimentation and discovery. Engineering builds a bridge between the intuition of *tynkering* and the formal aspects of science by being able to explain, measure, and predict the world around us. Art allows students' projects to become something aesthetically pleasing. The practical skills that are developed through this process build creative confidence in students.

One of the main goals of Tynkertopia is to help students to develop the capacity, creativity and confidence to become agents of change in their personal lives and in their community. Such environments use design thinking in which learners use the tools and strategies to tackle real-world, engaging, student-identified challenges.

Capacity: We are confident that the Executive Director and the Board of Directors will work collaboratively to provide the capacity for undertaking this project. Dr. Christie, our Executive Director, worked with a Bureau of Indian Affairs school in the late 1980s to procure a $1 million federal grant to bring technology to an isolated rural school. She also wrote, was awarded, and oversaw a number of state, and local grants totaling $500,000 during her tenure as a professor at Arizona State University.

Most of the board members have successfully managed grant funding while meeting the standards of expectation of those grants. Collectively, these totaled over $5,000,000 over the last thirty years.

Tynkertopia has never been asked to return funds for any reason, nor have we requested a budget amendment or contract extension.

15. Dr. Alice Christie, Tynkertopia Founder and Executive Director, will serve as the Project Manager for this project. Her résumé is found in Appendix F. See the Organization Chart in Tab 11 to understand the relationship between the Project Manager, the two new employees-in-training, and the other individuals and groups who contribute to Tynkertopia's operations.

The two new employees-in-training will report directly to the Executive Director of Tynkertopia. The job description for each position follows:

Position 1: Science Education Specialist

This position is designed to provide an opportunity for an individual with little teaching background to gain experience in an educational setting. This position will be mentored by experienced educator, Dr. Alice Christie, and will work to gain real world experience. The teaching engagements at Tynkertopia will provide opportunities to:

- learn by doing, and
- educate students in small groups through workshops and other teaching assignments including group and one-to-one work with children, youth, and parents at Tynkertopia.

Position responsibilities:

- Create an inspiring and structured learning environment where students believe they can reach their full potential;
- Devise workshop schedules based on student interest and community need;
- Develop curriculum for workshops in conjunction with the Project Manager;
- Build relationships within the workshops and in one-to-one interactions;
- Support the Project Manager with logistical planning for workshops and community engagements;
- Support individual students through one-on-one mentoring; and
- Staff the Tynkertopia Community Center, maintain the facility for safety and constructive learning.

Required Skills:

- Demonstrated interest in becoming an educator;
- Interest in building rapport and developing relationships with students and families;
- Strong oral and written communication skills;
- Willingness to collaborate with colleagues, children, youth, parents and community members;
- Commitment to learning, growing and developing as a person and an educator; and
- Commitment to becoming an active participant in the Tynkertopia community.

Position 2: Community Outreach Specialist

The person filling this position will be responsible, in partnership with the Tynkertopia Executive Director, for developing and sustaining relationships with the Tynkertopia target community as well as the greater Flagstaff community. This person's primary goal will be to ensure that Tynkertopia is well known in our community for providing challenging learning opportunities for all residents of our target audience and beyond. This position will cultivate and maintain a social media presence and provide marketing, advertising, and fundraising assistance.

Position Responsibilities:

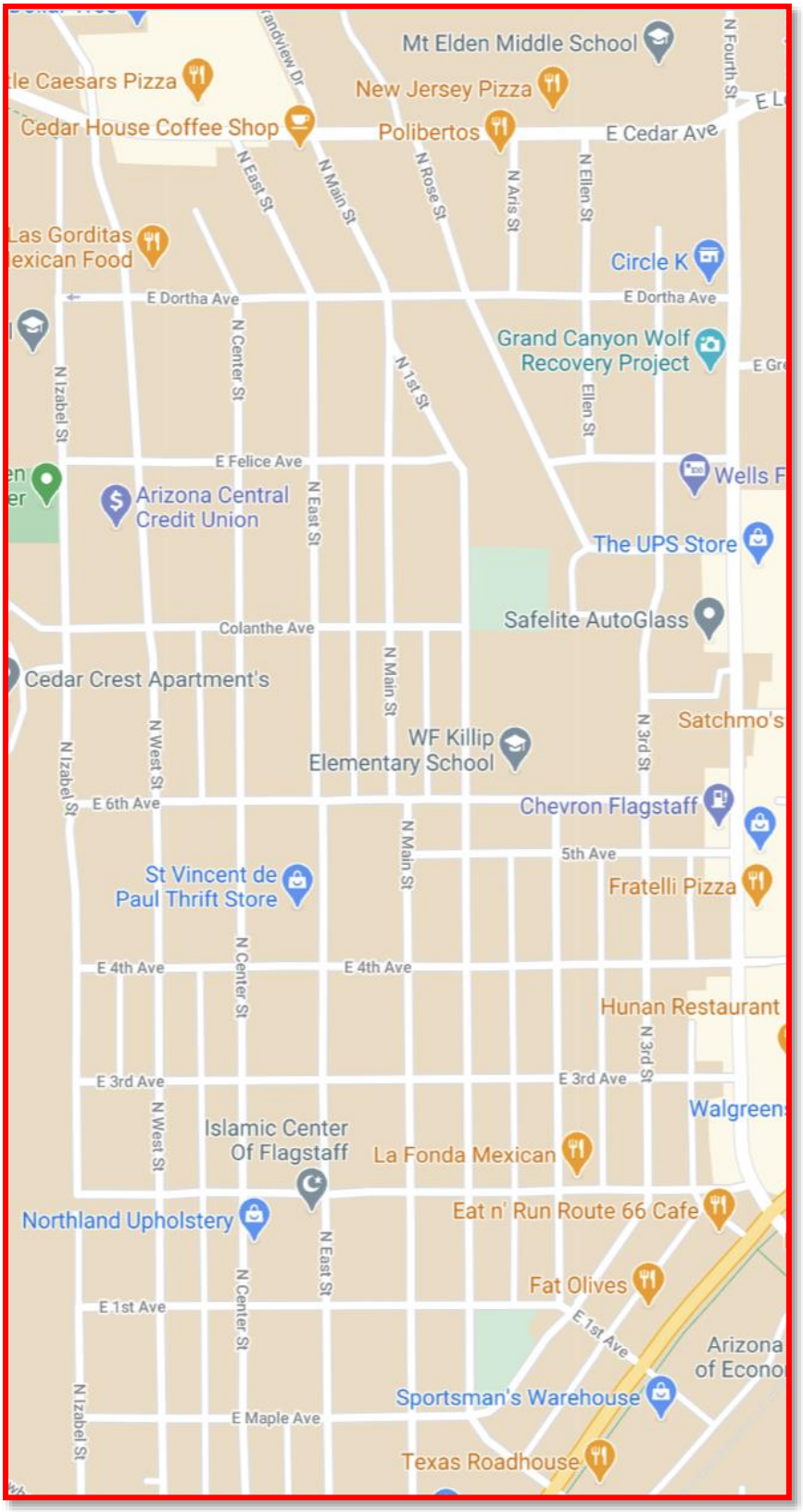
- Write newsletters and other communications targeted at the community, parents and schools;
- Craft marketing media content for social networks and electronic and paper brochures;
- Manage website and social media presence;
- Advise and present ideas and strategies for increasing Tynkertopia's community presence;
- Work with community organizations and schools to recruit children by delivering presentations that promote Tynkertopia in the community;
- Travel throughout the community to educate and raise awareness of Tynkertopia's mission and impact on children's lives;
- Develop, plan and participate in community engagements;
- Generate and organize "meet and greets" with potential referrals and donors;

- Assist the Executive Director in fundraising campaigns;
- Plan, promote and facilitate open houses in conjunction with the Executive Director; and
- Develop connections among staff, parents, and students

Required Skills:

- Basic computer literacy skills;
- Expertise with social media;
- Positive attitude and demeanor, outgoing and engaging with good interpersonal skills;
- Strong oral and written communication skills;
- Advocacy skills;
- Strong organizational skills including time and self-management expertise; and
- Ability to deliver presentations to various groups of people in the community.

Map of Project Location: Sunnyside Neighborhood



16. Schedule Completion

During the first week of the grant, we will advertise our two positions and begin the interview process. We will also complete the required reports to the City of Flagstaff during the first month and each month during the funding period. In our first month, we will complete the interview process, hire two new employees, conduct initial training, review the job descriptions and set goals for each employee-in-training.

During the remainder of the grant period, employees-in-training will receive training specific to their job descriptions. They will participate in bi-monthly reviews, which will help assess the success of the project and each person's performance.

CDBG Monitoring will begin in month two and continue each month throughout the funding period. We will begin the close-out process in the 12th month and finish this process during the 13th month. We will comply with any and all requirements regarding scheduling.

As soon as our new Science Education Specialist is hired and trained, we will expand our class offerings in coding, robotics, engineering, paper circuitry, Arduino, electronics, digital photography, art, web design, and more. We will also be able to welcome a larger number of drop-in learners.

As soon as our Community Outreach Specialist is hired, we will expand our social media presence and marketing presence to inform the Sunnyside community of the expanded offerings at Tynkertopia. We will also begin building new partnerships with other nonprofits and local businesses so that we truly are serving as the STEAM Community Center in America's First STEM Community. The more embedded we are in our community, the more impact we will have on our community. As the African proverb states, "it takes a village to raise a child."

Our expanded staffing will allow us to extend our hours so we can serve low-moderate income pre-school children and their families in the morning, and school aged children and youth from noon onward. We will also be able to accommodate more field trips from local public, private, and charter schools for teachers who wish to engage their students in the deeper learning that is possible in a hands-on STEAM-centered environment.

We also plan to start offering classes to parents of pre-school children on literacy and STEAM educational strategies and materials they can incorporate into their at-home environments.

See Appendix C for the required spreadsheet delineating the schedule completion.

17. Budget Narrative (Appendix D)

The primary beneficiaries of this CDBG application are the low-moderate income children, youth, and families living in the Sunnyside neighborhood. To serve this group, Tynkertopia needs to expand its staffing so we are able to:

- offer longer hours in which community members can visit Tynkertopia,
- offer a greater number of classes and STEAM activities so we can serve a greater number of children, youth, and families in Sunnyside,
- offer a wider range of classes in order to engage a greater number of Sunnyside students,
- offer classes to a wider age range of children, youth, and adults,
- offer classes to parents of pre-school children about early literacy and STEAM,
- focus on helping youth improve their 21st century skills so they are prepared for higher education and/or the future workforce,
- garner a wider range of funding to support the activities we offer the Sunnyside community,
- increase our social media presence and our marketing so more people know what Tynkertopia offers the Sunnyside community, and
- open our doors for special community functions.

Tynkertopia will use other grant funding and donations to pay for rent, utilities, insurance, professional development, a variety of professional services, office supplies, and all STEAM materials needed for our face-to-face and online learning opportunities.

A summary of project funding is shown below:

Community Development Block Grant	$100,000
Other Grant Funding	$ 84,500
In-Kind Donations	$186,460
Total	$370,960
CDBG % of Total Budget	27%

See Appendix D: Budget for the budget of the proposed project.

18. **Leverage/In-Kind Support**

Tynkertopia currently has the following in-kind support:

- Volunteer hours of the Executive Director (40–60 hours per week)
- Volunteer hours of Community Members (1300 per year)
- Hours of NAU and CCC students serving internships at Tynkertopia (500 per year)
- Materials donations from the community
- Access and storage at the Boys and Girls Club of Flagstaff
- Access and storage at the Flagstaff Family Food Center
- An all-volunteer Board of Directors

Since Tynkertopia currently has no physical location, we have no rent and utilities expenses. We plan to reopen as soon as it is safe to do so. We are currently investigating several options for our new home. Rent, utilities, and insurance for our new home are included in the budget under the *Other Grant Funding* category.

Rational for several in-kind donations follow:

According to Salary.com (https://www.salary.com/research/salary/posting/chief-executive-officer-ceo-non-profit-organization-salary) the salary of the Executive Director of a nonprofit corporation in 2021 ranges between $130,693 and $222,783. Salary ranges can vary widely depending on many important factors, including education, certifications, additional skills, the number of years spent in a profession.

When calculating the value of our Executive Director's in-kind contribution, we noted that Dr. Alice Christie holds a PhD in Curriculum and Instruction, is a Google Certified Teacher and Google Certified Innovator, has a full repertoire of 21st century skills, and has been an educator for over 50 years. Those credentials put her at the top of that salary range. However, we also took into account that Tynkertopia is a relatively young nonprofit organization operating in a relatively small city. We, therefore, chose to calculate the value of her in-kind contribution at the bottom end of the scale, or $130,000.

Each year, the Independent Sector of the Nonprofit Leadership Center gathers data and conducts research on volunteerism in the nonprofit sector. The results of that research provide nonprofits a way to calculate the value of volunteer time. As of July 2020, their estimated national value of each volunteer hour is currently $27.20. (https://nlctb.org/tips/value-of-volunteer-time/) We, therefore, have calculated the value of the in-kind contributions of our volunteers and interns at this rate.

Many members of our community donate materials to Tynkertopia. These include paper, crayons, markers, fabric, yarn, tape, rulers, recyclable materials, older computers and printers, furniture, toys, books, and more. We have valued this in-kind donation at $5000, using the standard thrift store valuation of used items.

See Appendix D for the required spreadsheet delineating the program budget.

Appendix C: Schedule of Completion

Project Schedule
City of Flagstaff
Community-based STEAM Education

Implementing Agency **Tynkertopia, Inc.**
Project Number:
Persons Served: Children, Youth, and Families in the Sunnyside Neighborhood
Date Submitted: 2/22/21

Action Items	**Item Description**	**YEAR**	**1st month begins with the Notice to Proceed**											
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th
1	Community-Based STEAM Education Program													
2	Advertise Positions													
3	Hire Employees in Training													
4	Conduct Initial Training													
5	Review Job Descriptions and Set Goals for each new hires													
6	Science Education Specialist Working													
7	Community Outreach Specialist Working													
8	Ongoing Training and Review													
9	Assessment of Success													
10	CDBG Monitoring													
11	Reports to the City of Flagstaff													
12	Close Out													

Appendix D: Budget

Project Description:	**Community-Based STEAM Education**											
Implementing Agency:	**Tynkertopia, Inc.**											
Project Number:												
Persons Served:	Children, Youth, and Families in the Sunnyside Neighborhood											
Date:	Program Year 2021-2022											
Item and		Source 1		Source 2		Source 3		Source 4				
Activity	**Item/Activity Desription**	**City of Flagstaff**		**Other Grant**		**Leverage**		**In-Kind**		**Project**		
		CDBG		**FUNDING**		**FINANCING**		**DONATIONS**		**TOTALS**		
1	**Program or Project Related Expenses**											
A	Employee 1 Salary	$	43,400							**$**	**43,400**	
B	Employee 1 Worker's Compensation	$	780							**$**	**780**	
C	Employee 1 FICA Taxes (.153/2)	$	3,320							**$**	**3,320**	
D	Employee 2 Salary	$	43,400							**$**	**43,400**	
E	Employee 2 Worker's Compensation	$	780							**$**	**780**	
F	Employee 2 FICA Taxes (.153/2)	$	3,320							**$**	**3,320**	
G	Rent			$	24,000					**$**	**24,000**	
H	Utilities			$	6,000					**$**	**6,000**	
I	Office Supplies and Equipment			$	18,000					**$**	**18,000**	
J	STEAM Supplies			$	20,000			$	5,000	**$**	**25,000**	
K	Volunteer Services ($27.20/hour)							$	48,960	**$**	**48,960**	
L	Insurance			$	1,500					**$**	**1,500**	
M	Professional Development			$	3,000			$	1,000	**$**	**4,000**	
N	Professional Services			$	12,000			$	1,500	**$**	**13,500**	
2	**Administration**											
A	Salaries							$	130,000	**$**	**130,000**	
B	Agency Indirect	$	5,000							**$**	**5,000**	
3	**Facility Value**	$	-									
A												
CDBG Totals		$	100,000	$	84,500	$	-	$	186,460	$	370,960	
Totals												

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Tynkertopia**

Amount of Funds Requested: **$100,000**

Name of Project: **Community STEAM Education**

☒ Public Service

☐ Housing

☐ Economic Development

Additional Considerations:

$22/Household Ratio of dollars per person benefitted by proposed project

___**0%**___ Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

___**No**___ Has your organization administered a successful CDBG contract in past years? (yes or no)

___**65**___ Total Points out of 175 possible

1- 3. ***(For Public Service Submissions Only)*** (10 points)

How well does the answer define one of the following:

- A new service?
- A quantifiable increase in the level of an existing service?
- To what extent does the answer explain how the proposed project will fulfill service gaps in Flagstaff?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: More clarity was necessary in determining how a drop-in center that is open during school hours is supportive of existing education in the City. Sunnyside is listed as a target service area, but there is no specific location identified. Without a stable location in a target neighborhood, the project may not be eligible under CDBG regulations.

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4. ***Question is not applicable to this application***

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5. How well does the answer explain the proposed scope of the project?
Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The ranking committee would have liked to see a more concrete scope of work and detailed status of the project. The proposal does not specify if the scope is for STEAM education or for job training. This creates confusion. The estimated number of persons to be served seems inaccurate as not every home in Sunnyside is LMI, nor do they all have children. The ranking committee is not entirely informed by this answer of what qualifies as STEAM education.

---

18. How well does the answer explain how the project will achieve the CDBG Primary

and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The answer does not provide information about how STEAM education expands economic opportunity for LMI households. There is confusion about whether the beneficiaries of the program are the two employees hired or the community/Sunnyside residents as a whole.

---

19. **How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities** (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Development

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The answer to this question leads to additional confusion because, after the list of STEAM skills, the proposal states that the central goal is to engage education, enlighten, and empower employees. Again, the ranking committee is unclear as to whether the beneficiaries of the program are the two employees hired or the community/Sunnyside residents as a whole.

---

20. **How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The answer does not include an explanation of how this project advances the agency's mission.

---

9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside

- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

Comments: A specific location is not identified and is only referenced in other questions.

---

10. How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: While the answer did include an identified priority need, it did not provide information about the goals that would be met. Additionally, the answer lacked specifics regarding how the services would be delivered to the community.

---

11. How well does the answer justify the local need for the proposed project within Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Points cannot be given for the demographics associated with the Sunnyside location as the exact location is not identified. There are no quantitative measuring tools included. The ranking committee has concerns about the use of data that is not current (from 5-6 years ago). The answer lacked necessary detail about measuring the success of the overall project in data driven way.

---

12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: Several of the included letters of support are not current and from last year's CDBG application that proposed a different project. There is no documented

leverage or staffing partnerships. The ranking committee would encourage the agency to seek information about the AmeriCorps program, Teach for America, and NAU internships, which may be able to provide individuals to staff educational programs and provide administrative assistance for free or for a fraction of the cost.

---

13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) **Yes (10 points)**

Comments: While the answer indicates that the agency is a member of the Continuum of Care, there is no letter provided from Continuum or MOU.

---

14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: The organization does not have experience working with Federal/State grant funding. The realistic capacity for undertaking this project is concerning given the amount of administrative work and oversight necessary to utilize and report on federal funding.

---

15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The ranking committee has concerns about why the job descriptions indicate the agency would be seeking candidates who are not already skilled in STEAM education. As the project proposed is not a job training project and the salary is not one for a trainee, it would be to the agency's best interest to hire employees that have experience/education in STEAM education services.

---

16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The schedule includes timelines for hiring employees in training, but does not include information about when educational programming would be provided (i. e. afterschool programming during school months, summer programming during summer months, etc.)

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17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The agency's indirect amount is not listed in the narrative, but is listed on the budget. The employees in training proposed would average a pay rate of about $20+ an hour. Is there a possibility of utilizing the Americorp program, which would leverage funding from NAU and Americorp for the proposed staff? Supporting documentation for in-kind contributions is not included. Rent is listed on the budget, but there is no identified physical location.

General Criteria:

17. How realistic is this project in terms of probability of success within the community? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

Comments: The ranking committee does not feel confident the agency is ready to administer federal funding. The agency seems to be in the early stages of development with very little paid staff and a very low yearly budget - even lower than their requested CDBG allocation. At the level of CDBG funding requested, the project is not well developed as there is no identified location, no continued funding identified, etc. There are also concerns about how the agency proposes to continue the project following the full spend-down of CDBG funds.

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18. **How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule?** (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

Comments: The Ranking Committee is concerned about CDBG timeliness expenditure requirements. The timeline does not indicate when the children/youth would be able to start engaging with the program, especially without an identified location.

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19. **How realistic is the project budget? Was the correct format used? Does the budget include:** (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Comments: There are no leverage letters included confirming the amounts proposed. The agency does not indicate financial processes or policies in the absence of an audit. The CDBG funding is reimbursement based and the agency does not show how they will pay monthly salaries, location costs, etc. Additionally, the project isn't cost effective as entry level employees would be paid more than $20/hr. The amount of funds being contributed by CDBG would make up more than 50% of the organization's entire annual budget. Rent costs are included, but there is no evidence of a physical space. In-kind donations listed seem somewhat inflated and no supporting documentation is provided to support the quantities listed. There is no demonstration of how these positions would be permanent without CDBG funding in the following years.

20. **Has the applicant exhibited competence in preparing the proposal?** (10 points) Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: While some answers were robust with information about the organization, many lacked the information necessary to thoroughly and completely answer the questions with the information requested. The proposal seems to address two different projects – the employee job training and the public education services project – and has conflicting intentions. The proposal was misleading in regards to the intended location. Without supporting documentation proving there is an identified location in Sunnyside, the project may not be eligible for CDBG funding under the area benefit national objective.

Closing the Gap Facility Purchase

Catholic Charities Community Services

DUNS Number: 078993326

SAM Number: 51TH9

Contact: Sandra Flores

(928) 699-2289

SFlores@cc-az.org

Executive Summary
(Not to exceed one page)
Agency requesting funding: Catholic Charities Community Services, Inc.
Agency DUNS Number: 078993326
Agency CAGE (SAM.org) Number: 51TH9
Are you a participating member in the Coconino County Continuum of Care? (Yes or No) Yes
Amount of funds requested: $300,000
Project name: Closing the Gap Facility Purchase
Please indicate the following agency representative who will be the primary contact person for this project:
- Name Sandra Flores - Fax number 928-774-0697
- Title Sr. Programs Director - E-mail SFlores@cc-az.org
- Mailing address 2101 N 4th St, Flagstaff, AZ 86004 - Phone number (928) 699-2289

Brief project description (4 to 5 sentences): Closing the Gap serves individuals experiencing homelessness and extreme substance use who are high utilizers of public services. This proposal is for the purchase of the program's facility currently being leased with CDBG Cares Act funds. Catholic Charities desires to purchase this 1556 sq ft, 3-bedroom, 1.75-bathroom house in east Flagstaff to serve as a permanent location for Closing the Gap. Through this program residents are provided permanent supportive housing and a suitable living environment as well as supportive services that lead to permanent housing stability. Closing the Gap also reduces community costs associated with high utilizers of public services.

Total estimated number of persons to be assisted (Average household size is 2.61 people per household): 7

Council CDBG priority (mark all that apply):
Housing – Rental and Ownership
Homelessness
Neighborhood Revitalization
Workforce Development

Will the activity take place in a target neighborhood? N/A
Southside
Sunnyside
La Plaza Vieja
Pine Knoll

Special population (if any) to be assisted:
Abused Children Persons with HIV/AIDS
Elderly Persons Migrant Farm Workers
Severely Disabled Persons Persons experiencing homelessness
Victims of Domestic Violence Illiterate Adults

Name of authorized representative: Catherine Peterson Title: Executive Director, Northern AZ Region

Signature: _____ **Date: February 15, 2021**

Answer questions 1 - 3 for *Public Service submissions only*

1. Mark the public service activity that best fits your proposed service.

- Employment services (e.g., job training)
- Crime prevention and public safety
- Childcare
- Health services
- Substance abuse services (e.g., counseling and treatment)
- Fair housing counseling
- Education programs
- Energy conservation
- Services for senior citizens
- Services for homeless persons
- Welfare services (excluding income payments)
- Recreational services
- COVID-19 Preparation, Prevention and Response services
- Other

Not applicable

2. Clearly define how the proposed service is one of the following:

- A new service.
- A quantifiable increase in the level of an existing service.

Not applicable

3. Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community (e.g. what gap will the proposed service fill?):

Not applicable

Answer question 4 for *Economic Development submissions only*

4. ***(1 Point)***
Economic Development activities create jobs or support businesses in low income neighborhoods or for low income people. Please check one of these eligible activities if applying under the Economic Development category.

- Special economic development

- Economic development undertaken by a Community Based Development Organization (CBDO)
- Technical assistance to businesses
- Microenterprise development
- Commercial rehabilitation
- Public facilities and improvements
- Job Training (not including job training offered as a public service)

Not applicable

Answer the following questions for ALL submissions:

Please ensure that each question is accompanied with a thorough answer in the proper order. Repetition is acceptable.

5. ***(10 Points)***

Describe the proposed scope of the project, including:

- An estimated number of persons who will receive assistance from the proposed activity (an average of 2.61 people per household).
- Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how.
- The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.)
- Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable).
- Attach a price estimate or quote if applying for construction or rehabilitation funding (required if applicable). Multiple quotes are encouraged to ensure an accurate estimation of project costs and to anticipate inflation.

Catholic Charities Community Services (Catholic Charities) is requesting CDBG 2021 dollars to purchase the facility currently being leased for one of our two *Closing the Gap* program locations. The facility is a home located at 2480 East Linda Vista Drive in east Flagstaff. Providing permanent supportive housing for up to seven residents at a time, this facility will serve men experiencing homelessness and extreme substance use who are high utilizers of community resources. It is expected this facility will house and serve approximately ten persons each year.

Closing the Gap prepares for, prevents, and responds to COVID-19. Because the individuals to be served by the program are experiencing homelessness and chronic substance use, they are extremely vulnerable to both contracting and transmitting COVID-19 in the community, especially among first responders with whom they frequently come into contact. Additionally, people experiencing homelessness have inadequate access to hygiene, thus increasing their risk related to the virus. By providing safe, stable housing for an estimated 10 men experiencing homelessness in 2021, *Closing the Gap* will prevent the spread of COVID-19.

Closing the Gap is also a response to COVID-19. The Centers for Disease Control and Prevention has identified people experiencing homelessness as a vulnerable group. They recommend stable housing for this group be a priority. Therefore, in 2020, the City of Flagstaff reached out to various local housing agencies, including Catholic Charities, to utilize CDBG Cares Act funds for people experiencing homelessness in order to reduce the spread of COVID-19 in the community. Catholic Charities responded to this call and expects to soon receive a Notice to Proceed from the second allocation of CDBG Cares Act funds which will provide the monies to lease the home that will soon become a second location for *Closing the Gap*. While the leasing of this home is temporary while funds are being raised to purchase it, this *Closing the Gap* facility provides a response to COVID-19 by providing permanent supportive housing for seven community members at a time.

Located near bus stops, grocery stores, and (more importantly) behavioral health services, this facility was chosen for its excellent location to nearby services as well as the owner's willingness to lease the property to Catholic Charities while we await the funds to purchase it utilizing these CDBG 2021 dollars as well as leveraged funding. Catholic Charities took possession of the property February 1, 2021 and is preparing to open it as a second *Closing the Gap* location. Purchasing this 1,556 sq ft, 3-bedroom, 1.75-bathroom house will provide increased program sustainability by giving Catholic Charities more permanency and control over the property than leasing provides. It will also lower program costs by allowing current leasing dollars to be rerouted to operations. By providing permanent supportive housing, this home will ensure access to decent housing and a suitable living environment to low or no-income individuals who generally do not qualify for leasing at scattered site properties due to issues with background and credit checks.

Closing the Gap program participants sign a lease with no time limit, allowing them to work toward stability while addressing their behavioral health needs without threat of eviction. Each resident receives support with basic needs, behavioral health, medical care, case management, and criminal justice support. Residents meet with a Catholic Charities housing-based Case Manager on a weekly basis for both one-on-one case management as well as weekly house meetings. During one-on-one meetings, residents work to establish a strengths-based case plan geared toward permanent housing stability. While residency in the home has no specific time limit, residents are expected to use the time and support services to work toward a successful transition to permanent housing beyond the program. Weekly house meetings, facilitated by Case Managers, create a culture of accountability among residents and allow them to promptly address issues that may arise in the home.

Closing the Gap reduces the community costs associated with high utilizers of public services, such as "man down" calls for police, fire, ambulance, EMT and jail. Individuals who require frequent crisis response represent a high cost to the City of Flagstaff related to these services. The program reduces these costs by providing "harm reduction" housing, allowing men experiencing homelessness a safe place to live even though they may struggle with alcohol misuse. While alcohol use is not allowed on property, the program does not prohibit residents from coming home intoxicated provided they are not a danger to others' safety. Harm reduction is a set of practical strategies and ideas aimed at reducing negative

consequences associated with substance misuse. This approach is evidence-based and has a positive impact on individual and community health.

6. ***(10 Points)***

Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods.

Note: Your project does not need to align to all objectives. Be realistic.

Focus your response on:

- Providing decent housing
- Providing a suitable living environment
- Expanding economic opportunities principally for low-moderate income persons or neighborhoods.

Since 2016, *Closing the Gap* has served adult males experiencing homelessness who have a history of high hospital emergency department utilization in Flagstaff due to substance use. This population creates a significant strain on the healthcare, criminal justice, and human services systems. To address this, Catholic Charities is proposing to purchase a second location for *Closing the Gap,* thereby doubling the number of people served by the program annually. This project achieves the CDBG National Objective of benefiting low to moderate income (LMI) persons *as Closing the Gap* serves people experiencing homelessness, a group presumed by the U.S. Department of Housing and Urban Development to be LMI. The project also achieves all three CDBG Primary Objectives by providing decent housing and a suitable living environment while expanding economic opportunities for low-income persons.

Closing the Gap provides harm reduction housing, allowing residents a safe place to live even as they struggle with substance misuse. While residents must agree to enroll in a behavioral health program with The Guidance Center, the program operates under the evidence-based Housing First model that, per the National Alliance to End Homelessness, "prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life" because "…people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues." Past *Closing the Gap* participants (residents of the program's first location) who achieved stability had an average stay of 411 days.

In addition to providing permanent supportive housing, *Closing the Gap* assists residents in obtaining the skills necessary to successfully obtain and sustain permanent housing in the future. Residents receive education and life skills training that enable them to increase their economic opportunities and prevent future homelessness. Residents are expected to pay 30% of their gross income toward rent and utilities, and those who do not have any income upon program entry are expected to consistently work toward income.

7. *(10 Points)*

Identify how the proposal meets one or more of the City Council's CDBG Priorities:

Note: *Your project doesn't have to address every Council Priority.*

- Housing – Rental/ Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Development

The purchase of a second *Closing the Gap* location meets the Flagstaff City Council CDBG Priority of Homelessness. The facility will provide permanent supportive housing for men with substance abuse issues who are also experiencing homelessness. *Closing the Gap* meets a critical community need for stable housing and services for this vulnerable population. Immediate assistance is often limited to short-term detoxification at The Guidance Center or Flagstaff Medical Center's emergency department. Often, longer-term residential substance abuse programs are full or geographically distant. An unfortunate scenario that occurs all too often is a person experiencing homelessness completes detoxification or substance use disorder treatment and then is expected to reintegrate into the community without stable, supportive housing. This only continues the cyclical nature of chronic homelessness and substance abuse.

By contrast, *Closing the Gap* residents are provided decent housing and a suitable living environment as well as supportive services that lead to long-term housing stability. Housing eligibility is processed through Coconino County's Front Door Coordinated Entry program in partnership with Flagstaff Shelter Services and Catholic Charities to ensure *Closing the Gap* residents have future opportunities for housing. This project ensures men with substance abuse issues who are also experiencing homelessness have access to permanent supportive housing and appropriate behavioral health and other supportive services.

8. (10 Points)

Agency mission and commitment to diversity, equity and inclusion.

- How will this project advance the agency's mission?
- How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?
- What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?
    - Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.
    - What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?

The mission of Catholic Charities is to "help our community's most vulnerable with solutions that permanently improve lives." We help people transition out of at-risk situations and into stable living environments where they can thrive and achieve the long-term benefits of self-sufficiency. Purchasing a second location for our long-standing *Closing the Gap* program directly supports the mission of Catholic Charities by ensuring men with extreme substance use disorder who are experiencing homelessness have access to permanent supportive housing and the comprehensive services needed to achieve housing stability.

Catholic Charities develops, implements and monitors programs using an equity lens. The agency's Diversity Council is responsible for considering diversity of age, gender, race, ethnicity, abilities, socio-economic status and other characteristics when planning program protocols. This includes everything from printing materials in several languages and ensuring ADA compliance to ensuring regular diversity training for all Catholic Charities staff. Catholic Charities' programs are intentionally designed to be low-barrier and its policies, procedures and practices recognize, respect and respond to the unique, culturally defined needs of individuals and families being served. Cultural competency is an integral part of the mission, values, vision and strategic direction of Catholic Charities. Our agency philosophy regarding clients and staff alike, as well as our board authorized policies and procedures, demonstrates not only an acceptance of diversity in background, culture and lifestyle, but embraces these differences to enhance our ability to provide quality services. Agency staff have experience serving diverse individuals who practice different faiths, speak different languages, and live along the entire economic spectrum. Catholic Charities places great importance on cultural diversity and requires all staff complete four hours of cultural diversity training every two years. This training covers sensitivity to diversity of race, ethnicity, religious faith, age, gender, nationality, and sexual orientation. Agency staff represent 18 countries of origin and speak more than a dozen languages fluently. These in-house resources available to all Catholic Charities programs allow deep understanding of issues related to cultural diversity and acculturation. Our Client's Rights policy is attached at the end of the narrative and the following official statement demonstrates Catholic Charities' commitment to diversity, equity, and inclusion:

> *Catholic Charities Statement on Diversity, Equity, and Inclusion*
> *Approved by PQI Committee December 2020*
> *Catholic Charities does develop, implement and monitor programs using an equity lens. Catholic Charities has a Diversity Council whose responsibility it is to consider diversity of age, gender, race, ethnicity, abilities, socio- economic and other diverse populations when planning program protocols. This includes everything from printing materials in several languages, ensuring ADA compliance, to ensuring regular diversity training for all Catholic Charities' staff. Catholic Charities' policies, procedures and practices recognize, respect and respond to the unique, culturally-defined needs of persons and families being served. Catholic Charities adheres to the Council on Accreditation's Client Rights policies and procedures throughout our organization and programs ensuring all clients are treated with dignity.*

9. ***(5 Points)***

If applicable, indicate whether the project takes place in one of the four target neighborhoods.

- Southside
- Sunnyside
- Plaza Vieja
- Pine Knoll

The *Closing the Gap* facility to be purchased with these CDBG 2021 funds is not located in one of the four target neighborhoods.

10.*(10 Points)*

Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan.

Include activity, special population if applicable, priority level and 5 year goal

Closing the Gap is consistent with the needs, priorities, goals, and objectives identified in the City of Flagstaff's draft 2021-2025 Consolidated Plan. It provides low-income individuals with activities that address homelessness. By purchasing a second *Closing the Gap* facility, this project addresses the following from the proposed 2021-2025 Consolidated Plan Goals:

Priority Need: Addressing Homelessness
Activity: Increase number of emergency/transitional shelter and permanent supportive housing beds
Special Population: Homeless Populations
Priority Level: High
5-year Goal: 10 beds

Catholic Charities began leasing this home as a second *Closing the Gap* location on February 1, 2021, with the intention of leasing it temporarily until CDBG 2021 funds became available to purchase the property. Therefore, this project will directly support the City of Flagstaff's goal by providing 7 of the 10 permanent supportive housing beds desired in the draft City of Flagstaff 2021-2025 Consolidated Plan. 70% of the city's goal would be reached by calendar year-end 2021.

Over the course of five years, this project is expected to provide permanent supportive housing and comprehensive services to approximately 50 individuals experiencing homelessness with extreme substance use who are high utilizers of community resources.

11. *(10 Points)*

Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding <u>local</u> needs within Flagstaff city limits.

How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.

Closing the Gap provided much needed services for men experiencing homelessness with extreme substance use who are high utilizers of costly community resources, such as police, ambulance, EMT,

hospitals and jail. Catholic Charities currently operates one *Closing the Gap* location, with a second location, the subject of this application, opening soon. Especially in light of COVID-19, it is imperative Flagstaff increases access to permanent supportive housing, and this second *Closing the Gap* location will do just that. It will provide seven additional permanent supportive housing beds within Flagstaff city limits.

In addition to the natural support systems and relationships formed while residing in a *Closing the Gap* home, residents also have decent, safe housing and a suitable living environment. This decreases the likelihood they will fall back on behaviors triggered by environmental cues they experienced while unsheltered. In short, stable housing positively impacts individuals' health, and this benefit can be quantitatively measured. According to data from Northern Arizona Healthcare, after moving into the program's facility, *Closing the Gap* residents utilize hospital services less frequently than they did prior to joining the program. Between 2018 and 2021, individuals who would later become *Closing the Gap* residents had a total of 268 cumulative hospital encounters prior to their participation in the program. We are happy to report there were only 104 cumulative encounters among these same individuals while they lived in the house. This represents a more than 60% reduction in hospital encounters! Residents of *Closing the Gap* were also high utilizers of emergency department services prior to their participation in the program. Between 2018 and 2021, individuals who would later become *Closing the Gap* residents had a total of 148 emergency department visits prior to their participation in the program. During their tenure as *Closing the Gap* residents in the same period, that number decreased to just 58, nearly a 61% improvement! Additionally, prior to moving into *Closing the Gap*, relatively few clients utilized The Guidance Center's services, representing just 55 encounters between 2018 and 2021, for a total cost of $13,145. At an average of just $239 per encounter, this option is clearly preferable to emergency department services. However, during their stay at *Closing the Gap*, residents increased their utilization of The Guidance Center's services more than ninefold, for a total of 510 encounters. The total cost of these encounters came out to $21,559 – just $42.28 per encounter. By providing permanent supportive housing using a harm reduction model, as well as helping residents connect with non-emergency services to treat underlying behavioral and physical health conditions, *Closing the Gap* saves on hospital and other community resources and clients gain access to more appropriate services.

Criminal justice involvement also improves with participation in *Closing the Gap*. According to data from the Flagstaff Police Department, cumulative arrests dropped among residents of *Closing the Gap* from 39 in 2018 to 21 in 2020. According to the Vera Institute, the average cost per arrested and detained inmate in Arizona is about $25,397. This means the savings to our community reached approximately $457,146 through the decrease in criminal justice events. As shown by the incredible success *Closing the Gap* has demonstrated among residents of the program's first location, this project represents a cost-effective approach to lowering the community costs associated with high utilizers of public services.

Increased life skills among participants are another solid indicator of program success. In 2018, residents had a total of 11 arrest warrants, but that number fell steadily to just three in 2020. This is a 36% reduction, suggesting clients faced and cleared more of their warrants during and after residency at *Closing the Gap*. Additionally, this statistic suggests that after clearing warrants, clients did not receive additional warrants at the same rate as before their residency at *Closing the Gap*. It also suggests an increase in life skills gained by program participants to stay accountable for their actions and reverse trends toward criminal actions. Another indicator of life skills attainment gained by residents of *Closing the Gap* is, when looking at client victimization rates among all program participants, the numbers fall in a similar pattern to the warrant arrests mentioned above. In 2018, residents reported eight victimization instances. That number fell to six in 2019 and five in 2020. This is a 37.5% improvement in clients' victimization rates, suggesting that participation in *Closing the Gap*, through stable housing and

wraparound case management and behavioral health services, equipped clients with the skills necessary to manage potential conflict and navigate unsafe situations with more finesse, protecting their own safety in the process.

Beyond CDBG requirements, *Closing the Gap* outputs and outcomes will be measured on a monthly and quarterly basis and reviewed by a collaborative committee at regular meetings. *Closing the Gap* and The Guidance Center will meet on a monthly basis to review data, discuss concerns regarding residents or neighbors, and review the program for necessary changes for continued process improvement. Baseline data regarding emergency department utilization and hospitalizations will be obtained for each resident and post-involvement utilization will be tracked by number of visits and estimated cost. The average length of participation in the program as well as barriers to transitioning from the program to independent, stable housing will be tracked. Based on data received, qualitative and quantitative evaluation tools will be developed to assist residents who have reached the average length of participation identify barriers and new objectives to attain independent, stable housing. Finally, inflow and outflow data will be tracked against employment, income, and hospitalization data to obtain a list of actionable items that alert staff when a resident is approaching an optimal moment to transition to long-term, stable housing.

12. ***(10 Points)***

Briefly describe the scope of the community collaboration surrounding the proposed project.

- Be specific, citing additional leverage[3] funding sources, agreements, staffing partnerships, etc.
- If formal partnerships[4] exist, please include documentation of all leveraged resources and identify leverage in budget.
- Attach letters of community collaboration/support for the specific project.

Collaborations with social service agencies, healthcare providers, and government agencies are essential to the success of *Closing the Gap*. Catholic Charities has a formal partnership with The Guidance Center (MOU attached) to ensure *Closing the Gap* residents have access to appropriate behavioral health care and treatment options. The Guidance Center and Catholic Charities provide resources to support each resident through the transition of all areas that encompass and improve opportunities for recovery.

[3] Leveraged funds are specific non-city, non-federal (unless specifically allowed) funds committed toward this project.

[4] Formal Partnerships are contractual agreements that exist between two agencies. Informal partnerships are existing proposed business relationships not formalized by contract or funding agreement.

Housing eligibility is processed through Front Door Coordinated Entry in partnership with Flagstaff Shelter Services and Catholic Charities to ensure the residents have future opportunities for housing after their participation in *Closing the Gap*. See attached letter from Front Door.

Catholic Charities also collaborates with a number of Flagstaff agencies through informal partnerships in order to provide services and referrals to *Closing the Gap* residents. Additionally, the agency has established, active relationships with the Flagstaff police and fire departments as well as the Coconino County Sheriff's Office. Other agencies *Closing the Gap* collaborates with include Flagstaff Shelter Services, The Flagstaff Family Food Center, Health Choice Arizona, Coconino County Continuum of Care, Sunshine Rescue Mission and Northern Arizona Veteran's Resource Center. Some specific examples of our collaborations include:

1. Housing Solutions of Northern Arizona serves as a referral partner to help *Closing the Gap* residents with decent, affordable housing once they decide to leave the program.
2. Referrals are made by Northern Arizona Healthcare discharge planners to provide individuals with the resources they need to avoid stressors which could lead them back to inpatient care.
3. Regular contact is made with the Veterans Administration's Healthcare Worker, Housing Voucher Case Manager and Job Services Coordinator to provide clients who are veterans with additional resources.
4. Job skills training and workforce development activities are provided through Goodwill Industries of Northern Arizona.
5. *Closing the Gap* is a member of the Coconino County Criminal Justice Coordinating Council which consists of representation from city and county law enforcement, probation, court officials and behavioral health professionals. This group has been reviewing data regarding the *Closing the Gap* program related to arrests and jail, emergency department visits and behavioral health increases and is in full support of the expansion of this program in order to provide permanent supportive housing to more individuals.
6. Coconino County Health & Human Services provides assistance in obtaining birth certificates from other states for clients in need of obtaining identification.

The expected cost of the facility to be purchased by this CDBG 2021 funding is $400,000, though the exact price will be determined by an appraisal of the property once Notice to Proceed has been received, plus $3,000 for closing costs. Leverage funding of $3,000, supported by attached documentation, for closing costs has been secured by Catholic Charities Community Services. Additionally, we expect Catholic Charities USA to provide $100,000 in leverage funding.

Catholic Charities Community Services has also committed leverage funding for program operations as in-kind donations of furniture and household supplies ($3,000) and cash ($15,604). Additional leverage for program operations has been received from Steward Health Choice ($30,000) and the City of Flagstaff through CDBG-CV funding ($73,643.60). These leveraged funds are supported by attached documentation.

Included in this proposal is a pro-forma budget to demonstrate that funds have been secured for ongoing *Closing the Gap* program operations. The budget represents a secured program cost to ensure vulnerable clients receive not just housing, but also the support services necessary to keep them housed and further

reduce the cost burden to public services that would occur if these clients were not housed. Additionally, supports are provided to assist residents in achieving housing stability beyond this program, allowing us to serve additional members of our community.

13. (10 points)

Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.

As evidenced by the attached letter, Catholic Charities is not only a participant in Flagstaff's Front Door coordinated entry system but is one of two entry points for the program.

14. *(10 Points)*

Briefly describe:

- The organization's history administering this or similar projects.
- The organization's realistic capacity for undertaking this project.
- Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.
- Was the agency ever asked to return awarded funds for cause?
- Has your agency ever requested a budget amendment or contract extension? If yes, why?

Founded in 1933, Catholic Charities has a long history of serving people of all faiths, backgrounds, and abilities throughout central and northern Arizona. Our 23 programs are designed to, and staff are skilled at, moving individuals and families out of crisis and at-risk situations and into stable living conditions where they can thrive. Catholic Charities leverages partner agencies and resources to create the greatest impact possible in an effective manner. Our organization serves over 23,000 lives each year and is held to the highest standard of service through the Council on Accreditation.

Catholic Charities has more than 26 years of experience helping individuals experiencing homelessness find permanent, affordable housing. The agency has adequate administrative system and staffing capacity available to carry out the proposed activity as well as comply with CDBG regulations. Catholic Charities currently administers the following programs in northern Arizona:

-Homeless Outreach: Outreach teams search streets and forests for persons experiencing homelessness and a serious mental illness, substance use disorder, or co-occurring disorder, connecting them with life-sustaining supplies, healthcare, other services and ultimately housing.

-Supportive Services for Veteran Families: This program provides case management, rapid rehousing options and ongoing services for very low-income veterans and their families who are experiencing homelessness or are at risk of homelessness.

-Emergency Shelter: A three-unit facility serves as emergency shelter for families for up to four months in Coconino County. Case management and referrals are also offered.

-Permanent Supportive Housing: Over 100 apartment units in Flagstaff, Winslow and Page are available for families and individuals with a HUD qualifying disability. Many of these clients experienced chronic homelessness.
-Jail Re-entry Housing Program: Provides safe, stable housing for individuals exiting Coconino County jail.
-Financial Education: Provides financial literacy education and behavior change strategies to help families and individuals move out of poverty.
-Families FIRST/In-Home Programs: Provides services to families referred by the Arizona Department of Child Safety for help with substance misuse and family support.
-Foster Care/Adoption: Facilitates training for proposed foster parents and counseling services for pregnancy, parenting and adoption.

Catholic Charities manages an annual budget of over $42 million which includes nearly $32 million in city, county, state, and federal grants and contracts and includes CDBG funding. Catholic Charities' Board of Directors, management, and other personnel contribute to the organization's ability to safeguard its assets, use its resources economically and efficiently, and produce accurate and reliable financial information. A two-tiered approach to fiscal management is utilized. Agency-wide financial policies and procedures govern a variety of post-award requirements including cost allocation, procurement, use of Federal funds, etc. At the program level, all expenditures are approved by the supervisor to ensure they are allowable and reasonable. Program staff are also responsible for ensuring that any procurement policies and procedures are adhered to. At the agency level, the Chief Financial Officer and his team are responsible for the ongoing monitoring of financial operations, ongoing communication with the Board of Directors, and resolving any issues that may be identified through the annual audit.

Catholic Charities currently holds 38 state and federal grants/contracts spanning programs across central and northern AZ including Head Start, refugee programs, foster care, homeless services, veteran services and more. Three current contract examples are:
U.S. Department of Veteran Affairs – October 1, 2019 - $894,698
U.S. Department of Health and Human Services – September 30, 2020 - $370,766
AZ Dept. of Child Safety – February 1, 2021 - $2,298,000

Catholic Charities has administered numerous successful CDBG contracts by complying with federal statutes associated with the contract. The agency has never been asked to return awarded funds. Catholic Charities has requested a budget amendment for some state and federal grants. These amendments were due to budgeted items costing less or more than anticipated and needing to redirect funds to/from other areas within the scope of work.

15. ***(10 Points)***

Divide the execution and administration of the project into areas of responsibility by providing the following:

- **Names, titles,** and **resumes** of all staff involved with carrying out these areas of responsibility.
- Job descriptions for any new positions created for the proposed project.
- Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).
- Distinguish between in-house agency staff and contracted assistance.
- Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.

Steve Capobres will be the project manager overseeing the utilization of these CDBG 2021 funds to purchase the *Closing the Gap* facility. Since 2011, Mr. Capobres has been Catholic Charities' Vice President of Business Development and Executive Director of Housing for Hope, a non-profit affiliate of Catholic Charities, whose mission is to develop, own and maintain decent affordable housing for low-income families and individuals.

The program administrator for ongoing operations of *Closing the Gap* is Camie Rasband, Catholic Charities' Director of Homeless Services in northern Arizona. Ms. Rasband has been with Catholic Charities for over ten years as a Housing Case Manager, Housing Supervisor and now Homeless Services Director. She has overseen various housing programs for special populations throughout northern Arizona and currently co-chairs the Coconino County Continuum of Care. She is also Co-Chair of the Arizona Balance of State Governance Board. She has been a leader in both the *Closing the Gap* program as well as Front Door Coordinated Entry. Ms. Rasband will oversee the property management, leasing and client housing support for the project's ongoing operations.

Program supervisor for *Closing the Gap* will be Sarah Rendon, Catholic Charities' Housing Supervisor. Ms. Rendon has been with the agency since 2019 and has over eight years of experience working with individuals experiencing homelessness and providing case management.

Catholic Charities' Homeless Services Team Lead, Tatum Covey, who has been with the agency since 2017, will provide *Closing the Gap* case management and lead a team of housing case managers. *Closing the Gap* case managers are fully trained in Strengths-Based Case Management, Trauma-Informed Care, Crisis Intervention, De-escalation, and Mental Health First Aid. Catholic Charities employs two individuals in our homeless services programs who are certified "Train the Trainers" for Mental Health First Aid, a critical training in order to effectively serve this vulnerable population.

Contracted behavioral health services will be overseen by Lauren Lauder, CEO of The Guidance Center. She began her collaboration with *Closing the Gap* as Vice President of Southwest Behavioral & Health Services covering the five northern counties of Arizona. She has extensive experience working with community partners as well as direct service with clients with substance use disorder residing in rural counties. Ms. Lauder will oversee the recovery aspect of *Closing the Gap* by supervising the peer and recovery support personnel as well as the crisis responders from behavioral health.

Resumes are attached for the above-named in-house and contracted staff. Additionally, while we do not expect to hire anyone to carry out the purchase of the *Closing the Gap* facility, Catholic Charities' job descriptions for all positions involved with the purchase and the program's ongoing services are included to demonstrate the professionalism provided by this program.

16. ***(10 Points)***

Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following:

- A proposed schedule in the provided Excel format.
- A narrative summary describing the expenditure of CDBG Funds.
- Explain the rate of expenditure and the predicted progress of the proposed schedule.
- An estimated completion of project.
  Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.

Catholic Charities will work to secure additional funding once this CDBG funding request is approved by the Flagstaff City Council. When the Notice to Proceed is issued, Catholic Charities will execute a contract to purchase the *Closing the Gap* facility currently being leased, and escrow will be opened with an estimated closing date within 60 days from date of contract. At time of closing, all CDBG 2021 funds will be expended. Catholic Charities anticipates spending down the entirety of the funds requested, thus completing the project, by December 31, 2021.

Project Schedule	
City of Flagstaff	
Project Description:	Closing the Gap
Implementing Agency:	Catholic Charities Community Services
Project Number:	
Persons Served:	10 approximately

Date Submitted:	2/13/2021

Action Items:	Item Desription	YEAR: 2021 1st Month Begins with the Notice to Proceed											
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th
1	Contract Execution												
2	Inspection Period in Escrow												
3	Purchase Complete												
3	Monthly Reporting												
3	Contract Monitoring and Close Out												

17. ***(10 Points)***

Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary describing exactly for what CDBG funds will pay.

- Include any contract bids or quotes for construction projects.
- Include leverage amounts listed in Question 10.

Project Description:	Closing the Gap - Home Purchase
Implementing Agency:	Catholic Charities Community Services
Project Number:	
Persons Served:	10
Date:	Program Year 2021

Item and		Source 1	Source 2	Source 3	Source 4	

Activity	Item/Activity Desription	City of Flagstaff	Other Grant	Leverage	In-Kind	Project
		CDBG	FUNDING	FINANCING	DONATIONS	TOTALS
1	**Program or Project Related Expenses**					
A	Home Purchase	$ 300,000.00	$ 100,000.00			**$400,000.00**
B	Closing Costs				$3,000.00	**$3,000.00**
C	Program Operations		$ 107,643.60		$18,604.40	**$126,248.00**
D						
E						
F						
G						
H						
I						
2	**Administration**					
A	Salaries					
B	Agency Indirect					
3	**Facility Value**					
A						**$410,000.00**
4	**Grant Leverage Resources**					
A	Catholic Charities USA		$100,000.00			
B	Health Choice/CDBG Cares I/client rent		$107,643.60			
CDBG Totals						
Totals		$300,000.00	$207,643.60		$21,604.40	$529,248.00

As referenced in the attached budget, Catholic Charities is requesting $300,000 in CDBG 2021 funding. This award will be applied in its entirety to the purchase of the 1,556 sq ft, 3-bedroom 1.75-bathroom house in east Flagstaff to serve as a second *Closing the Gap* location. This project represents a cost-effective approach to lowering the community costs associated with high utilizers of public services. At any given time, this house will provide permanent supportive housing for seven unrelated men who are experiencing homelessness, struggling with substance misuse, and known to be high utilizers of police, fire, ambulance, EMT and/or jail services.

Catholic Charities is currently leasing this home with CDBG Cares Act funds. Purchasing this facility will provide permanency and improved program sustainability by giving Catholic Charities control over the property. It will also lower program costs by allowing current leasing dollars to be rerouted to operations.

The purchase price will be approximately $400,000, though the exact price will be determined by an appraisal of the property once Notice to Proceed has been received. The additional $3,000 needed for closing costs is secured through leverage funding provided by Catholic Charities. Additionally, we expect Catholic Charities USA to provide the remaining $100,000 in funding needed to purchase the property.

Though these CDBG 2021 funds are for the purchase of the *Closing the Gap* facility, we have also included a pro-forma budget to demonstrate that funds have been secured for ongoing program operations. The budget represents a secured program cost to ensure vulnerable clients receive not just housing, but also the support services necessary to keep them housed and further reduce the cost burden to public services that would occur if these clients were not housed. Additionally, *Closing the Gap* provides supports to assist residents to permanent stability beyond this program, allowing Catholic Charities to serve additional members of our community. Leverage funding for program operations will be provided by Catholic Charities as in-kind donations of furniture and household supplies ($3,000) and cash ($15,604). Additional leverage for program operations has been received from Steward Health Choice ($30,000) and the City of Flagstaff through CDBG-CV funding ($73,643.60).

SUMMARY OF CLIENT RIGHTS and RESPONSIBILITIES

ALL CLIENTS WILL BE AFFORDED THE FOLLOWING BASIC RIGHTS

1. You will be treated with dignity, respect and consideration.
2. You will have the right to all available services without discrimination because of age, race, gender, religion or national origin, sexual orientation, physical or mental disability, or HIV status.
3. You have the right to refuse service or withdraw consent to service.
4. You have the right to refuse to participate in research.
5. You have the right to confidentiality.
6. You have the right to review, upon written request, your record.
7. You have right to legal counsel and all other requirements of due process.
8. You have the right to submit a grievance without the fear of retaliation.
9. You have the right to a smoke-free environment.
10. You have the right to receive service, fee and refund information.
11. You have the right to include other family members or significant others in decisions regarding the services provided.
12. You have a right to receive a copy of financial, grievance policy, client rights, consent for treatment, and confidentiality information.
13. You have the right to the freedom to express and practice religious and spiritual beliefs.

ALL CLIENTS HAVE THE FOLLOWING RESPONSIBILITIES

1. You are responsible for your verbal and non-verbal behavior.
2. You will not threaten or harm another person while at Catholic Charities. This will result in immediate discharge and possible legal charges.
3. You will actively participate in your program.
4. You will attend all meetings or give at least 8 hours advanced cancellation notice if the
   meeting must be canceled.
5. You will schedule appointments during normal business hours as posted at each region.
6. You will pay all fees, if any, at the time of contact unless other arrangements have been made.
7. You are responsible for providing relevant information as a basis for receiving services and participating in service decisions.

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Catholic Charities**

Amount of Funds Requested: **$300,000**

Name of Project: **Closing the Gap Facility Purchase**

☐ Public Service

☒ Housing

☐ Economic Development

Additional Considerations:

$42,857/Person (1st Year Only)/$7,000 over 6 years assuming 1 year of residency per person Ratio of dollars per person benefitted by proposed project

0% Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

Yes Has your organization administered a successful CDBG contract in past years? (yes or no)

153 Total Points out of 165 possible

Questions 1-4 are not applicable to this application

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5. How well does the answer explain the proposed scope of the project? Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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21. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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22. How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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23. How well does the answer explain how the project advances the agency's

mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

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10. How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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11. How well does the answer justify the local need for the proposed project within

Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

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13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) **Yes (10 points)**

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14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

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16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The Ranking Committee felt that more data on the home value, such as an appraisal or neighborhood comps, would have been helpful.

General Criteria:

21. How realistic is this project in terms of probability of success within the community? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

22. How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule? (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

23. How realistic is the project budget? Was the correct format used? Does the budget include: (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

Comments: There was no leverage included in the budget. The Ranking Committee would have liked to see a proforma for program operations for the

next 5 years. Do the rent payments generate all funding needed to continue wrap around services and programing in the event of operational dollars from other grants being lost?

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24. **Has the applicant exhibited competence in preparing the proposal?** (10 points)
    Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

DUNS #: 799570114
SAM #: 46QB1

Primary Contact:
Devonna McLaughlin, Chief Executive Officer
Direct: (928) 440-6194
devonnam@housingnaz.org

Executive Summary

Agency requesting funding: Housing Solutions of Northern Arizona, Inc. (HSNA)

Agency DUNS Number: 799570114

Agency CAGE Number: 46QB1

Are you a participating member in the Coconino County Continuum of Care? Yes

Amount of funds requested: $257,896.00

Project Name: Owner-Occupied Housing Rehabilitation

Please indicate the following agency representative/primary contact person for this project:

Name: Devonna McLaughlin
Title: CEO
Mailing Address: PO Box 30134, Flagstaff, AZ 86003
Fax Number: (928) 774-6937
E-mail: devonnam@housingnaz.org
Phone Number: (928) 214-7456

Brief project description (4 to 5 sentences): HSNA is seeking City of Flagstaff CDBG funds to create an Owner-Occupied Housing Rehab program (OOHR) similar to the one administered by the City of Flagstaff Housing Section in the past. This program will provide grants and/or no interest, no payment loans to low-income households, enabling them to repair critical home systems (heating, hot water, roofing, electrical) to ensure their homes are safe and provide a decent & suitable living environment. Too often, low-income households and those living on fixed incomes don't have the financial resources to repair their homes if there is a disruption to a critical housing system. When the heat doesn't work, or the roof leaks or the electricity constantly shorts out, families are at risk. Delaying repair makes smaller problems more significant and harder (more expensive) to fix. The HSNA Owner-Occupied Housing Rehab program will ensure low-income owner-occupied households live in decent and safe homes.

Total estimated # of persons to be assisted: 5 Households = 13.05 persons estimated served.

Council CDBG priority (mark all that apply):

- ☒ Neighborhood Revitalization
- ☒ Housing – Rental and Ownership
- ☐ Homelessness
- ☐ Workforce Job Training

Will the activity take place in a target neighborhood?

- ☐ Southside
- ☐ Sunnyside
- ☐ La Plaza Vieja
- ☐ Pine Knoll

Special population (if any) to be assisted:

- ☐ Abused Children
- ☒ Elderly Persons
- ☒ Severely Disabled Persons
- ☐ Victims of Domestic Violence
- ☐ Persons with HIV/AIDS
- ☐ Migrant Farm Workers
- ☐ Persons experiencing homelessness
- ☐ Illiterate Adults

Name of authorized representative: Devonna McLaughlin Title: CEO

Signature: _____ Date: February 22, 2021

Please respond to the following questions in the order listed. Reformat as necessary. Make sure to include the entire question in your response.

Answer questions 1 - 3 for *Public Service submissions only*

1. ***(10 Points)***
   Mark the public service activity that best fits your proposed service.
   For a definition of the below categories visit:
   https://www.hudexchange.info/resources/documents/Basically-CDBG-Chapter-7-Public-Services.pdf
   - **Employment services (e.g., job training)**
   - **Crime prevention and public safety**
   - **Childcare**
   - **Health services**
   - **Substance abuse services (e.g., counseling and treatment)**
   - **Fair housing counseling**
   - **Education programs**
   - **Energy conservation**
   - **Services for senior citizens**
   - **Services for homeless persons**
   - **Welfare services (excluding income payments)**
   - **Recreational services**
   - **COVID-19 Preparation, Prevention and Response services**
   - **Other**

   Our proposed project is not a public service activity. This question is not applicable.

2. **Clearly define how the proposed service is one of the following:**
   - **A new service.**
   - **A quantifiable increase in the level of an existing service.**

   Our proposed project is not a public service activity. This question is not applicable.

3. **Discuss similar services that are offered in Flagstaff and how the proposed service is different than what is already offered to the community (e.g. what gap will the proposed service fill?):**
   Our proposed project is not a public service activity. This question is not applicable.

Answer question 4 for *Economic Development submissions only*

4. ***(1 Point)***
   Economic Development activities create jobs or support businesses in low income neighborhoods or for low income people. Please check one of these eligible activities if applying under the Economic Development category.
   Definitions for the below categories can be found at:
   https://www.hudexchange.info/resources/documents/Basically-CDBG-Chapter-8-Section-108.pdf
   - **Special economic development**
   - **Economic development undertaken by a Community Based Development Organization (CBDO)**
   - **Technical assistance to businesses**
   - **Microenterprise development**
   - **Commercial rehabilitation**
   - **Public facilities and improvements**
   - **Job Training (not including job training offered as a public service)**

Our proposed project is not an economic development activity. This question is not applicable.

Answer the following questions for ALL submissions:
Please ensure that each question is accompanied with a thorough answer in the proper order. Repetition is acceptable.

5. *(10 Points)*

Describe the proposed scope of the project, including:

- **An estimated number of <u>persons</u> who will receive assistance from the proposed activity (an average of 2.61 people per household).**
- **Whether or not the proposed activity prepares for, prevents and/or responds to COVID-19 and how.**
- **The current status of this project (i.e. planning stage, resubmission from last year, feasibility study completed, etc.)**
- **Attach construction or concept plans with a scope of work if applying for construction or rehabilitation funding (required if applicable).**
- **Attach a price estimate or quote if applying for construction or rehabilitation funding (required if applicable). Multiple quotes are encouraged to ensure an accurate estimation of project costs and to anticipate inflation.**

Housing Solutions of Northern Arizona, Inc. (HSNA), will utilize CDBG funding from the City of Flagstaff to implement an Owner-Occupied Housing Rehab Program (OOHR). The program would be similar to one offered through the City of Flagstaff Housing Section in the past. The City's program has been discontinued at this time; our Housing Solutions' OOHR program would be a new service and NOT a duplication of resources, as it is our understanding the City is supportive of an outside agency taking over administration of the project at this time.

The HSNA OOHR program will provide funding support to help low-income households, earning no more than 80% of the area median income based on household size complete rehabilitation work on their homes to ensure the home is safe and decent. The program can help with emergency repairs and modifications to the home for ADA accessibility. The OOHR program will be divided into two layers of assistance.

The first assistance level is for minor repairs needed for health & safety or accessibility modifications that are less than $10,000.00 in total cost. This program can help, for example, with the replacement of a furnace or a water heater or roof. If a single system is needed to be repaired, the scope of work can be limited to one subcontractor. If this is the case, the assistance will be in the form of a grant that does not need to be repaid to the City of Flagstaff. We estimate that ten households will benefit from the minor repair OOHR program, with an average cost per household of $7,500.

For larger or more comprehensive home repairs (those needing multiple subcontractors and where the repair value is greater than $10,000.00), the scope of work will be discussed and agreed to between AHC Construction/Housing Solutions and the homeowner. Once the scope of work is created, Housing Solutions will work to identify a general contractor who can complete the identified work, utilizing licensed subcontractors. Total cost of repairs cannot exceed $40,000.00 per home. We estimate that four households will benefit from the major OOHR program. Based on historic OOHR program data from the City of Flagstaff, we have budgeted an average cost per household of $32,500. This assistance will be in the form of a silent second loan, which will be recorded against the property. Silent second loans will be repaid if the home is sold, no longer owner-occupied or if the

homeowner refinances their first mortgage to pull equity out of the home. The silent second can be subordinated in the future if the homeowner wants to refinance their first mortgage to reduce their payment or interest rate. Ongoing loan servicing can be done by Housing Solutions of Northern Arizona, or the City of Flagstaff Housing Section, whichever is preferred by the City of Flagstaff.

Total estimated households served through the OOHR program = 14 households (36.54 persons).

The proposed activity does not prepare for, prevent or respond to COVID-19.

The current status of the project is that it is in the planning stages. Until last year, the City of Flagstaff administered their own OOHR program. This administration was done by an employee of the City of Flagstaff, who retired last year. Several years ago, HSNA was contracted by the City of Flagstaff to administer their OOHR program on a short-term basis while staffing was finalized. Greg Pishkur, with AHC Construction & Housing Solutions administered the program for approximately six months. During this time, he worked with homeowners to create a scope of work for repairs. He then advertised the scope of work to local general contractors, completed bid walks with prospective respondents, reviewed bids and awarded the projects to the general contractors. Greg was responsible for making sure the work was done in a workmanlike manner and completed on time and on budget.

If awarded funding for our OOHR program, we have the expertise and experience to re-launch an OOHR program to benefit low-income homeowners in our community in a timely and effective manner.

In addition to construction financing for contractors and subcontractors to complete the rehab work, we are seeking CDBG funding to oversee the program, paying for a 0.5 FTE staff member to work with prospective clients to determine scopes of work, complete lead-based paint and asbestos testing and work with contractors and sub-contractors to complete projects on time and on budget. Angela Koder, our Housing Programs Manager will complete income eligibility determinations for program applicants. Her time is leverage to the CDBG grant, as it will be funded from other grant funding sources. Program oversight and grant administration is also leverage to CDBG funds, as this will be funded from other grant/donation sources.

We will also work with the homeowners to identify minor/cosmetic repairs that can be completed by volunteers. Often, homes in need of OOHR services can also benefit from cosmetic or minor repairs such as exterior landscaping, interior painting, caulking of windows and fixtures, etc. We have volunteer groups who have worked with us in the past to complete minor rehab and cleaning of our Sharon Manor property and scattered-site rentals. As we work to identify a scope of work for OOHR, additional in-kind volunteer services can be offered to homeowners to help them with the minor work that does not require a contractor’s license. We estimate five volunteers will work two hours on each of the 14 homes that benefit from OOHR. Total estimated value of this leverage is $2,100.00.

Because the scope of work of repairs for each OOHR is dependent on the home being repaired, we are unable to provide specific cost estimates. The City of Flagstaff housing section staff has informed us that past OOHR projects averaged in cost between $25,000 and $40,000. That is why we have budgeted $32,500 (the average) for four major repairs. We also know, due to ongoing maintenance of our existing rental properties, that furnace

replacement is approximately $3,500.00, roof replacement (depending on the size of the roof and the condition) is approximately $8,000, and water heater replacement is approximately $1,250.00.

6. ***(10 Points)***

Identify how this proposed project achieves the CDBG Primary and National Objectives by addressing how the project will develop viable urban communities and benefit low-moderate income persons or neighborhoods.

Note: Your project does not need to align to all objectives. Be realistic.

Focus your response on:

- **Providing decent housing**
- **Providing a suitable living environment**
- **Expanding economic opportunities principally for low-moderate income persons or neighborhoods.**

HSNA is proposing to create an owner-occupied housing rehab program, similar to the one administered by the City of Flagstaff Housing Section in the past. This program will provide grants and loans to low-income owner-occupants without the financial means to repair their homes to ensure safety within the home. The program will ensure low-income households have decent housing and a suitable living environment, aligning with two of the CDBG Primary and National Objectives. We understand too many low-income households struggle to pay for larger home repairs and that those repairs can go unaddressed for long periods of time. When home systems are not functional, the home is not safe; individuals living in the home are at-risk of injury and disease when there is not hot water in the home, when the roof is leaking and when the heating systems are not functional. This OOHR program will help address deferred maintenance and emergency repair needs, ensuring the home is decent and that it is a suitable living environment for those who live there.

7. ***(10 Points)***

Identify how the proposal meets one or more of the City Council's CDBG Priorities:

Note: *Your project doesn't have to address every Council Priority.*

- **Housing – Rental/ Ownership**
- **Homelessness**
- **Neighborhood Revitalization**
- **Workforce Development**

HSNA's owner-occupied housing rehab program will meet City Council CDBG Priorities to address housing – ownership and neighborhood revitalization. The program is designed to assist low-income owner-occupants to complete repairs on their homes to ensure the homes provide a decent and suitable living environment. The OOHR program addresses ownership housing, ensuring low-income households can remain in their homes and that those homes continue to provide decent and safe housing. When homes are rehabilitated and made to be safe, the entire neighborhood is impacted. As we rehab homes in Flagstaff, we will be working to revitalize the neighborhood, one house at a time.

8. (10 Points)

Agency mission and commitment to diversity, equity and inclusion.

- **How will this project advance the agency's mission?**
  The mission of Housing Solutions of Northern Arizona is to build opportunity for sustainable, affordable housing in northern Arizona. We meet our mission through a myriad of programs which provide affordable housing opportunities for predominately low-income households in our service delivery area. Our

programs help families along the housing continuum, from those experiencing homelessness (Sharon Manor) to low-income renters, to first-time homebuyers, to our foreclosure mitigation counseling programs, which help families maintain homeownership. The creation of an Owner-Occupied Housing Rehabilitation program under Housing Solutions will further our mission to build sustainable, affordable housing in northern Arizona. We know investing to keep families in their homes is less expensive and more cost-effective than dealing with families who lose their homes. Our OOHR program will keep families in their homes and ensure the homes are safe and decent – this is consistent with our organization's mission and a terrific way to help additional low-income households maintain homeownership.

- **How does the agency assure that all programs and projects serve to promote equity, inclusion, diversity and that the delivery of services are provided with cultural awareness and sensitivity as a priority?**
  HSNA does not discriminate in the delivery of services, the hiring of staff or the recruitment of volunteers. We follow Fair Housing guidelines and actively advertise our non-discrimination policy on our website and in outreach materials. On every page of our website we have the following statement: "Housing Solutions does not discriminate on the basis of age, race, color, religion, sex, gender identity (including gender expression), national origin, disability, marital status, political beliefs or familial status in employment or program services. Special accommodations will be made for the physically challenged, upon request."

  HSNA is a Community Housing Development Organization (CHDO), regulated by the Arizona Dept. of Housing. As a CHDO, we work to develop housing (new construction & rehabilitation) for low-income households. But we also meet criteria for oversight. One third of our Board of Directors meets one of the following criteria: (1) is low-income, (2) lives in a designated low-income neighborhood, or (3) is an elected representative of a low-income group (like the Housing Authority Board of Directors). In addition, four of our current board members (22%) are former clients of Housing Solutions. We believe it is critical to have client input in the design and implementation of our programs to ensure we are meeting the needs of those we are working to serve.

  HSNA has the following organizational values in our statement of values, published on our website:
  Values
  Safe, decent and affordable housing is an essential element for quality of life, and contributes to individual and community success. The entire community shares in achieving housing affordability. Program recipients should actively participate in identifying and obtaining their goals. We are inclusive of the people we serve in developing and delivering our programs, policies and procedures. We treat everyone with dignity and respect.

- **What steps has the organization taken to advance its commitment to diversity, equity, and inclusion?**
  - **Does the agency have established policies and practices supporting diversity, equity and inclusion? Provide any documentation that demonstrates this commitment.**

- **What steps have been taken to strengthen the agency's commitment to diversity, equity, and inclusion?**

HSNA has a history of inclusion and celebrating diversity. We have always followed fair housing and equal housing opportunity guidelines in the delivery of services to clients. We do not discriminate in our hiring practices.

Even though we have always embraced diversity, our organization is re-committed to this value. We have started the process to formally adopt a Statement of Inclusion to better advertise and explain our organizational philosophy. Specifically, the Statement of Inclusion provided below has been reviewed and approved by our Sharon Manor Oversight Committee. It will be presented to our Board of Directors for formal adoption at our regularly-scheduled March meeting. The draft Statement of Inclusion is:
Housing Solutions of Northern Arizona, Inc., and its various programs including Sharon Manor and housing counseling services, is an inclusive and diverse organization; we thrive on inviting unique and diverse individuals into our sphere – clients, employees, volunteers, board members, donors and the community. We understand we are better when we work together. Housing Solutions of Northern Arizona does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), physical or mental disability, marital status, sexual orientation, or military status, in any of its activities or operations. The activities include, but are not limited to, service delivery to clients and prospective clients, the appointment to and termination from its Board of Directors, hiring and firing of staff or contractors, selection of volunteers and the selection of vendors.

9. ***(5 Points)***

If applicable, indicate whether the project takes place in one of the four target neighborhoods.

- **Southside**
- **Sunnyside**
- **Plaza Vieja**
- **Pine Knoll**

The Housing Solutions' OOHR program will serve low-income owner-occupants living within the City of Flagstaff City limits. Although we anticipate serving households who live in target neighborhoods, the project is not limited to these neighborhoods, as we would not want to deny services to a low-income household in need of help who happens to live in another neighborhood.

10. ***(10 Points)***

Identify how the proposed project is consistent with the needs, priorities, goals, and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan. Include activity, special population if applicable, priority level and 5-year goal
The proposed 2021-2025 Consolidated Plan Goals are available at https://www.flagstaff.az.gov/626/Community-Development-Block-Grants.
Our proposed Owner-Occupied Housing Rehabilitation project is consistent with the needs, priorities, goals and objectives identified in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan. Specifically, this project would address the Priority Need: Decent Affordable Housing, Housing Rehabilitation. The 5-year goal identified in this draft is for 20 housing units and it's listed as a high priority level in the Draft Consolidated Plan. The

Consolidated Plan supports CDBG investment in an OOHR program, such as the one we are proposing.

11. ***(10 Points)***

Provide recent statistics, data or other information to define the community need for the proposed project. Please be detailed regarding <u>local</u> needs within Flagstaff city limits. How will you identify success? Describe how your successes will be monitored beyond CDBG requirements.

An Owner-Occupied Housing Rehab program (OOHR) is a critical need for low-income homeowners in our community. The FY2021-2025 HUD Consolidated Plan Executive Summary draft, created by the City of Flagstaff Housing Section identifies Housing Rehabilitation as a high priority level with a goal of rehabbing 20 housing units over the next five years. We know that our Flagstaff housing stock is relatively old; 31.4% of housing units in Flagstaff were built prior to 1980 and are at least 41 years old. Another 21.4% of our housing stock is at least 31 years old. That means that more than half of our housing inventory is 30+ years old. (American Communities Survey) We also know that older houses are more affordable and are more likely to be occupied by low-income households who purchased their homes several years ago or who were able to purchase a lower-priced home, but one that is in need of repairs.

According to the American Communities survey, 22% of households with a mortgage payment are payment more than 35% of their gross monthly income on housing and are housing cost burdened. 7.7% of households without a mortgage payment have housing costs greater than 35% of their gross monthly incomes. These are typically households on fixed incomes who struggle with the ongoing costs of homeownership, even after they have paid off their mortgages.

According to the American Communities survey, 22% of Flagstaff households earn less than $25,000 annually. Another 7.5% earn less than $35,000 annually. The mean household income for households with Social Security income is $19,664. These households would struggle to pay for household repairs.

The City of Flagstaff Housing Section reported that between 1996 and 2020, they assisted 175 households with OOHR assistance. There are currently 91 actively OOHR loans to be repaid by homeowners when they sell or no longer owner-occupy the properties. Although the program has been on pause for a year and the City is not maintaining an interest or waiting list, they report receiving 2-4 calls a month seeking OOHR assistance.

HSNA will identify success if we are able to assist a minimum of 14 low-income Flagstaff households with OOHR assistance within 12 months of receiving our Notice to Proceed. We will evaluate if funding levels were sufficient to help clients applying for the program and if there are changes to the program we'd recommend in the future to make sure we continue to help those in need. We will also seek feedback from homeowners in the program to determine their level of satisfaction with the program and HSNA staff services.

12. ***(10 Points)***

Briefly describe the scope of the community collaboration surrounding the proposed project.

- **Be specific, citing additional leverage[5] funding sources, agreements, staffing partnerships, etc.**
- **If formal partnerships[6] exist, please include documentation of all leveraged resources and identify leverage in budget.**
- **Attach letters of community collaboration/support for the specific project.**

HSNA has a history of collaboration and community support for its programs to meet the housing needs of our community members. For this project, we will be collaborating with volunteers in the community who will provide in-kind support to help homeowners with minor, cosmetic repairs to their property. For example, volunteers can provide landscaping help, interior painting, etc. We may also have volunteers and our HSNA maintenance staff help with in-kind minor repairs such as minor drywall repair, minor plumbing leaks, etc. We have had volunteers support our programs with in-kind work at our Sharon Manor facility and at our scattered-site rental properties in the past. These volunteers have completed landscaping, interior painting, cleaning and other minor repairs. We will seek volunteer support from past volunteer groups once we have a list of homeowners identified and the scope of repairs needed.

HSNA is providing leverage for salaries for eligibility determination, grant administration and marketing/outreach from unrestricted donations we receive each year. The total value of this leverage is $11,000.00. We have included a letter from Devonna McLaughlin, CEO to document this leverage. We are also providing in-kind office space for the OOHR program administrator, valued at $100/mo.

13. (10 points)

Is your agency participating in the coordinated entry, also known as Flagstaff's Front Door? If so, please provide the agencies MOU or a letter from the Continuum of Care.

Yes. HSNA is an active participant in the Continuum of Care; our CEO serves on the CoC executive committee. HSNA participates in Front Door. We take referrals for our Sharon Manor Transitional Housing program from Front Door and our Sharon Manor Program Manager participates in weekly case conferencing. Evidence of this participation is provided.

14. ***(10 Points)***

Briefly describe:

- **The organization's history administering this or similar projects.**
  Housing Solutions of Northern Arizona (formerly BOTHANDS, Inc) has a long history of successfully administering CDBG projects in partnership with the City of Flagstaff. In the past, HSNAZ has successfully utilized CDBG funding for new construction as well as rehabilitation projects to increase homeownership and rental opportunities for low-income families. We have also successfully used CDBG funds to provide down payment and closing cost assistance programs, including our currently funded Housing Solutions of Northern

[5] Leveraged funds are specific non-city, non-federal (unless specifically allowed) funds committed toward this project.

[6] Formal Partnerships are contractual agreements that exist between two agencies. Informal partnerships are existing proposed business relationships not formalized by contract or funding agreement.

Arizona Financial Assistance Program (BFAP), which utilizes CDBG funds for financial assistance to low-income households. Since 1999, Housing Solutions of Northern Arizona has partnered with the City of Flagstaff to administer its Community Homebuyer Assistance Program. (BOTHANDS did not administer the program for one year, as the contract was awarded to another agency.) Through our partnership with the City of Flagstaff, Housing Solutions of Northern Arizona successfully administered more than $2.8 million in financial assistance (both CHAP and BFAP programs combined), leveraging $36 million in private mortgages. We also provided homebuyer education and counseling to thousands of families preparing to purchase their first home. This project is similar to our most recent rental development project located at 2606 N. East St. At that site, we utilized CDBG and HOME funds from the Arizona Dept. of Housing to rehab one existing home and build a tri-plex to provide affordable rental housing opportunities. We successfully constructed the homes and leased the units to income-eligible households. Because of our experience in administering CDBG and federally funded projects, HSNAZ is aware of the administrative/reporting responsibilities associated with this grant and with how to ensure household eligibility.

- **The organization's realistic capacity for undertaking this project.**
  Housing Solutions of Northern Arizona has the capacity for undertaking and completing this grant within the timeframe provided because existing staff have the expertise and experience to administer the grant. Our CEO has extensive experience with development and construction projects, have completed several with HSNAZ utilizing federal funding. Our housing counselors are certified through *NeighborWorks* and our organization has adopted and follows the National Homebuyer Counseling Standards. Our Housing Counselors have experience screening eligible households to determine if they are able to rent one of our affordable units. They also have experience providing budget/credit counseling to help families meet their financial goals. In addition, HSNAZ is a HUD-approved counseling agency and, as such, follows HUD guidelines and regulations for file management, client tracking as well as client counseling standards. Finally, our construction company, AHC Construction, LLC, has experience constructing affordable and market-rate units. Greg Pishkur serves as the general contractor for AHC Construction and is the licensing party for our residential and small commercial construction license. Greg has extensive experience working with regulators, architects and engineers, subcontractors and contract laborers to get projects completed. He is also familiar with the administrative requirements of construction projects that utilize federal grants. Greg will serve as a consultant on the project, providing expertise as we work to identify and contract with an independent general construction company.

- **Experience administering federal and state grants and complying with federal statutes. Please provide funding dates and award amounts.**
  In addition to having extensive experience successfully administering and completing CDBG projects in partnership with the City of Flagstaff, Housing Solutions of Northern Arizona also has experience with other federal and state grants. We have successfully utilized HOME funding through the State of Arizona to construct homes in Sunnyside and West Village Estates that helped increase the supply of safe, decent and affordable homes available to low-income working families. Our West Village Estates project was recognized by

the State of Arizona with an Innovative Partnership Housing Hero Award. In May 2014, we completed construction on three new-construction and one rehab rental unit in Sunnyside utilizing HOME funds. This project resulted in four affordable housing units in Flagstaff. We also receive ongoing Supportive Housing Program funds from the federal government passed through the State of Arizona to help with the operational and support services costs at Sharon Manor. In addition to these funds, HSNAZ receives HUD funds through the Rural Community Assistance Corporation for housing education and counseling services. Because we receive funding from HUD, we are obligated to follow HUD standards for homebuyer education and counseling, as well as file management and client tracking. We are audited by HUD and/or RCAC regularly so we can ensure that our procedures and processes are compliant with regulations. We are a sub-recipient of the Arizona Dept. of Housing for National Foreclosure Mitigation Counseling funds (NFMC). These federal funds also require significant program compliance and regular audits. We have also had financial support for homebuyer education and counseling from local banks including National Bank of Arizona, JPMorgan Chase and Bank of America.

Housing Solutions of Northern Arizona/BOTHANDS has worked closely with the City of Flagstaff to successfully administer CDBG grants since the City became a CDBG entitlement community. The staff is familiar with the administrative and reporting responsibilities associated with CDBG grants. As an organization, we have received the following CDBG grant awards from the City of Flagstaff.

Date of Funding	Award Amount	Project
7/2003	$58,141	New Home Construction (31C-03)
3/2006	$100,00	Acq/Rehab (91C-05)
7/2006	$30,000	Individual Development Accounts (101C-06)
7/2007	$107,000	Acq/Rehab (90C-06)
10/2007	$142,000	Housing Subsidy Grants (101C-07)
10/2007	$24,031	Minor Rehab at Sharon Manor (121C-07)
11/2008	$150,000	Acq/Rehab (91C-08)
1/2010	$160,000	Housing Subsidy (101C-09)
6/2010	$150,000	Rehab (91C-10)
6/2011	$200,000	Down Payment Assist (101C-10)

6/2011	$100,000	Down Payment Assist (101C-11)
6/2012	$120,000	Down Payment Assist (101C-12)
6/2012	$60,000	Rehab (91C-12)
5/2013	$138,404	Down Payment Assist (101C-13)
5/2013	$70,337	Job Creation (201C-13)
11/2014	$150,000	Down Payment Assist (101c-14
11/2017	$120,000	Sharon Manor Apartment Rehab
6/6/2020	$258,232.67	Sharon Manor Expansion
NTP Not Issued	$244,400	Sharon Manor Communal Living Rehab

- **Was the agency ever asked to return awarded funds for cause?**
  During the past 18 years, we have never been asked to return awarded CDBG funds for cause. In 2012, we returned CDBG funding for the AFI/IDA program when we were unable to spend the funds on eligible households; however this was not a reflection on the organization's competency. The program was challenged because of the income guidelines of a partner funder as well as the economic downturn.

- **Has your agency ever requested a budget amendment or contract extension? If yes, why?**
  We have asked for, and received, contract extensions in the past to enable us to spend down funding associated with the BFAP down payment assistance program. This extension was needed as home prices increased during the contract period, making it challenging for low-income households to identify homes to purchase within their purchasing power. With the contract extensions, we were able to successful spend down all down payment assistance CDBG funding and successfully close out the contracts.

15. ***(10 Points)***

Divide the execution and administration of the project into areas of responsibility by providing the following:

- **Names, titles, and resumes of all staff involved with carrying out these areas of responsibility.**
  Devonna McLaughlin, CEO (in-house staff) – Devonna is the proposed project manager and would be responsible for overall program design and implementation. She is also responsible for ensuring the project is completed in accordance with grant funder guidelines and will provide reports as required.

Greg Pishkur, General Contractor (in-house staff for AHC Construction) – Greg is responsible for providing in-house construction expertise to Housing Solutions of Northern Arizona. AHC Construction be enlisted to help create scopes of work for the owner-occupied housing rehabilitation projects completed through this CDBG grant program, helping to ensure the repairs are necessary and that all home systems are in good working order.

Angela Koder, Housing Programs Manager (in-house staff) – Angela will work with owner-occupied housing program applicants to complete an income qualification, ensuring the household's income does not exceed 80% AMI. Angela is a HUD-certified housing counselor with Housing Solutions; she has many years' experience in determining program eligibility for housing programs (down payment assistance & foreclosure prevention programs).

Ashley Page, Rental Programs Manager & Business Manager (in-house staff) – Ashley provides property management services for HSNA scattered-site rentals, ensuring we remain compliant with grant funder requirements and that our rental units remain in good condition. She also provides financial management services for the organization, including grant administration, billing and compliance reviews.

- **Job descriptions for any new positions created for the proposed project.**
  We have attached job descriptions for all staff members working on the project. At this time, we are proposing for eligibility determination to be completed by existing housing counseling staff (Angela Koder) and for the construction management/oversight work to be completed by AHC Construction (Greg Pishkur). Project management and program oversight will be completed by the CEO (Devonna McLaughlin) and by our Rental Programs Manager/Business Manager (Ashley Page).

- **Identify the project manager (this person is responsible for the project and must be directly employed by the applying agency).**
  The project manager is Devonna McLaughlin, CEO of Housing Solutions. Devonna is employed by HSNA, the applying agency and in-house staff.

- **Distinguish between in-house agency staff and contracted assistance.**
  This designation has been done as part of the previous question.

- **Include a listing of all staff positions and proposed CDBG funded positions in the Organization Chart, found in Tab 11- organization chart.**
  Please see the Organization Chart in Tab 11. The only CDBG-funded positions through this grant would be for Greg Pishkur, general contractor. CDBG funds would primarily be used for testing (lead-based paint & asbestos) and construction-related expenses.

16. ***(10 Points)***

Tab 7 of the checklist requests a Schedule of Completion for this proposed project. In Appendix C, provide the following:

- **A proposed schedule in the provided Excel format.**
  Please see completion schedule in Tab 7
- **A narrative summary describing the expenditure of CDBG Funds.**

The proposed schedule of completion is realistic and based on HSNA's past experience in administering program assistance and in completing minor rehabilitation projects – those funded in the past with CDBG and those undertaken by our organization on our existing affordable rental units. We understand City Council will make CDBG award determinations in April/May 2021. Based on past experience, we expect the Notice to Proceed to be issued in December 2021 or January 2022. That gives us sufficient time to create program application documents and internal processes to ensure we can launch the program to the public as soon as we receive a Notice to Proceed. If City Council awards funds to the project, we can also start advertising that the program is "coming soon" and begin to create an interest list for the program. This will ensure we have clients who are ready to go once the Notice to Proceed is issued so we can ensure a timely spend-down of funding.

- **Explain the rate of expenditure and the predicted progress of the proposed schedule.**
  Expenditure should occur within 11 months of the Notice to Proceed being issued. We will spend funds consistently throughout the project on program administration and construction oversight. The testing funds will be spent near the beginning of the proposed schedule, as we work with homeowners to create a scope of work. Construction funding will be spent as work is completed on each home with final payment at the end of construction, once the City has inspected the work, AHC Construction has inspected the work and the homeowner is satisfied.

- **An estimated completion of project.**
  Note: The City of Flagstaff has timeliness expenditure requirements with HUD, therefore all contracts need to be spent in a timely manner.
  CDBG funding should be spent within 12 months of issuance of the Notice to Proceed. We understand there is demand in the market for contractors and subcontractors. That is why we would work to advertise and identify potential clients prior to the issuance of the Notice to Proceed. It would be our intention to start with income/eligibility review as soon as the NTP is issued so we can begin working on the scope of work for the first family within 30 days of Notice to Proceed. We hope most of the work will be done within 9-10 months of Notice to Proceed so we can account for delays in materials and labor, if necessary, and still meet our completion timeline.

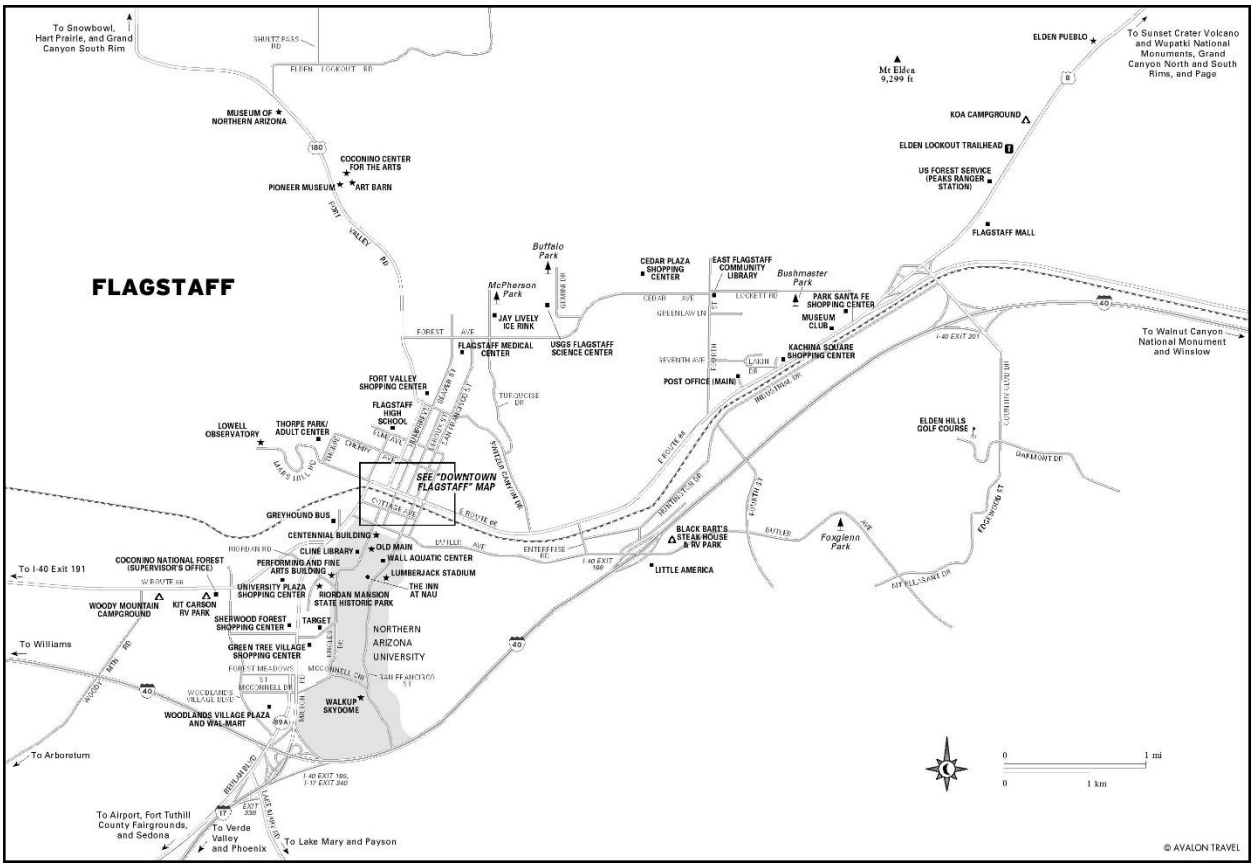
17. ***(10 Points)***

Tab 8 of the checklist requests a budget for this proposed project. In Appendix D, please provide a detailed budget in the provided Excel format, and a narrative summary describing exactly for what CDBG funds will pay.

- **Include any contract bids or quotes for construction projects.**
- **Include leverage amounts listed in Question 10**

In Tab 8, please find the proposed budget for our Owner-Occupied Housing Rehab project. We have also provided a budget narrative.

Tab 5
Map of Project Location



Tab 7-Schedule of Completion

HOUSING SOLUTIONS of NORTHERN ARIZONA

Project Description:	Owner-Occupied Housing Rehab
Implementing Agency:	Housing Solutions of Northern Arizona
Project Number:	
Persons Served:	36.54 (14 households)
Date:	Program Year 2021

Item and Activity	Item/Activity Desription	Source 1 City of Flagstaff CDBG	Source 2 Other Grant FUNDING	Source 3 Leverage FINANCING	Source 4 In-Kind DONATIONS	Project TOTALS
1	**Program or Project Related Expenses**					
A	Program Implementation: Salary & Indirect	26000				**$26,000.00**
B	Minor Construction < $10,000	75000				**$75,000.00**
C	Major Construction > $10,000	130000				**$130,000.00**
D	Lead-Based Paint & Asbestos Testing	21000				**$21,000.00**
E	Temporary Relocation	2100				**$2,100.00**
F	Minor cosmetic repair/maintenance				2100	**$2,100.00**
2	**Administration**					
A	Salaries - Eligibility Determination		3500			**$3,500.00**
B	Salaries - Grant Administration		5000			**$5,000.00**
C	Agency Indirect @ 14.6%	3796				**$3,796.00**
D	Marketing & Outreach		2500			**$2,500.00**
3	**Facility Value**					
A	Office Space				1200	**$1,200.00**
4	**Grant Leverage Resources**					
A	ADOH					
B	United Way					
CDBG Totals		257896				
Totals		$257,896.00	$11,000.00	$0.00	$3,300.00	

TAB 8-Budget

HOUSING SOLUTIONS of NORTHERN ARIZONA

Project Description:	Owner-Occupied Housing Rehab
Implementing Agency:	Housing Solutions of Northern Arizona
Project Number:	
Persons Served:	36.54 (14 households)
Date:	Program Year 2021

Item and Activity	Item/Activity Desription	Source 1 City of Flagstaff CDBG	Source 2 Other Grant FUNDING	Source 3 Leverage FINANCING	Source 4 In-Kind DONATIONS	Project TOTALS
1	**Program or Project Related Expenses**					
A	Program Implementation: Salary & Indirect	26000				**$26,000.00**
B	Minor Construction < $10,000	75000				**$75,000.00**
C	Major Construction > $10,000	130000				**$130,000.00**
D	Lead-Based Paint & Asbestos Testing	21000				**$21,000.00**
E	Temporary Relocation	2100				**$2,100.00**
F	Minor cosmetic repair/maintenance				2100	**$2,100.00**
2	**Administration**					
A	Salaries - Eligibility Determination		3500			**$3,500.00**
B	Salaries - Grant Administration		5000			**$5,000.00**
C	Agency Indirect @ 14.6%	3796				**$3,796.00**
D	Marketing & Outreach		2500			**$2,500.00**
3	**Facility Value**					
A	Office Space				1200	**$1,200.00**
4	**Grant Leverage Resources**					
A	ADOH					
B	United Way					
CDBG Totals		257896				
Totals		$257,896.00	$11,000.00	$0.00	$3,300.00	

Budget Narrative

The proposed budget is reasonable and informed by successes with the City-operated Owner-Occupied Rehab Program. Specifically, we have worked to tier assistance so that smaller projects are grants to low-income households and larger, more complicated and comprehensive rehab projects are loans, which have no payments and no interest, but are repaid when a client sells their home or no longer owner-occupies the property. The City ran their OOHR program as a tiered program in the past with successful results.

We estimate that the average assistance amount for a household utilizing minor rehab funding will be $7,500 per household. This is conservative, and would cover the cost of one major home system repair/replacement, such as a roof, HVAC system, electrical upgrade, etc. We estimate the average assistance amount for a household utilizing major rehab funding will be $32,500. This is based on information received from the City of Flagstaff Housing Section staff, who shared with us their average assistance amount for larger rehab projects was $25,000 to $40,000. The maximum amount of assistance per household will be capped at $40,000. Based on the average assistance amounts listed above, we believe we can conservatively help 14 low-income households.

The proposed cost to administer the project are based on a 0.5FTE position, paid $25.00/hr. This hourly rate is reasonable considering the person who runs this program will need to have construction expertise and be able to work effectively with homeowners to explain the scope of the project, testing results, etc.

We have budgeted for $21,000 in cost for lead-based paint and asbestos testing. This is based on estimates received from Tall Pines Environmental, a local lead-based paint and asbestos testing company. The scope of testing will depend on the scope of the proposed work and/or disruption to the home due to repairs.

City of Flagstaff Housing Section staff shared that temporary relocation costs associated with OOHR are rare, but do happen, if a family is unable to remain in their home during the repairs because electricity, water or gas are shut off. We have budgeted for 14 days of hotel stays @ $150/night.

HSNA will seek volunteers to help with minor, cosmetic repairs and maintenance such as landscaping, interior painting, etc. The budget of $2,100 in in-kind volunteer services reflects 5 volunteers working two hours for each of the 14 households served. Volunteer rate is $15.00/hr., which is minimum wage.

HSNA is able to provide funding to cover the cost of eligibility determination, grant administration and marketing & outreach. We receive funding support from individual

donors, as HSNA is a qualified charitable organization, as determined by the Arizona Department of Revenue. Annually, we receive approximately $100,000 in donations from individuals who then take advantage of the Arizona Charitable Tax Credit. These donations help pay for staff salaries, including costs for our Housing Programs Manager, Business Manager and CEO.

HSNA has office space located at 2304 N. Third St., in the Sunnyside Neighborhood of Flagstaff. We will dedicate a portion of our office space for use by AHC Construction, for program implementation of the OOHR program. We value this space at $1.00/sq ft. and estimate that we'd provide 100 sq/ft of space for program implementation.

Appendix E
CDBG Project Ranking Form 2021/2022

The ranking committee will use this form to evaluate potential projects. Assessments are based on CDBG eligibility criteria and the needs of the citizens of Flagstaff as identified in the draft 2021-2025 Consolidated Plan. Consideration is given to past performance of the submitting organization. A summary of this evaluation is presented to City Council for their review and consideration in making final funding decisions. Maximum potential scores are listed in parenthesis next to the ranking form questions.

Agency Name: **Housing Solutions of Northern Arizona**

Amount of Funds Requested: **$257,896**

Name of Project: **Owner Occupied Housing Rehabilitation**

☐ Public Service

☒ Housing

☐ Economic Development

Additional Considerations:

$19,762/Person Ratio of dollars per person benefitted by proposed project

0% Percent of leverage toward proposed project (must have letters of award for any leverage funds – these funds must also match and be outlined in the budget)

Yes Has your organization administered a successful CDBG contract in past years? (yes or no)

142 Total Points out of 165 possible

Questions 1-4 are not applicable to this application

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5. How well does the answer explain the proposed scope of the project? Does the answer include: (10 points)

- Estimated number of persons to be served
- Whether or not the project prepares for, prevents and/or responds to COVID-19 and how.
- Current status of the project
- Are construction/concept plans attached with a scope of work for construction/rehabilitation projects (this is required if applicable)
- Is a price estimate/quote attached for construction/rehabilitation projects (this is required if applicable)?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

24. How well does the answer explain how the project will achieve the CDBG Primary and National objectives? How well does the response explain how the project will: (10 points)

- Provide decent housing; or
- Provide a suitable living environment; or
- Expand economic development opportunities

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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25. How well does the answer explain whether the proposal meets one or more of the Council's CDBG Priorities (10 points)

Council's Priorities:

- Housing – Rental/Ownership
- Homelessness
- Neighborhood Revitalization
- Workforce Job Training

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

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26. How well does the answer explain how the project advances the agency's mission? Does the answer demonstrate the agency's commitment to diversity, equity and inclusion as well as documented steps taken to strengthen that commitment? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

Comments: Are the demographics of the clients being served measured and representative of the community? The agency doesn't seem to require, encourage, provide any inclusion training for staff.

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9. Does the proposed project take place in one of the target neighborhoods?

Target Neighborhoods: (5 points)

- Southside
- Sunnyside
- La Plaza Vieja
- Pine Knoll

0 5

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10. How well does the answer document that the proposed project will meet the needs proposed in the in the DRAFT City of Flagstaff 2021-2025 Consolidated Plan? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

11. How well does the answer justify the local need for the proposed project within

Flagstaff city limits? Are recent data and/or supportive statistics attached?

How well does the answer describe the way in which the agency will define success beyond CDBG requirements? (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

---

12. Is there evidence of community collaborations that can be effective programmatic support? Does the answer provide evidence of the following?

- Additional leverage
- Agreements, staffing partnerships, etc.
- Are current letters of community collaboration/support attached?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: Additional letters of support from potential referring or partner agencies (Habitat for Humanity, Coconino County, etc) may have strengthened this answer.

---

13. Is the agency participating in coordinated entry (Front Door)? Is a Memorandum of Understanding (MOU) or a letter from the Continuum of Care included?

No (0 points) Yes (10 points)

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14. How well does the answer describe: (10 points)

- The organization's history administering this or similar projects?
- The organization's realistic capacity for undertaking this project?
- The organization's experience administering federal and state grants and complying with federal statutes?
- Has the agency ever been asked to return awarded funds?
- Has the agency ever requested a budget amendment or contract extension? If yes, was reasoning provided?

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

15. Did the answer divide the organization's execution and administration of the project by the following: (10 points)

- **Name**, **titles**, and **resumes** of the staff involved?
- Job descriptions for any new positions?
- Is project manager identified?
- Is a distinction made between in-house staff and contracted assistance?
- Does Tab 6 include all staff positions and CDBG proposed positions?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

---

16. Does Tab 7 (Schedule of Completion) include the following: (10 points)

- A narrative summary describing the expenditure of CDBG Funds
- The rate of expenditure and the predicted progress of the proposed schedule
- An estimated completion of project.

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

Comments: The schedule of completion was not included.

---

17. Does Tab 8 include a comprehensive budget for this proposed project? Is a narrative summary describing exactly what CDBG funds will pay for found in Appendix D? (10 points)

- Are leveraged funding sources identified? Was formal documentation provided?
- For construction contracts, were bids and/or quotes provided?

(None) 0 1 2 3 4 5 6 7 8 9 10 (Extensive)

General Criteria:

25. **How realistic is this project in terms of probability of success within the community?** (10 points)

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very)

---

26. **How realistic is the 12-month Schedule of Completion? Was the correct format used in creating the schedule?** (5 points)

(Not at all) 0 1 2 3 4 5 (Very)

Comments: The schedule of completion was not included.

---

27. **How realistic is the project budget? Was the correct format used? Does the budget include:** (15 points)

- All funding sources to be used for the project, separating CDBG funds from non CDBG funds? (1 points)
- Leverage numbers on budget match to leverage letters (3 points)
- Is a realistic dollar amount assigned to any in-kind contributions? (1 points)
- Overall Budget Evaluation: (10 points)
    - Is the project cost effective?
    - What percentage of the project budget is leveraged funding?
    - What percentage of the budget is for administration?
    - Is the budget logical? Etc.

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15

---

28. **Has the applicant exhibited competence in preparing the proposal?** (10 points)
Thorough and complete answers, well-written, correct grammar, easy to follow format, etc.

(Not at all) 0 1 2 3 4 5 6 7 8 9 10 (Very Much)

City of Flagstaff

Community Development Block Grant

2021-2025 Consolidated Plan, Analysis of Impediments to Fair Housing Choice and 2021/2022 Annual Action Plan

Kristine Pavlik, Housing and Grants Administrator

Purpose & Agenda

- Share priority needs, goals and activities identified for the 2021-2025 Consolidated Plan
- Share findings and goals from the Analysis of Impediments to Fair Housing Choice
- Share agency proposals received for the use of 2021/2022 CDBG funding and provide funding recommendations

- **Agenda**
- Quick CDBG Overview
- Analysis of Impediments to Fair Housing Choice
- Con Plan Priority Needs and Goals
- Proposals Received and Funding Recommendations
- Questions and Discussion

CDBG Overview

What is the Community Development Block Grant?

- Federal grant program administered by HUD.
- Created in 1974 to provide funding for housing and community development activities, serving primarily low to moderate income individuals and households.

Why does the City of Flagstaff receive CDBG funding?

- Metropolitan city, Population > 50,000
- Entitlement Community
- Annual allocation based on a formula

CDBG Overview

National and 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

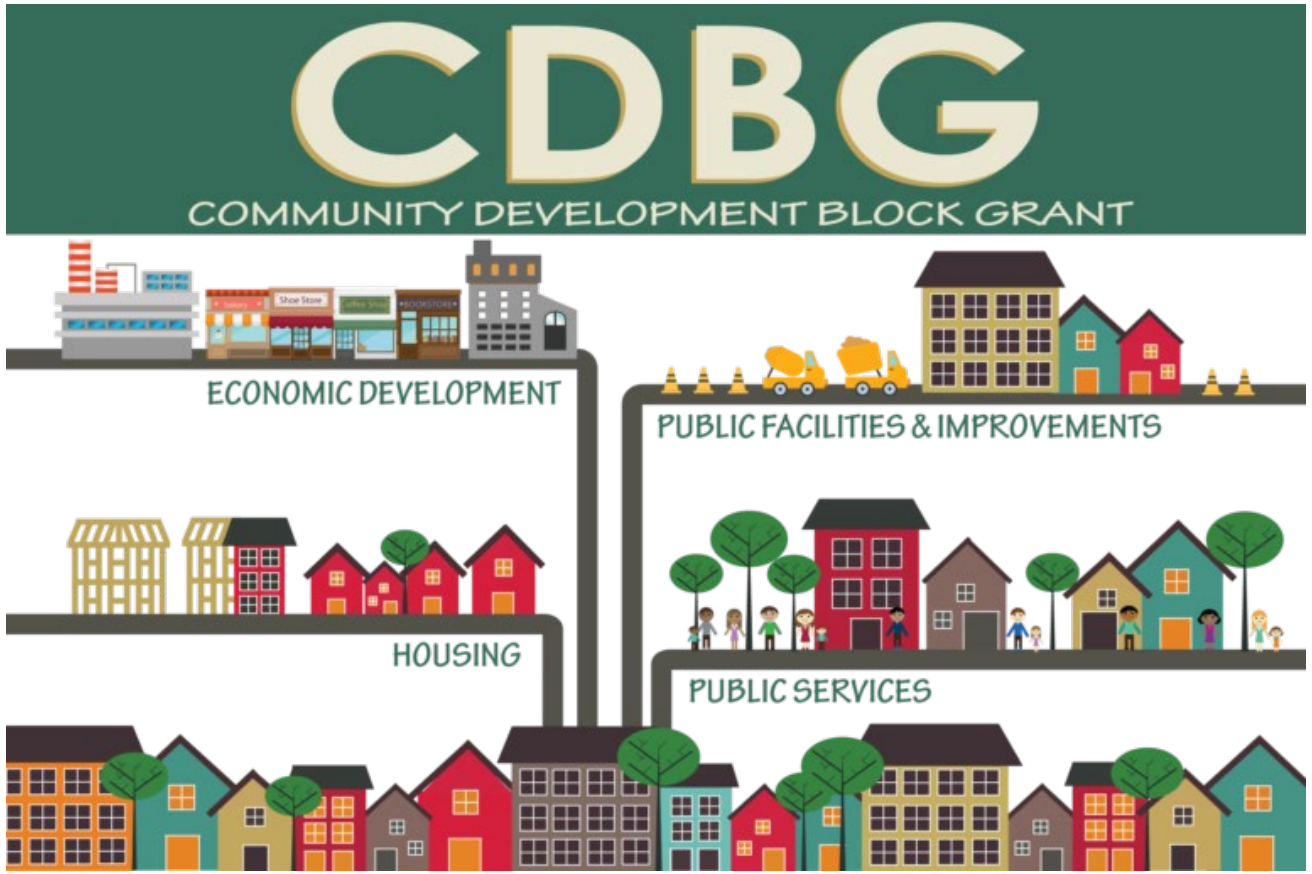
How can the City spend the money?

As the City Council determines based on:

- Needs identified in the Consolidated Plan
- The National Objective
- One or more of the Primary Objectives

CDBG Overview

Benefiting low to moderate income persons



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

1. Limited Clientele
2. Housing Activity
3. Area Benefit
4. Job Creation or Retention Activities

CDBG Overview

Criteria for use of CDBG Funds

- At least 70% of the CDBG funds must benefit low to moderate income persons over the fiscal year (July 1 to June 30)

- Historically CDBG in Flagstaff serves 100% low to moderate income persons

CDBG Overview

How does the City access the funds?

- **Annual Action Plan –** 1 year plan **-** **"**What are we are going to do?"

  Due every May
- **Consolidated Annual Performance Evaluation Report (CAPER) –** 1 year report - "What did we do?" - Due every September
- **Consolidated Plan -** "5-year assessment of housing and community development needs" Every 5 years - Due in May 2021
- **Analysis of Impediments to Fair Housing choice** "Fair Housing Plan" Every 5-years – Due May 2021
- **Substantial Amendments to Annual Action Plan –** CDBG-CV Funds or Misc. Allocation Due as needed

Annual Action Plan Process

Timeline

- Notice of Funding Available (NOFA) released December 28th, 2020
- Public Meeting #1 - December 28th
  - Intro to CDBG Program and City of Flagstaff NOFA Process
- Applications Due February 22nd at 4pm
- Public Meeting #2 - February 26th
  - Summary of applications and funding requests as well as Con Plan Presentation
- DRAFT Annual Action Plan/Con Plan and AI Public Comment Period
  - March 1st to April 15th
- City Council Work Session April 13th
  - Housing Staff Funding Recommendations and direction from Council
- City Council Meeting April 20th
  - Council resolution approving AAP/Con Plan and AI submission to HUD

Analysis of Impediments to Fair Housing Choice

- Required for continued CDBG funding and commitment to Affirmatively Further Fair Housing (AFFH)
- Identifies fair housing problems (impediments) faced by people seeking housing in the City of Flagstaff
- Develops a Plan of Action to address current impediments

Analysis of Impediments to Fair Housing Choice

- **Public and Stakeholder Consultation**
  - **Community-wide Fair Housing Online Survey**
    - 84 Responses
    - Promoted on Facebook
  - **Stakeholder Fair Housing Online Survey**
    - 44 Responses
    - Sent to Housing Case Mangers, Real Estate Agents, Property Management Companies, Landlords, etc.
- **Data Analysis**
  - HUD eCon Planning Suite
  - Fair Housing Complaints & Testing Data from Southwest Fair Housing Council
  - 2010 Decennial Census & 2015/19 American Community Survey
  - Community Planning and Development Maps
  - HUD Community Housing Affordability Strategy Data
- **Regulation, Policy, Ordinance Review**
- **National Studies**

Identified Impediments

- Lack of Affordable Housing Limits Housing Choice
- Lack of landlords willing to accept Housing Choice Vouchers
- Lack of community awareness of Fair Housing Laws and reporting
- Minority & Low-Income Areas of Concentration
- Lack of Accessible Housing

Fair Housing Goals

Fair Housing Goals

- Increase affordable housing opportunities
- Create public awareness of fair housing laws and affordable housing advocacy
- Promote equal opportunity and prevent unlawful discrimination by providing relevant training, reliable information and targeted outreach.
- Create local and regional policy changes that create more affordable housing, outside of minority concentrated areas
- Improve housing opportunities for individuals with disabilities
- Provide Community Education on Housing Choice Vouchers for Landlords and Property Managers

Action Plan

Education and Outreach

- Publish fair housing information in housing newsletters, the City website and Social Media Pages
- Annually proclaim April as Fair Housing Month
- Sponsor a Fair Housing event in April for Fair Housing Month
- Distribute Fair Housing referral information in English and Spanish
- Sponsor no less than 3 Fair Housing trainings annually target both housing sector stakeholders and community residents
  - Disability accessibility
  - Rentals and the use of Criminal Records in housing
  - Extended protections under Sex/Gender
  - Emotional support animals

Action Plan

- Display the Fair Housing Logo on business cards and in program marketing information
- Maintain a Fair Housing page on the City website
- Prioritize funding for owner and renter occupied housing rehabilitation to provide disabled LMI accessibility adaptations with deferred loans and grants and incentivize rental occupied housing rehabilitation programs for landlords adapting units for accessibility
- Reach out to minority and other protected classes to encourage their participation in fair housing planning and education opportunities.
- Provide training and undertake recruitment of landlords and property managers for Housing Choice Vouchers – Improve public and stakeholder impression of HCV clients

Furthering Fair Housing

Action Plan

- Track the volume of residents, landlords and industry stakeholders participating in community education activities
- Encourage the development of housing accessible to or adaptable for persons with disabilities
- Develop a comprehensive Housing Plan for the City of Flagstaff including information on Fair Housing, Housing Choice, and efforts to increase affordable and accessible housing units
- Consider a media campaign to combat NIMBY (Not in My Backyard) and to destigmatize low- and moderate income households and individuals who utilize Housing Choice Vouchers

Next Steps

- **Public Comment**
  - **Ends April 15, 2021**
- **Incorporate written comments into the plan**
- **Submit to HUD with the 2021-2025 Consolidated Plan**

Consolidated Plan Process

Focus Group Meetings

- Dec 7th – Neighborhood Revitalization, Public Facilitates and Infrastructure
- Dec 9th – Public Services and Economic Opportunities
- Dec 14th - Addressing Homelessness
- Dec 16th – Decent Affordable Housing
- Dec 17th – Housing Commission Meeting

Data Collection, Stakeholder Engagement & Community Outreach

- August through December
  - Surveys – 24 Responses
  - Focus Groups – 16 unique attendees
  - Data Collection

Data Analysis and Draft Documents

- January and February

2021 AAP Process

- Jan-March

Drafts Available for Public Comment

- March 1st to April 15th

Council Meetings

- Presented April 13th
- Adopted April 20th

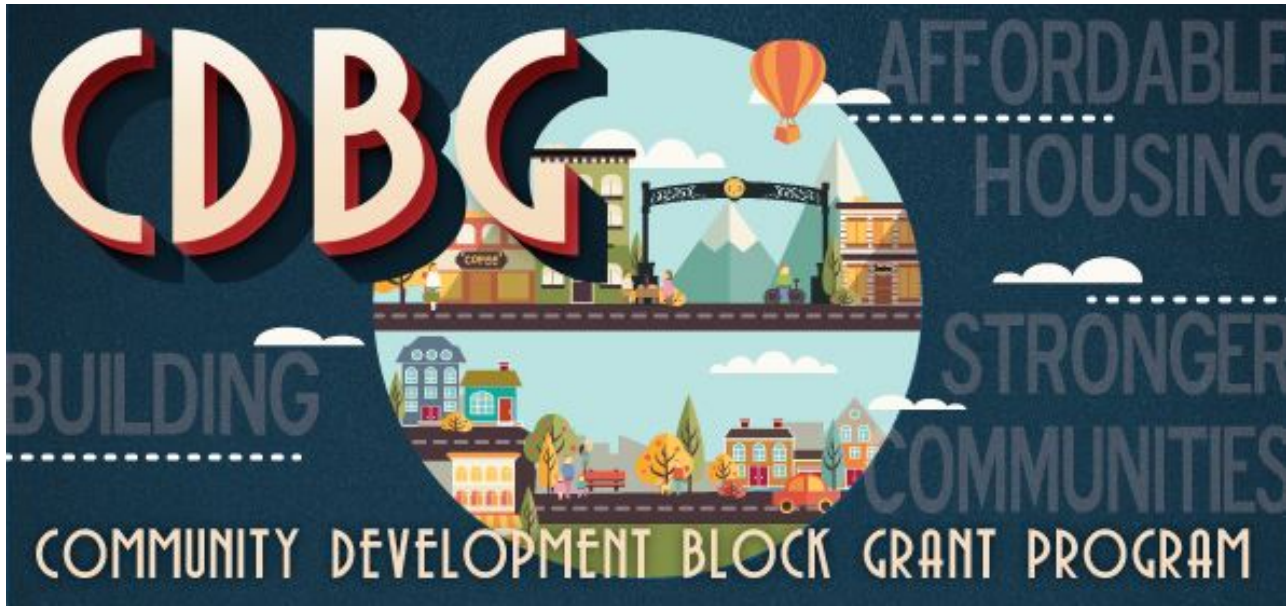
Final Documents Submitted to HUD

- May 15th, 2021

Consolidated Plan 2021-2025

TEAM FLAGSTAFF
WE MAKE THE CITY BETTER

- Identifies local community needs
- Includes housing and non-housing needs
- Sets goals and objectives for the 5-year period
- Prioritizes and guides activities
- Required by HUD for funding
- Identifies Target Neighborhoods
  - Sunnyside
  - Southside
  - La Plaza Vieja
  - Pine Knoll



Consolidated Plan Strategies

Main Components

- Market Analysis
- Analysis of Impediments to Fair Housing Choice
- Socio-economic Conditions
- Housing Conditions and Needs Assessment
- Homeless and Special Needs Individuals and Families
- Data Analysis
  - HUS eCon Planning Suite – CPD Maps and CHAS
  - Prior funding requests and outcomes
- Non-housing Community Development

Related Element Assessments

- Affordable housing
- Homelessness and special needs populations
- Non-housing community development
- Barriers to affordable housing
- Lead-based paint
- Anti-poverty
- Institutional Structure and Coordination

Community Needs

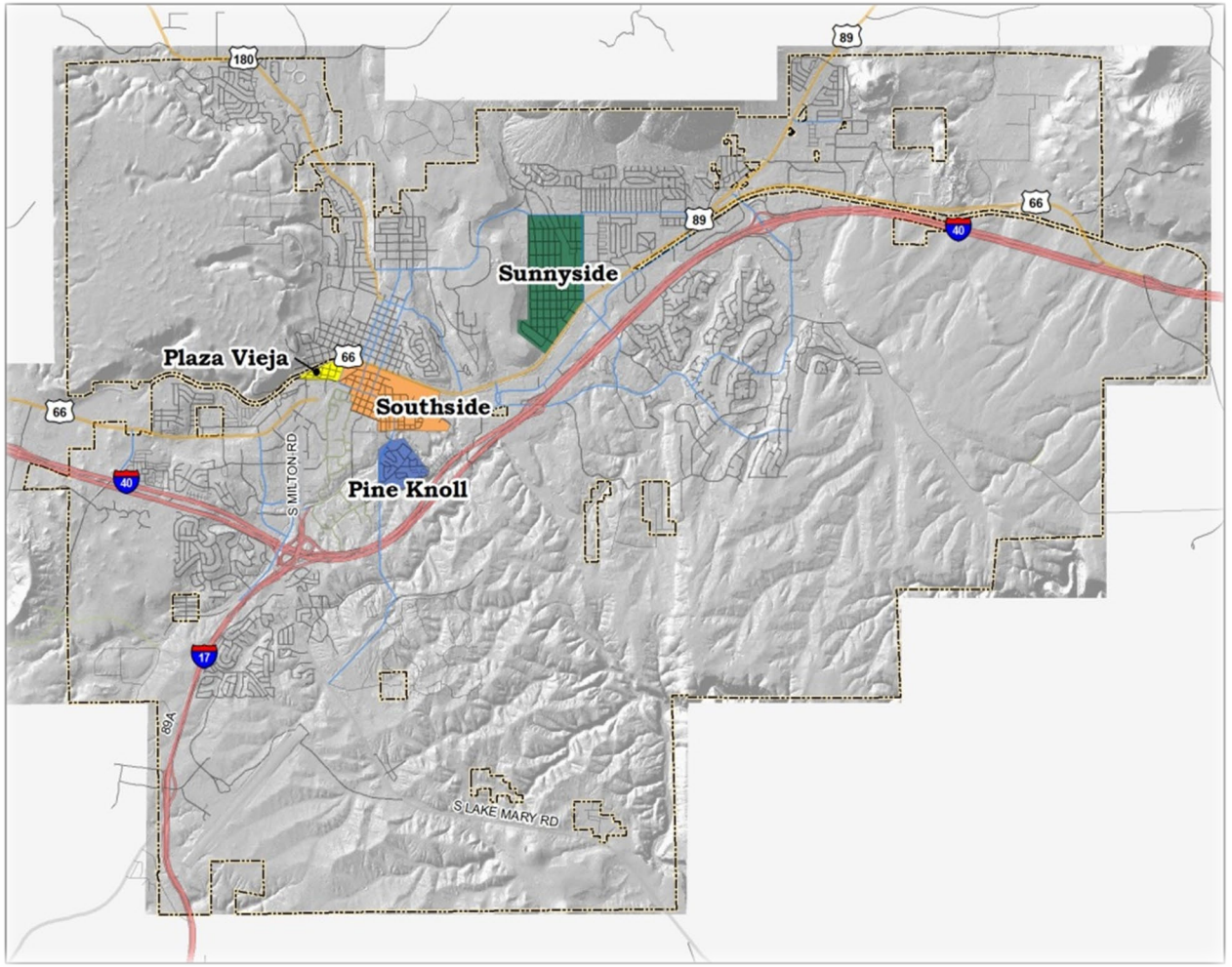
How are Needs and Priorities Determined?

- Review of Data
  - Census/ACS Date, Market Analysis, Needs Assessment
- Community Surveys
- Stakeholder Surveys
- Public and Stakeholder Focus Groups
  - Housing Commission
  - Continuum of Care
- Meetings with Stakeholders
- Public Meetings/Hearings

Target Areas

The City will continue to designate four target areas. 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.



2021-2025 Con Plan Goal Setting

Priority Need: Neighborhood Revitalization, Public Facilities & Infrastructure

- **Neighborhood Facility and Infrastructure Improvements**
  - Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband
- **Public Facilities**
  - Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements
- **Land/Real Property Acquisition for Affordable Housing Development**

Priority Need: Public Services and Economic Opportunities

- **Services to Meet Basic Needs**
  - Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.
- **Workforce Development**
  - Employment, Job Training and Small Business Assistance Services
- **Housing Stabilization Services**
  - Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services

2021-2025 Con Plan Goal Setting

Priority Need: Addressing Homelessness

- Service and Facility Operating Support, including Outreach
- Increase number of emergency/transitional shelter and permanent supportive housing beds

Priority Need: Decent Affordable Housing – Ownership & Rental

- Housing Rehabilitation
- Housing Development
- Housing Assistance

2021-2025 Consolidated Plan Goals

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

Next Steps

- **Public Comment**
  - **Ends April 15, 2021**
- **Incorporate written comments into the plan**
- **Submit to HUD 2021-2025 Consolidated Plan**

2021/2022 Annual Action Plan

City of Flagstaff Annual CDBG Cycle

- 8 external proposals received
- 1 applicant withdrew application
- 7 proposals ranked
- Total Requested $897,773.17

Council Direction & 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

Conducting Risk Assessment

Housing Staff Considers

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

The City of Flagstaff is the Responsible Entity to the HUD

How much money are we talking about?

2021 Entitlement	**$571,367.00**
Program Income	*$278,216.00*
Reallocated Funds	*$34,190.17*
Total Available for Allocation	**$883,773.17**

How much money are we talking about for each category?

Admin/Grant Compliance and Indirect (20% cap)	**$125,000.00**
• *Estimated* City Indirect at 10% of allocation • Admin/Grant Compliance	$55,051.00 $69,949.00
Public Service (15% cap)	**$112,689.29**
Housing Activities	**$649,435.67**
Total Available	**$883,773.17**

Public Service Proposals
(15% cap)

Agency	Proposal/Project	Request	Serving	Ranking
Homeless Youth Connection	Empowering Youth for the Future	$30,000	70 youth experiencing homelessness	128
Native Americans for Community Action	Small Business Assistance	$54,337.50	12 individuals/small businesses	127
Boys and Girls of Flagstaff	Afterschool and School Break Program	$50,000	50 households with children	110
Tynkertopia	Community Based STEAM Education	$100,000	Unknown, potentially 4,000 Sunnyside households	65
Southwest Fair Housing Council	Flagstaff Fair Housing Media Proposal	$14,000	500 individuals	56
	Total Request	**$248,337.50**		

Housing Activity Proposals

Agency	Proposal/Project	Request	Serving	Ranking
Catholic Charities	Closing the Gap Facility Acquisition	**$300,000.00**	8 chronically homeless individuals	153
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation	**$257,896.00**	12 households rehabilitated	142
	Total Request	**$557,896.00**		

Funding Recommendation
Public Service Proposals (15% cap)

Agency	Proposal/Project	Request	Staff Recommendation	Serving	Ranking
Homeless Youth Connection	Empowering Youth for the Future	$30,000	**$30,000.00**	70 youth experiencing homelessness	128
Native Americans for Community Action	Small Business Assistance	$54,337.50	**$54,337.50**	12 individuals/small businesses	127
Boys and Girls of Flagstaff	Afterschool and School Break Program	$50,000	**$25,000.00**	50 households with children	110
Tynkertopia	Community Based STEAM Education	$100,000	**$0**	Unknown, potentially approx. 4,000 Sunnyside households	65
Southwest Fair Housing Council	Flagstaff Fair Housing Media Proposal	$14,000	**$0**	500 individuals	56
		Total	**$109,337.50**	**Allowable**	**$112,689.29**

Funding Recommendation
Housing Activities

Agency	Proposal/Project	Request	Recommendation	Served	Ranking
Catholic Charities	Closing the Gap Facility Acquisition	**$300,000.00**	**$345,769.84**	8 chronically homeless individuals	153
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation	**$257,896.00**	**$303,665.83**	12 households rehabilitated	142
		Total	**$649,435.67**		

Next Steps & Questions

CITY OF FLAGSTAFF
COMMUNITY DEVELOPMENT
BLOCK GRANT

Housing Flagstaff

- Tonight - Council Input
- April 20, 2021 – Council Consideration of Resolutions
- Submit to HUD May 15, 2021

2021/2022 CDBG Staff Allocation Recommendations

Agency	Proposal/Project	Recommendation	Serving
Catholic Charities	Closing the Gap Facility Acquisition	**$345,769.84**	8 chronically homeless individuals
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation	**$303,665.83**	12 households rehabilitated
Homeless Youth Connection	Empowering Youth for the Future	**$30,000.00**	70 youth experiencing homelessness
Native Americans for Community Action	Small Business Assistance	**$54,337.50**	12 individuals/small businesses
Boys and Girls of Flagstaff	Afterschool and School Break Program	**$25,000.00**	50 households with children
Total Housing and Public Service Activities		**$758,773.17**	
Administration & Planning including Indirect (20% total)		**$125,000.00**	
	Total Allocated	**$883,773.17**	
			36

Contact Information

Kristine Pavlik

Housing & Grants Administrator

City of Flagstaff

Kristine.Pavlik@flagstaffaz.gov
(928) 213–2749

RESOLUTION NO. 2021-15

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING THE CITY OF FLAGSTAFF PY 2021-2025 CONSOLIDATED PLAN AND AUTHORIZING ITS SUBMISSION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD).

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 objective of the United States Department of Housing and Urban Development (HUD) to: 1) benefit low and moderate income persons; 2) address slum and blight; 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 Consolidated 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 its five-year 2021-2025 Consolidated Plan in order to meet the federal requirement; and

WHEREAS, the Flagstaff City Council has reviewed and approved the PY 2021-2025 Consolidated Plan.

ENACTMENTS:

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

SECTION 1. That the submission of the PY 2021-2025 Consolidated Plan reflecting strategies developed within the public planning process is hereby approved and authorized for submission to the US Department of Housing and Urban Development.

SECTION 2. That the Housing Section be authorized to submit this resolution and Consolidated Plan to HUD.

SECTION 3. 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 20th day of April, 2021.

_____

MAYOR

ATTEST:

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY

RESOLUTION NO. 2021-17

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL, APPROVING THE CITY OF FLAGSTAFF 2021/2022 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 2021/2022 Annual Action Plan in order to meet the federal requirement; and

WHEREAS, the Flagstaff City Council has reviewed and approved the 2021/2022 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 2021/2022 Annual Action Plan be hereby authorized to reflect the following use of the 2021/2022 CDBG funds, and the reallocation of CDBG funds from previous program years:

2021/2022 CDBG Funds Available for Allocation

2021/2022 Entitlement Award		**$571,367.00**
Reallocation from Program Income and Previous Project Years		**$312,406.17**
Prior Year Program Income	*$278,216.00*	
Unspent reallocated funding *19/20 Administration:* *Contract No. 1417C-19*	*$34,190.17*	
Total Available		**$883,773.17**

2021/2022 CDBG FUNDING ALLOCATION

Housing Activities

Catholic Charities	Closing the Gap Facility Purchase	$345,769.84
Housing Solutions of Northern Arizona	Owner Occupied Housing Rehabilitation	$303,665.83

Public Service Activities

Homeless Youth Connection	Empowering Youth for the Future	$30,000.00
Boys and Girls Club	After School and School Break Program	$25,000.00
NACA	Business Incubator	$54,337.50

Administration

Grant Compliance and Administration	$69,949.00
City's Estimated Indirect Rate at 10%	$55,051.00

Total City of Flagstaff PY 2021/2022 CDBG Allocation	**$883,773.17**

SECTION 2. That the Housing Section be authorized to submit this resolution and Annual Action Plan to HUD.

SECTION 3. 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 20th day of April, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

RESOLUTION NO. 2021-16

A RESOLUTION OF THE FLAGSTAFF CITY COUNCIL APPROVING THE CITY OF FLAGSTAFF 2021 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE AND AUTHORIZING ITS SUBMISSION TO THE U.S. 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 objective of the United States Department of Housing and Urban Development (HUD) to: (1) benefit low and moderate income persons; (2) address slum and blight; or (3) meet an urgent community need; and

WHEREAS, the City of Flagstaff recognizes and values the efforts of those who seek to reduce barriers to full and fair housing opportunity; and

WHEREAS, shelter is a basic human need and when shelter is denied, the quality of human life is greatly diminished; and

WHEREAS, people must not be denied equal access to, and enjoyment of, housing because of race, color, national origin, religion, sex, disability or familial status; 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 Analysis of Impediments to Fair Housing Choice 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 the Analysis of Impediment to Fair Housing Choice in order to meet the federal requirement; and

WHEREAS, the Flagstaff City Council has reviewed the Analysis of Impediments to Fair Housing Choice.

ENACTMENTS:

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

SECTION 1. That the 2021 Analysis of Impediments to Fair Housing Choice reflecting strategies developed within the public planning process is hereby approved and submission to the US Department of Housing and Urban Development is authorized.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 20th day of April, 2021.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

City of Flagstaff

Consolidated Plan

Executive Summary

July 1, 2021 – June 30, 2026

Submitted to the U.S. Department of
Housing and Urban Development
May 15th, 2021

City of Flagstaff
211 E Birch Ave
Flagstaff, AZ 86004
www.flagstaffaz.gov

ON REQUEST THIS DOCUMENT CAN BE MADE AVAILABLE IN ALTERNATE FORMATS

DRAFT

CITY OF FLAGSTAFF
COMMUNITY DEVELOPMENT
BLOCK GRANT

Housing Flagstaff

Mayor

Mayor Paul Deasy

Council

Vice-Mayor Becky Daggett
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Consolidated Plan and Analysis of Impediments to Fair Housing Choice

Prepared for: City of Flagstaff Community Development Division
www.flagstaffaz.gov

Prepared by Kristine Pavlik, Housing and Grants Administrator
928.213.2749 - Kristine.Pavlik@flagstaffaz.gov

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Executive Summary

1. Introduction

The City of Flagstaff, Arizona receives an annual entitlement allocation from the U.S. Department of Housing and Urban Development (HUD) and the Community Development Block Grant Program.

The Five-Year Consolidated Plan provides the framework for implementation of the City of Flagstaff's mission and goals utilizing Community Development Block Grant (CDBG) funds received from HUD and other funds that may leverage CDBG resources.

Community Development Block Grant funding can be utilized to fund a broad range of eligible activities. The City must determine annually which eligible activities will best serve the needs of the community. The Five-Year Consolidated Plan, required by HUD is designed to guide HUD-funded affordable housing, homelessness, special needs, and community development policies and programs over the five-year period beginning July 1, 2021 and ending June 30, 2026.

The Needs Assessment (NA) and Market Analysis (MA) provide information about community specific need gathered through several methods, including consultation with local agencies, public outreach, a review of demographic and economic data sets, and a housing market analysis. The Strategic Plan (SP) details how the City will address the priority needs identified during the NA and MA process. The strategies must reflect the current condition of the market, expected availability of funds, and local capacity to administer the plan. In addition to establishing goals related to the use of CDBG funds, the City of Flagstaff has 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 of Flagstaff mission is to protect and enhance the quality of life for all and the basis of all City activities is its vision of a safe, diverse, just, vibrant, and innovative community with a unique character and quality of life for all. The City strives to foster and support economic, environmental, educational, and cultural opportunities.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The City of Flagstaff's Five-Year Consolidated Plan for 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 next five years.

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Identified High Priority Needs and Activity Goals Established

1. Support neighborhood revitalization and public facilities and infrastructure improvements especially in established target areas including:
    a. Neighborhood revitalization including Neighborhood Facility and Infrastructure Improvements
        i. Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.
        ii. 3,000 people
    b. Public Facilities
        i. Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.
        ii. 100 people
    c. Acquisition for Affordable Housing Benefit
        i. Includes acquisition of land/ real property for the development of affordable housing units
        ii. 3 units

2. Support public services and economic opportunities for low-and moderate income persons including:
    a. Services to Meet Basic Needs
        i. Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.
        ii. 300 people
    b. Workforce Development
        i. Includes Employment, Job Training and Small Business Support Services
        ii. 15 people
    c. Housing Stabilization Services
        i. Includes Rental Assistance/ Eviction/ Foreclosure Prevention and Legal Services
        ii. 50 households

3. Support services and projects addressing homelessness
    a. Service and Facility Operating Support
        i. Includes Outreach/ Shelter Managers/ Case Managers/ Coordinated Entry/ Etc.
        ii. 1,500 people experiencing or at-risk of homelessness
    b. Increase Shelter Beds/Units
        i. Includes Emergency/ Transitional Shelter/ Permanent Supportive Housing
        ii. 15 beds/units
4. Support the development, accessibility, and preservation of decent affordable housing including:
    a. Rehabilitation of owner and/or renter households/units
        i. 20 units

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b. Development of owner and/or renter affordable housing units
    i. 3 units
c. Housing Assistance for owner and/or renter households
    i. Includes financial assistance for Deposits/ Down payment/ Closing Costs/ Etc.
    ii. 50 households

3. Evaluation of past performance

The City of Flagstaff established 15 goals in the 5-year HUD Consolidated Plan beginning in PY2016:

- Revitalization, Public Facilities & Infrastructure, including:
    - 5 facility improvements benefitting 500 people
    - 2 ADA accessibility improvement projects benefitting 500 people
    - Land acquisition for one affordable housing development project benefitting 5 households
    - Infrastructure for one affordable housing development project benefitting 5 households

- Public Services & Economic Opportunities including
    - Service and facility operating support for 5 projects benefitting 2,000 people
    - One employment and job training support services project benefitting 5 people
    - Housing stabilization services benefitting 500 households.

- Addressing Homelessness including:
    - 5 outreach and service and facility operating support projects, increasing the number of emergency/transitional shelter beds by 20 beds
    - Increasing the supply of permanent supportive housing by 15 beds.

- Decent Affordable Housing including:
    - Rehabilitation of 25 owner-occupied housing units
    - Construction of 5 rental units
    - Construction of 2 owner units
    - Rehabilitation of 10 rental housing units.

In the context of limited CDBG and leverage funding, the City made significant progress towards investing in housing, public and supportive services for vulnerable populations. Throughout the last 2 Program Years of the previous Consolidated Plan, the COVID-19 global pandemic led to more households needing these services and the City and its partner agencies stepped in to provide a variety of services, many aimed at people at risk of or experiencing homelessness. Significant progress was also made towards providing economic opportunities and a relatively large number of individuals benefitted from financial and housing counseling and several individuals benefitted from employment training.

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Moderate progress was made towards enhancing Flagstaff neighborhoods – park and playground improvements and housing rehabilitation were the most notable enhancements; however, the continuing high cost of housing in Flagstaff presents challenges to acquiring and rehabilitating homes.

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 or 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.

4. Summary of citizen participation process and consultation process

A draft of the Consolidated Plan was available on-line at the City's website for a 45-day comment period beginning March 1, 2021 and ending April 15, 2021. A virtual public hearing was held on April 13th, 2021 with City Council to discuss findings of the Consolidated Plan and Analysis of Impediments of Fair Housing Choice as well as recommended activity allocations for the Program Year 2021 entitlement. The public and stakeholders were encouraged to virtually attend and offer comments or to submit written comments directly to Council.

Additional consultation took place with the Coconino County Continuum of Care, a group of organizations providing services to homeless individuals and families and through a virtual outreach meetings held in September 2020. Additionally, the City conducted four (4) open to the public, virtual focus groups discussing each of the identified priority needs and proposed activity goals with residents and stakeholders. Due in part to the COVID-19 pandemic, the City utilized an on-line survey to reach residents and stakeholders for input on community needs and Con Plan goals. The survey was available online and 24 completed surveys were received. The City also held a public hearing with City Council in April 2021 during the public comment period. This hearing provided citizens an opportunity to comment on any aspect of the City's Consolidated Plan.

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.

5. Summary of public comments

There were no public comments received during the public comment period.

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

All public comments were accepted.

7. Summary

The City conducted public outreach and met with stakeholders to identify priority needs and establish 5-year goals and objectives in four priority areas - 1) neighborhood revitalization, public facilities and infrastructure, 2) public services and economic opportunities, 3) addressing homelessness, and 4) decent affordable housing.

Consolidated Plan Goals and Activities

Public and stakeholder input, records of past funding, the needs assessments and housing market analysis were all used to determine the relative priority of activities and the populations that will be served. 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 priority activities are likely to be funded with CDBG resources during the next five years.
- Low 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 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.

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

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City of Flagstaff

Analysis of Impediments to Fair Housing

Executive Summary

May 15, 2021

Submitted to the U.S. Department of Housing and Urban Development

City of Flagstaff

211 E Birch Ave

Flagstaff, AZ 86004

www.flagstaffaz.gov

ON REQUEST THIS DOCUMENT CAN BE MADE AVAILABLE IN ALTERNATE FORMAT

CITY OF FLAGSTAFF
COMMUNITY DEVELOPMENT
BLOCK GRANT

Housing Flagstaff

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Executive Summary

Introduction

In addition to prohibiting discrimination in housing, the Fair Housing Act also promotes the creation of diverse, inclusive communities with equal access to community resources such as good schools, transportation and jobs, and healthy environments. To accomplish this goal, the Fair Housing Act explicitly requires that federal housing and community development programs affirmatively advance fair housing and expand opportunity, or "affirmatively further fair housing" (AFFH), regardless of race, color, religion, national origin, family status, disability, and gender.

The City of Flagstaff receives an annual entitlement allocation of Community Development Block Grant (CDBG) funding from the US Department of Housing and Urban Development. The amount of CDBG funding received by the City varies from year-to-year. In Program Year 2021-2022, the City received $571,367. The purposes of CDBG funding are:

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

In order to receive CDBG funding, the City must complete a Consolidated Plan every five years. The City's Consolidated Plan for HUD Program Years 2021 – 2026 was recently completed. In addition to the 5-year Consolidated Plan, the City must complete an Annual Action Plan that describes how CDBG funds will be used in the coming year. As part of the 5-year Consolidated Plan and Annual Action Plans, the City certifies it will affirmatively further fair housing. As part of this certification, the City must complete an Analysis of Impediments to Fair Housing Choice (AI), take appropriate actions to overcome the effects of any impediments identified through the analysis, and maintain records reflecting the actions taken.

AI Purpose and Goals

The purpose of this AI is to identify legitimate fair housing problems (impediments) faced by people seeking housing in Flagstaff. The AI reviews current information and data available from a number of sources, identifies current impediments to fair housing in the City of Flagstaff, evaluates the efficacy of the 2016 Plan of Action and develops a new Plan of Action to address current impediments.

The City's goals in developing this AI and implementing the Plan of Action include to:

1. Increase affordable and accessible housing opportunities to provide for greater Housing Choice among low- and moderate income and/or disabled citizens. Provide community education regarding and incentivize the acceptance of Housing Choice Vouchers for landlords and property management organizations.

2. Create public awareness of fair housing laws and affordable housing advocacy. Promote equal opportunity and prevent unlawful discrimination by providing relevant training, reliable information, and targeted outreach to both Housing sector stakeholders and city residents especially those most at-risk for discrimination.

3. Advocate for local and regional policy changes that increase affordable housing development as well as development outside of minority and low income areas of concentration.

Statistical Analysis

Multiple statistical analyses were conducted, drawing on data from the following sources:

- 20015-2019 US Census Bureau American Community Survey Data
- Census 2010 Census Tract Block Group level data for the City of Flagstaff
- Census 2010 City of Flagstaff and Coconino County Data
- Federal Financial Institutions Examination Council (FFEIC)
- Home Mortgage Disclosure Act (HMDA) Data
- HUD Fair Housing complaint data
- HUD CHAS data.

In addition to data and information from the US Census, HUD and FFEIC, the City collected information and data for this Analysis from the following sources:

- A survey of 84 Flagstaff area residents.
- Interviews with 25 individuals working in the housing and related industries in Flagstaff
- Reports, data, and studies conducted on the national level
- The City of Flagstaff Consolidated Plans for FY2016-2020 and FY2021-2025
- The City of Flagstaff HUD Consolidated Annual Performance Reports for FY2015 through FY2019; and
- The City of Flagstaff 2016 Analysis of Impediments to Fair Housing Choice.

Regulation, Policy and Ordinance Review

One component of the AI is the review of local regulations, policies and ordinances that potentially impact fair housing in the City.

Review of Documents and Studies

In addition to statistical analyses, the following documents were reviewed and incorporated into this Analysis of Impediments to Fair Housing Choice:

- US Department of Housing and Urban Development FY 2019-2020 Annual Report on Fair Housing (most recent available).
- Where You Live Matters 2019 Fair Housing Trends Report by The National Fair Housing Alliance.
- City of Flagstaff Regional Transportation and Land Use Plan; and
- City of Flagstaff Incentive Policy for Affordable Housing.

Fair Housing Complaints and Enforcement Review

Fair housing complaint data was compiled from the City of Flagstaff, Southwest Fair Housing Council, and the US Department of Housing and Urban Development Fair Housing and Equal Opportunity Office

Identified Impediments

HUD defines impediments to fair housing choice as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice.
- Any actions, omissions or decisions that have this effect.

The following impediments were identified in the City of Flagstaff:

1. **Community Education.** The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey and interviews indicate that there is a need for more outreach and education.
    - A survey of Flagstaff residents, discussions with industry stakeholders, and fair housing testing data indicate housing discrimination exists as well as a lack of community awareness of Fair Housing Laws and the reporting process.
    - 56% of survey respondents are either not very informed or only somewhat informed about housing discrimination.
    - 10% of survey respondents do not know where to report a housing discrimination complaint.
    - While 54% of survey respondents indicated they believe housing discrimination is occurring or likely occurring in Flagstaff and 61% indicated they would report housing discrimination if they encountered it, there were only 13 complaints filed between 2012 and 2015.

2. **Minority and Low-income Areas of Concentration.** Concentrations of both minorities and low-income households exist in four Census Tracts.
    - LMI Concentration = at least 51% of population has income below 80% AMI.
        - Census Tracts 2, 3, 5, 8, 10, 12, and 15.
    - Minority Concentration = proportion of minorities at least 10% higher than the Citywide proportion.
        - Census Tracts 3, 4, 5, 8 and 11.02.
    - Four Census Tracts that are both areas of low income and minority concentration.
        - Census Tract 3, 4, 5, and 8.
    - The City's minority population continues to grow.
        - In 2011, racial and ethnic minorities represented 27% of the population, up from 26% of the population in 2008 and 21% in 2000.
        - Northern Arizona University students represented 22% of the City's minority population in 2011, including 43% of the Black/African American population and 100% of the Pacific Islander population.

3. **Disability Accessibility.** Testing data from Southwest Fair Housing Council indicates that housing discrimination on the basis of disability is more likely to be supported. Complaint data from Southwest Fair Housing Council and the US Department of Housing and Urban Development indicate a higher volume of complaints based on disability.
    - 11 of 13 fair housing complaints reported by HUD in Flagstaff were regarding disability.
    - 14 of 15 complaints reported by SWFHC were regarding disability.
    - Majority (14) were rental housing

4. **Housing Choice**. Affordability is an indirect aspect of housing discrimination. The Fair Housing survey indicated a lack of affordable housing leading to a lack of Housing Choice.
    - While housing choice voucher usage is an option for low-income renters, the program has a long wait-list and many landlords are unwilling to accept vouchers due to existing societal stigmas.
    - Community survey result, especially among Flagstaff LMI residents, indicate a lack of affordable housing as well as a shortage of landlords and property management organizations willing to accept Housing Choice Vouchers limiting LMI resident's choice in housing.
    - Lack of affordable housing supply for large households, which disproportionately impacts minorities, low-income households, and families with large households
    - • Lack of affordable housing supply, particularly for low-income special needs households and persons with disabilities.
    - Public policy barriers to the development of Affordable Housing throughout the City of Flagstaff, Arizona
    - "Not in My Backyard" Residents in some neighborhoods designate a new development (e.g. shelter, affordable housing, group home) or change in occupancy of an existing development as inappropriate or unwanted for their local area.

City of Flagstaff Fair Housing Action Plan FY 2021-2025

The Action Plan is a critical element of the AI as it describes the measurable activities that will be conducted by the City of Flagstaff to address the identified impediments. In summary, the City will take the following actions to address impediments:

1. Sponsor a variety of education opportunities for residents and stakeholders
2. Reach out to minority and other protected classes to encourage their participation in fair housing planning and education opportunities.
3. Provide training and undertake recruitment of landlords and property managers for Housing Choice Vouchers – Improve public and stakeholder impression of HCV clients
4. Sponsor no less than 3 Fair Housing trainings annually target both housing sector stakeholders and community residents with a focus on:
    a. Disability accessibility
    b. Rentals and the use of Criminal Records in housing
    c. Extended protections under Sex/Gender
    d. Emotional support animals
5. Prioritize funding for owner and renter occupied housing rehabilitation to provide disabled LMI accessibility adaptations with deferred loans and grants and incentivize rental occupied housing rehabilitation programs for landlords adapting units for accessibility
6. Develop a comprehensive Housing Plan for the City of Flagstaff including information on Fair Housing, Housing Choice, and efforts to increase affordable and accessible housing units
7. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration

2021 FAIR HOUSING ACTION PLAN	
Impediment	**Action Plan**
Impediment #1 - Community Education. The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey and interviews and public forum indicate there is a need for more outreach and education. Industry stakeholders are more likely to participate in community education activities and additional effort is essential to reach residents and provide information about the Fair Housing reporting process.	1. Each April, reach out to stakeholders, residents, and the community at large to announce April as Fair Housing Month. Include information regarding Fair Housing, Fair Housing services, and who to call for more information. 2. Annually sponsor fair housing training for Flagstaff residents, networking with landlords and property managers, nonprofit, neighborhood-based, faith organizations and education institutions to reach a broad audience. Include information regarding landlord/tenant issues in training. 3. Through sign-in sheets, track the volume of residents, landlords and industry stakeholders participating in community education activities. 4. Maintain a Fair Housing page on the City of Flagstaff website and include direct links to the HUD Fair Housing website and the Arizona Attorney General Civil Rights Division website. 5. Continue to display fair housing posters and make fair housing materials available in Flagstaff public facilities and to nonprofit and faith-based organizations. 6. Sponsor no less than 3 Fair Housing trainings annually target both housing sector stakeholders and community residents with a focus on: a. Disability accessibility b. Rentals and the use of Criminal Records in housing c. Extended protections under Sex/Gender d. Emotional support animals
Impediment #2. Minority and Low-income Areas of Concentration. Concentrations of minorities and low-income households exist, and the City's minority population continues to grow.	1. Continue to distribute fair housing brochures in both English and Spanish. 2. Continually encourage minority and lower-income households to seek housing counseling from HUD-certified housing counseling agencies. Provide information to housing counseling agencies to assist them in educating minority and lower-income households regarding the range of housing options in Flagstaff, including those outside of minority and low-income concentration areas. 3. Annually sponsor fair housing training for Flagstaff residents, networking with nonprofit, neighborhood-based and faith organizations and education institutions to reach out to minority populations and areas of minority concentration. 4. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration

2021 FAIR HOUSING ACTION PLAN	
Impediment	**Action Plan**
Impediment #3 - Disability Accessibility. The majority of fair housing complaints reported by Southwest Fair Housing Council and the United States Department of Housing and Urban Development were regarding disability. Increased support and awareness are needed to identify and address housing discrimination, including that directed towards accessibility for persons with disabilities.	1. Continually encourage the development of housing accessible to or adaptable for persons with disabilities in federally-funded projects. 2. Annually sponsor fair housing training for Flagstaff residents, networking with nonprofit, neighborhood-based and faith organizations and education institutions to reach out to persons with disabilities. 3. Ensure that education and outreach activities include information regarding housing accessibility and adaptability for persons with disabilities. 4. Prioritize funding for owner and renter occupied housing rehabilitation to provide disabled LMI accessibility adaptations with deferred loans and grants and incentivize rental occupied housing rehabilitation programs for landlords adapting units for accessibility
Impediment #4 – Housing Choice. Affordability is an indirect aspect of housing discrimination. The Fair Housing survey indicated a lack of affordable housing leading to a lack of Housing Choice. While housing choice voucher usage is an option for low-income renters, the program has a long wait-list and many landlords are unwilling to accept vouchers due to existing societal stigmas.	1. Provide education for and consider incentivizing acceptance of HCV among landlords. 2. Continually encourage the development of housing accessible to or adaptable for persons with disabilities in federally-funded projects. 3. Ensure that education and outreach activities include information regarding housing accessibility and adaptability for persons with disabilities. 4. Develop a comprehensive Housing Plan for the City of Flagstaff including information on Fair Housing, Housing Choice, and efforts to increase affordable and accessible housing units 5. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration 6. Consider a media campaign to combat NIMBY (Not in My Backyard) attitudes.

City of Flagstaff

Five-Year Consolidated Plan

July 1, 2021 – June 30, 2026

Submitted to the U.S. Department of
Housing and Urban Development
May 15th, 2021

City of Flagstaff

211 E Birch Ave

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Executive Summary

1. Introduction

Flagstaff is a City in, and the county seat of, Coconino County in northern Arizona, in the southwestern United States. With a 2020 population of **77,590**, it is the **15th** largest city in Arizona and the **459th** largest city in the United States. Flagstaff is currently growing at a rate of 1.67% annually and its population has increased by 17.79% since the most recent census, which recorded a population of **65,870** in 2010. Flagstaff reached it's highest estimated population of 77,590 in 2021. Spanning over 66 miles, Flagstaff has a population density of 1,175 people per square mile.

Flagstaff has a notably large Native American population that is about 12x the national average. This is due to Flagstaff's proximity to several Native American reservations such as the Hopi, Yavapai, Navajo, and Havasupai. There are almost 5,500 people of Navajo ancestry in Flagstaff. Flagstaff is a college town, which is reflected in the demographics. Almost 90% of the population has a high school diploma or GED compared to the national average of 80%. More than 39% of the population has a bachelor's degree or higher.

Flagstaff's economy mostly centers on education and tourism, receiving more than 5 million visitors every year. The City is found near Grand Canyon National Park, which supports its thriving tourism industry. The city is also known for its high-tech and science development centers such as the Lowell Observatory, the United States Geological Survey's Flagstaff campus, and the United States Naval Observatory Flagstaff Station (NOFS)

Flagstaff is one of the fastest-growing areas of Arizona, according to recent census figures. While Phoenix has been losing large numbers to the outlying suburbs, Flagstaff grew more than 4% between 2011 and 2012 alone. Its growth rate was so fast, in fact, that it was the 9th fastest-growing city in the United States at the time. More recently Flagstaff has grown between 1.25% – 2.39% every year since 2012.

According to the most recent (2019) US Census American Community 5 year survey, the racial composition of Flagstaff was:

- White: 78.34%
- Native American: 7.85%
- Two or more races: 5.27%
- Other race: 3.21%
- Asian: 3.08%
- Black or African American: 1.99%
- Native Hawaiian or Pacific Islander: 0.26%

Metropolitan cities with populations of at least 50,000 people are considered Community Development Entitlement Communities. As such, the City of Flagstaff is considered an entitled city and receives an annual grant on a formula basis from the U.S. Department of Housing and Urban Development (HUD) and the Community Development Block Grant Program.

HUD requires that the City submit a Consolidated Plan (ConPlan) every five years to receive Federal grants which provide services and projects that benefit primarily low- and moderate income individuals and households. The Five-Year Consolidated Plan provides the framework for implementation of the City of Flagstaff's mission and goals utilizing Community Development Block Grant (CDBG) funds received from HUD and other funds that may leverage CDBG resources.

Community Development Block Grant funding can be utilized to fund a broad range of eligible activities. The City must determine annually which eligible activities will best serve the needs of the community. The Five-Year Consolidated Plan is designed to guide HUD-funded affordable housing, homelessness, special needs, and community development policies and programs over the five-year period beginning July 1, 2021 and ending June 30, 2026.

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Every year the City submits an Annual Action Plan that lists the specific activities Flagstaff will pursue with CDBG funds to meet the identified ConPlan goals. This ConPlan includes the Annual Action Plan for Year 1 of the Consolidated Plan.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The City of Flagstaff's Five-Year Consolidated Plan for 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 next five years.

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        i. Includes Rental Assistance/ Eviction/ Foreclosure Prevention and Legal Services
        ii. 50 households

3. Support services and projects addressing homelessness
    a. Service and Facility Operating Support
        i. Includes Outreach/ Shelter Managers/ Case Managers/ Coordinated Entry/ Etc.
        ii. 1,500 people experiencing or at-risk of homelessness
    b. Increase Shelter Beds/Units
        i. Includes Emergency/ Transitional Shelter/ Permanent Supportive Housing
        ii. 15 beds/units

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4. Support the development, accessibility, and preservation of decent affordable housing including:
    a. Rehabilitation of owner and/or renter households/units
        i. 20 units
    b. Development of owner and/or renter affordable housing units
        i. 3 units
    c. Housing Assistance for owner and/or renter households
        i. Includes financial assistance for Deposits/ Down payment/ Closing Costs/ Etc.
        ii. 50 households

3. Evaluation of past performance

The City of Flagstaff established 15 goals in the 5-year HUD Consolidated Plan beginning in PY2016:

- Revitalization, Public Facilities & Infrastructure, including:
    - 5 facility improvements benefitting 500 people
    - 2 ADA accessibility improvement projects benefitting 500 people
    - Land acquisition for one affordable housing development project benefitting 5 households
    - Infrastructure for one affordable housing development project benefitting 5 households

- Public Services & Economic Opportunities including
    - Service and facility operating support for 5 projects benefitting 2,000 people
    - One employment and job training support services project benefitting 5 people
    - Housing stabilization services benefitting 500 households.

- Addressing Homelessness including:
    - 5 outreach and service and facility operating support projects, increasing the number of emergency/transitional shelter beds by 20 beds
    - Increasing the supply of permanent supportive housing by 15 beds.

- Decent Affordable Housing including:
    - Rehabilitation of 25 owner-occupied housing units
    - Construction of 5 rental units
    - Construction of 2 owner units
    - Rehabilitation of 10 rental housing units.

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 2 Program Years of the previous Consolidated Plan, the COVID-19 global pandemic led to more households needing these services 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 relatively large number of individuals benefitted from financial and housing counseling and several individuals benefitted from employment training.

Moderate progress was made towards enhancing Flagstaff neighborhoods – park and playground improvements and housing rehabilitation were the most notable enhancements; however, the continuing high cost of housing in Flagstaff presents challenges to acquiring and rehabilitating homes.

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 or 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.

4. Summary of citizen participation process and consultation process

A draft of the Consolidated Plan was available on-line at the City's website for a 45-day comment period beginning March 1, 2021 and ending April 15, 2021. A virtual public hearing was held on April 13th, 2021 with City Council to discuss findings of the Consolidated Plan and Analysis of Impediments of Fair Housing Choice as well as recommended activity allocations for the Program Year 2021 entitlement. The public and stakeholders were encouraged to virtually attend and offer comments or to submit written comments directly to Council.

Additional consultation took place with the Coconino County Continuum of Care, a group of organizations providing services to homeless individuals and families and through a virtual outreach meetings held in September 2020. Additionally, the City conducted four (4) open to the public, virtual focus groups discussing each of the identified priority needs and proposed activity goals with residents and stakeholders. Due in part to the COVID-19 pandemic, the City utilized an on-line survey to reach residents and stakeholders for input on community needs and Con Plan goals. The survey was available online and 24 completed surveys were received. The City also held a public hearing with City Council in April 2021 during the public comment period. This hearing provided citizens an opportunity to comment on any aspect of the City's Consolidated Plan.

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.

5. Summary of public comments

A summary of comments received at the 4 focus group, and housing commission meeting are attached. As is the community needs survey conducted and corresponding results. There were no public comments received at the _____.

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 met with stakeholders to identify priority needs and establish 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.

Consolidated Plan Goals and Activities

Public and stakeholder input, records of past funding, the needs assessments and housing market analysis were all used to determine the relative priority of activities and the populations that will be served. 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 priority activities are likely to be funded with CDBG resources during the next five years.
- Low 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 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.

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

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The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

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

The following are the agencies/entities 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

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 City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability.

Consolidated Plan Public Contact Information

Kristine Pavlik, Housing and Grants Administrator

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

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PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)

1. Introduction

A draft of the Consolidated Plan was made available on-line at the City's website starting March 1, 2021. A public hearing was held on April 13th, 2021 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 and through two outreach meetings held in December 2020 and February 2021. In addition to public hearings and consultation, the City utilized a survey to reach residents and stakeholders. The survey was available online and 24 completed surveys were received. Additionally, the City conducted four open to the public, virtual focus groups discussing each of the identified priority needs and proposed activity goals with residents and stakeholders.

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(l)).

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.

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 and evaluate outcomes, and develop funding, policies and procedures for the 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 jurisdictions consultations with housing, social service agencies and other entities

1	**Agency/Group/Organization**	CATHOLIC CHARITIES OF NORTHERN ARIZONA
	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

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		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 thirtysix (36) years. The agency was consulted through public meetings,

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		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

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	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

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	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

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	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

	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.

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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 and 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

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	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 outcomes of the consultation or areas for improved coordination?	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.
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

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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. xzThe agency was consulted the public comment period and one on one technical assistance.

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.
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 2 – Other local / regional / federal planning efforts

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Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))

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.

Narrative (optional):

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PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Summarize citizen participation process and how it impacted goal-setting

The citizen participation process began with a citywide, virtual public hearing held December 28th, 2020 to solicit citizen input prior to preparing a draft 5-year Consolidated Plan and PY 21 Action Plan. A notice announcing the hearing and soliciting comments was published in the Daily Sun and an email notice was sent to the Housing Section's e-mail distribution list as well as the Continuum of Care member email listserv. A notice of the hearing was posted on the City's web site and Facebook pages (Main and Housing specific). A second meeting to solicit input was held on February 26th, 2021 and similarly noticed.

The draft Consolidated Plan and PY16 Annual Action Plan were issued for a 45-day public comment period beginning March 1, 2021 and ending April 15th, 2021. Comments could be submitted by mail or by e-mail or citizens could comment at the April 13th, 2021 public hearing with City Council. Draft documents were available on the City website.

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	Community Survey	Non-targeted/broad community	24 completed surveys were received.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	

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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)
2	Public Meeting	Non-targeted/broad community	12 individuals attended the public meeting.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	
3	Public Hearing	Non-targeted/broad community	10 individual attended the public hearing.	One individual congratulated the City on its willingness to work cooperatively with other agencies to address the needs of low- and moderate income households.	All comments were accepted.	

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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)
4	Focus Group	Non-targeted/broad community	2 individuals attended the public meeting.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	
6	Focus Group	Non-targeted/broad community	5 individuals attended the public meeting.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	
6	Public Meeting	Non-targeted/broad community	4 individuals attended the public meeting.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	5
7	Focus Group	Non-targeted/broad community	6 individuals attended the public meeting.	A summary of comments is included in the rationale for each identified Consolidated Plan priority need.	All comments were accepted.	5

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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)
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 2020 Community Development Block Grant Schedule, public comment period and deadlines.	No Comments Received	N/A	
9	Newspaper Ad	Persons with disabilities Nontargeted/broad community	Arizona Daily Sun ad February 19 & 20, 2021 - Invited the public to second Public Meeting to discuss the use of CDBG funding on February 26, 2021.	No Comments Received		
10	Newspaper Ad	Persons with disabilities Nontargeted/broad community	Arizona Daily Sun ad December 26 & 27, 2021 - Invited the public to first Public Meeting re NoFA for CDBG funding on December 28, 2020.	No Comments Received		

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Table 3 – Citizen Participation Outreach

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Needs Assessment

NA-05 Overview

Needs Assessment Overview

Flagstaff is a mountain city located at 7,000 feet in the highlands of north central Arizona. It is surrounded by the Coconino National Forest, which contains the largest contiguous stand of Ponderosa Pines in the world. Flagstaff occupies 65 square miles on a volcanic plateau at the base of Arizona's highest point, the San Francisco Peaks, at 12,633 feet. Flagstaff is considered a metropolitan area because its population is over 50,000; however, its identity is still rooted in its small town mountain heritage. Hunting, fishing, skiing, mountain biking and rock climbing are just a few of the outdoor activities that attract people to Flagstaff.

Flagstaff has long been a transportation hub. Located along an old wagon road to California, Flagstaff's development began after the railroad arrived in 1881. Today, Flagstaff is the economic hub of Northern Arizona, ideally situated at the junction of Interstates 40 and 17. The Phoenix metropolitan area is 140 miles to the south and Grand Canyon National Park is approximately 80 miles to the north.

Flagstaff's incorporated population is about 70,000, with an additional 20,000 living in nearby unincorporated communities, and a trade area of 240,700. There are roughly 49,000 people employed in Flagstaff.

Flagstaff is home to Northern Arizona University (NAU). The school specializes in a number of environmental areas including forest health and biology. NAU is the state's largest residential campus, with roughly 22,000 students enrolled. Flagstaff has nine public elementary schools, two middle schools, two high schools and many private and charter schools. The newly expanded Coconino Community College is located adjacent to the NAU campus.

Flagstaff is a governmental, educational, transportation, cultural and commercial center, with healthcare, education, and tourism as major sources of employment. The city is home to a number of scientific and high-tech research and development industries, including W.L. Gore, Machine Solutions, and Prent Thermoforming. The community also has two museums, numerous art galleries, a symphony orchestra, four recreation centers, an ice-skating rink and a major ski resort. Flagstaff has extensive medical facilities and resources, including a state-of-the-art trauma center at the Flagstaff Medical Center.

Coconino County and Flagstaff possess an abundance of natural, cultural and archaeological resources, fueling an active tourism economy. Primary among all attractions is the Grand Canyon, a widely recognized natural wonder that stimulates domestic and international visitation at a rate approaching four million persons per year.

The Flagstaff area has a relatively finite amount of developable private land. Of the large vacant parcels located within the City limits, a majority are at the periphery and can be considered potential "greenfield development" or developments that incorporate sustainable programs and technologies

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such as lifecycle housing, complete streets, parks and open spaces, integrated retail and office, energy efficient buildings, innovative rainwater and stormwater facilities, and sidewalks and trails. Densities are expected to increase slowly over the next forty years, with more housing, employment, and transportation options.

According to the Flagstaff Regional Plan 2030, projections for the ultimate population of Flagstaff and surrounding areas vary. Population projections adopted by the Arizona Department of Economic Security in 1997 showed an anticipated population of 158,272 in the year 2050, while 2006 projections were 96,418 and more recent estimates are lower still. If large population growth occurs and accommodations have not been made, local housing and land costs will increase substantially, and newcomers may be forced to move to distant communities, creating sprawl and long commutes to work.

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NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

In December 2020, Flagstaff City Council declared a Housing Emergency via Resolution 2020-66 (Attachment C). The Resolution recognizes the need to make housing a leading priority for the City of Flagstaff as an organization and the community overall. It also calls for a number of efforts to be undertaken, among them, the development of a 10-year housing plan (underway), the creation and implementation of a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community and combating "Not in My Backyard" opposition to housing and affordable housing.

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

An annual survey conducted by a local non-profit, Housing Solutions of Northern Arizona (HSNA), continues to show rising rates and less availability of rental units within City limits. As of May 2019, the data shows 801 people on waiting lists at income-restricted complexes. Market rate rental averages were measured as follows:

$808 for a room/shared living ..... up 9.5%
$979 for a studio ..... up 7.7%
$1,214 for a one-bedroom ..... up 4%
$1,494 for two-bedroom ..... up 3.7%
$1,819 for a three-bedroom ..... down 2.5%

These actual rents have been well above the HUD Fair Market Rents (FMRs) for several years. The HSNA survey states, "In order to afford an average two-bedroom apartment - without paying more than 30% of income on housing - a household must earn approximately $4,980 monthly, $59,760 annually, or $28.73 hourly (assuming a 40-hr work week and 52 weeks/yr.)." The City is experiencing an immediate need to house hundreds of households at more affordable rates.

The City's general plan focuses on the creation of diverse and affordable housing, particularly in activity centers spread throughout the community:

> *"As a community priority, creating more housing and neighborhood diversity is paramount to a resilient Flagstaff. The Flagstaff Regional Plan identifies existing and potential "activity centers" through which to cultivate walkable neighborhoods, efficient transit connections, and economic opportunities. These are considered appropriate locations for sensitively designed, higher-density residential and mixed-use development, either as infill or as redevelopment."*

Many City properties and scattered site public housing units are located within pedestrian sheds of such activity centers. Proximity to services, employment, and retail contribute to a complete neighborhood and vibrant multi-family developments. The Regional Plan may be accessed at www.flagstaffmatters.com.

Demographics	Base Year: 2011	Most Recent Year: 2019	% Change
Population	68,375	72,402	5.9%
Households	23,292	23,839	2.4%
Median Income	$48,680.00	$58,748.00	20.68%

Table 4 - Housing Needs Assessment Demographics

Data Source Comments:
2011-2015 ACS (Base Year), 2015-2019 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	3815	2780	3835	2175	11050
Small Family Households	765	905	1120	765	5365
Large Family Households	130	95	230	195	760
Household contains at least one person 62-74 years of age	280	300	765	390	2240
Household contains at least one person age 75 or older	240	140	230	219	520
Households with one or more children 6 years old or younger	430	240	390	435	1355

Table 5 - Total Households Table

Data Source Comments:
2013-2017 CHAS

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Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	55	90	10	40	240	10	-	-	-	40
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	10	160	155	120	570	-	4	-	-	15
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	130	10	75	10	280	55	-	-	-	90
Housing cost burden greater than 50% of income (and none of the above problems)	2,070	1,415	440	10	3,930	445	270	250	15	1,015

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	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	205	375	1,245	500	2,555	75	85	375	270	1,280
Zero/negative Income (and none of the above problems)	220	-	-	-	220	125	-	-	-	125

Table 6 – Housing Problems Table

Data Source Comments: 2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	2,260	1,670	680	180	510	275	250	15	1,155	510
Having none of four housing problems	540	565	1,890	1,125	155	270	1,015	860	9,455	155
Household has negative income, but none of the other housing problems	220	-	-	-	125	-	-	-	125	125

Table 7 – Housing Problems 2

Data Source Comments: 2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	405	635	490	1,825	155	105	145	770
Large Related	60	40	45	155	10	30	8	103
Elderly	185	159	125	569	205	90	225	709
Other	1,810	1,115	1,065	4,370	160	140	240	730
Total need by income	3,025	2,235	N/A	12,925	790	545	1,265	10,740

Table 8 – Cost Burden > 30%

Data Source Comments: 2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	320	455	125	900	145	80	60	295
Large Related	60	20	-	80	10	15	4	29
Elderly	105	90	30	235	145	40	80	299
Other	1,765	990	290	3,045	160	140	100	410
Total need by income	3,025	2,235	N/A	12,925	790	545	1,265	10,740

Table 9 – Cost Burden > 50%

2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

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5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	115	145	130	40	595	55	-	-	-	70
Multiple, unrelated family households	-	-	15	14	44	-	4	-	-	34
Other, non-family households	45	45	90	75	255	-	-	-	-	-
Total need by income	3,025	2,235	N/A	1,300	12,925	790	545	1,265	875	10,740

Table 10 – Crowding Information – 1/2

2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	280	155	310	1445	150	85	80	1405

Table 11 – Crowding Information – 2/2

2011-2015 CHAS; DATA FOR 80%-100%AMI AND >100%AMI ARE NOT DISPLAYED BUT ARE INCLUDED IN THE TOTALS

Describe the number and type of single person households in need of housing assistance.

HUD CHAS data breaks households into 4 categories including small related (2-4 persons), large related (5 or more), elderly and other. CHAS data places single person household into the "other" category. Single person households, categorized as “other” by CHAS data, are the most highly likely to be housing cost burdened renters.

There are an estimated 6,150 single-person households in Flagstaff. The largest number of single-person households are non-elderly (age 64 and under) renters – 3,124 households. Of the 12,925 renter

households in Flagstaff, 6,919 households, more than half, at or below 80% AMI are housing cost burdened greater than 30% while 3,045 single person renter households below 80% AMI are housing cost burdened with housing costs exceeding 50% of monthly income. Many but not all of these households are students attending NAU. There are also an estimated 1,033 non-elderly single-person owner households in need of housing assistance. Among elderly single-person households there are an estimated 235 renters and 299 owners in need of housing assistance.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

Based on Coconino County CHAS disability and housing problems data and Flagstaff American Community Survey disability data there are an estimated 490 households with a person with a disability in need of housing assistance. According to ACS 2019 estimates, ambulatory and cognitive disabilities are the most prevalent disabilities among non-elderly adults and cognitive and independent living disabilities are the most prevalent among elderly adults.

Based on the most recent point-in-time count by the Arizona Department of Housing there were 103 sheltered individuals in housing facilities serving victims of domestic violence; 8, or 40% of unsheltered individuals reported that domestic violence contributed to homelessness. Northland Family Help Center provided shelter to 520 adult victims of domestic violence between January 2016 and November 2020. Sharon Manor provided shelter to approximately 48 victims of domestic violence last year and 64 are on the waiting list for transitional housing.

In 2019, the Flagstaff Police Department reported 1,809 cases of domestic violence calls. As of October 2020, the department had already recorded 1,589 cases. The Flagstaff Police Department defines domestic violence as violence occurring between people who live together and isn't necessarily limited to people romantically involved. The increase was suspected to be due to a combination of factors, with the underlying [COVID-19] restrictions and an increase in student housing with common areas for roommates.

There was a 21.4% increase in domestic violence in Flagstaff in 2019. There is no data regarding the number of people in need of housing assistance who are victims of dating violence, human trafficking, sexual assault and stalking; the Flagstaff Police Department reported 121 sex offenses in 2019.

What are the most common housing problems?

The most common housing problems are severe housing cost burden (paying 50% or of income for housing) and housing cost burden (paying more than 30% but less than 50% of income for housing).

Are any populations/household types more affected than others by these problems?

Extremely low-income renters (income < 30% AMI) are the largest income cohort experiencing housing cost burden and severe housing cost burden; low-to-moderate income owners (income 50-80% AMI) also experience high rates of cost burden and severe cost burden.

While HUD data suggests that non-family households are disproportionately affected by housing cost burden and severe housing cost burden, many of these households consist of students attending NAU. Considering family households, both large and small family renters are most affected by housing cost burden and severe housing cost burden.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

By the very nature of their financial situation, extremely low income households with a severe housing cost burden are at a high risk of becoming homeless. According to HUD data, there are 2920 nonelderly large and small family renter households in this situation. For low-income single-parent households, the cost burden is compounded by the added responsibilities assumed by the parent and the added demands on his/her time. According to 2015-2019 ACS data, there are a total of 2,772 single-parent households in Flagstaff and in 1,696 or 61% of these households the householder is female. Female-headed households with children can often suffer an additional cost burden due to income disparities. The greatest needs of at-risk families are securing adequate employment, accessing social services and other resources, and developing the knowledge and skills needed to achieve greater financial stability and remain permanently housed.

In addition to employment opportunities and needs similar to those described above for low-income families with children, formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance are most in need of permanent affordable rental housing, including Public Housing and Section 8 Housing Choice Vouchers, and permanent supportive housing.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

Apart from the 2,995 extremely low-income renter households and 445 extremely low-income homeowner households experiencing cost burden, the City of Flagstaff does not provide estimates of the at-risk population.

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Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

Housing characteristics linked with instability and increased risk of homelessness include severe housing cost burden and overcrowding. As part of the Statewide point-in-time count, homeless persons in Coconino County were surveyed about factors that contributed to their loss of housing. The primary responses were 1) no employment, 2) the high cost of housing, and 3) insufficient income. Respondents to the City's Consolidated Plan survey identified the high cost of rental housing as the primary housing characteristic linked with instability.

Discussion

The most common housing problems are severe housing cost burden (paying 50% or of income for housing) and housing cost burden (paying more than 30% but less than 50% of income for housing).

Extremely low-income renters (income < 30% AMI) are the largest income cohort experiencing housing cost burden and severe housing cost burden; low-to-moderate income owners (income 50-80% AMI) also experience high rates of cost burden and severe cost burden.

While HUD data suggests that non-family households are disproportionately affected by housing cost burden and severe housing cost burden, many of these households consist of students attending NAU. Considering family households, both large and small family renters are most affected by housing cost burden and severe housing cost burden.

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NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

The race and ethnicity of the City's population became more diverse from 2000 to 2011, yet the majority of the population is White (78%). In 2018, there were 4.66 times **more** White (Non-Hispanic) residents (45.7k people) in **Flagstaff**, **AZ** than any other race or ethnicity. There were 9.8k White (Hispanic) and 5.51k American Indian & Alaska Native (Non-Hispanic) residents, the second and third most common ethnic groups. Among all races, 19% identify as Hispanic or Latino. Students attending Northern Arizona University contribute to racial diversity in Flagstaff, particularly among African American and Pacific Islander populations. The City's 2021 Analysis of Impediments to Fair Housing Choice describes in greater detail the socio-economic conditions of Flagstaff's minority residents.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,225	330	325
White	1,805	185	185
Black / African American	60	4	35
Asian	110	0	15
American Indian, Alaska Native	340	50	40
Pacific Islander	0	0	0
Hispanic	750	35	45

Table 12 - Disproportionally Greater Need 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

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30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,185	370	0
White	1,300	195	0
Black / African American	90	4	0
Asian	70	4	0
American Indian, Alaska Native	305	65	0
Pacific Islander	0	0	0
Hispanic	405	90	0

Table 13 - Disproportionally Greater Need 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,385	1,330	0
White	1,715	740	0
Black / African American	4	50	0
Asian	60	30	0
American Indian, Alaska Native	270	255	0
Pacific Islander	15	0	0
Hispanic	265	235	0

Table 14 - Disproportionally Greater Need 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

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80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	925	1,315	0
White	715	845	0
Black / African American	4	50	0
Asian	10	44	0
American Indian, Alaska Native	55	105	0
Pacific Islander	0	0	0
Hispanic	150	260	0

Table 15 - Disproportionally Greater Need 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4.Cost Burden greater than 30%

Discussion

Disproportionately greater housing needs occur at each HUD income category; however, disproportionate housing need is not consistent for any one racial or ethnic group. The relatively small number of households in some racial and ethnic categories combined with the large proportion of NAU students who are minorities may impact this assessment. For example, there are 15 Pacific Islander households with income between 50% and 80% AMI - all households have housing needs and local data suggests that all households are student households.

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NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

When a population's proportion of severe housing need is at least 10% higher than the housing needs of the population as a whole, the City considers that population to have disproportionate need.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	3,070	480	325
White	1,715	275	185
Black / African American	60	4	35
Asian	110	0	15
American Indian, Alaska Native	290	95	40
Pacific Islander	0	0	0
Hispanic	730	60	45

Table 16 – Severe Housing Problems 0 - 30% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,535	1,020	0
White	990	505	0
Black / African American	90	4	0
Asian	65	8	0

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Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
American Indian, Alaska Native	110	255	0
Pacific Islander	0	0	0
Hispanic	270	225	0

Table 17 – Severe Housing Problems 30 - 50% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	735	2,975	0
White	450	2,015	0
Black / African American	4	50	0
Asian	35	55	0
American Indian, Alaska Native	125	400	0
Pacific Islander	0	15	0
Hispanic	90	410	0

Table 18 – Severe Housing Problems 50 - 80% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

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80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	185	2,050	0
White	140	1,410	0
Black / African American	0	55	0
Asian	0	54	0
American Indian, Alaska Native	35	120	0
Pacific Islander	0	0	0
Hispanic	10	400	0

Table 19 – Severe Housing Problems 80 - 100% AMI

Data Source: 2011-2015 CHAS

*The four severe housing problems are:
1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4.Cost Burden over 50%

Discussion

Among households with incomes below 30% AMI, Black/African American households have disproportionately greater severe housing needs. 2% of the City's population is Black/African American and 43% of Black/African American people in Flagstaff are NAU students.

Disproportionately greater severe housing needs occur at each HUD income category except 30% to 50% AMI. Disproportionately severe housing need is consistent among Hispanic households with incomes between 50% and 100% AMI. Disproportionately severe housing needs among Hispanic households may result from larger family sizes and multi-generational households that result in overcrowding and severe overcrowding as defined by HUD.

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NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

When a population's proportion of housing cost burden is at least 10% higher than the housing cost burden of the White population as a whole, the City considers that population to have disproportionate need. Due to inaccuracies in the data provided by HUD, housing cost burden among racial and ethnic groups are measured against housing cost burden of White households as White households are the most prevalent type in Flagstaff.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	13,790	4,160	5,025	325
White	9,795	3,080	3,095	185
Black / African American	225	30	154	35
Asian	205	40	210	15
American Indian, Alaska Native	1,035	440	390	40
Pacific Islander	20	15	0	0
Hispanic	2,315	505	975	50

Table 20 – Greater Need: Housing Cost Burdens AMI

Data Source: 2011-2015 CHAS

Discussion:

Housing cost burden is disproportionately high among the following racial and ethnic groups in relation to White households:

- Households with income < 30% - American Indian, Hispanic
- Households with income 30% to 50% AMI – Pacific Islander; and
- Households with income 50% to 80% AMI – none.

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NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Housing Needs

- Among households with incomes below 30% AMI, Black/African American and American Indian/ Alaskan Native households have disproportionately greater housing needs.
- Among households with incomes between 30% and 50% AMI, Asian households have disproportionately greater housing needs.
- Among households with incomes between 50% and 80% AMI, Pacific Islander households have disproportionately greater housing needs.
- Among households with incomes between 80% and 100% AMI, Native American households have disproportionately greater housing needs.

Severe Housing Needs

- Among households with incomes below 30% AMI, Black/African American households have disproportionately greater severe housing needs.
- Among households with incomes between 30% and 50% AMI, no households have disproportionately greater severe housing needs.
- Among households with incomes between 50% and 80% AMI, Hispanic households have disproportionately greater severe housing needs.
- Among households with incomes between 80% and 100% AMI, Native American and Hispanic households have disproportionately greater severe housing needs.

Housing cost burden:

Housing cost burden is disproportionately high among the following racial and ethnic groups in relationship to White households:

- Households with income < 30% - Black/African American;
- Households with income 30% to 50% AMI – Pacific Islander.

If they have needs not identified above, what are those needs?

The needs of racial and ethnic minorities are similar to the needs of all Flagstaff residents – access to employment that matches education and skill level is a primary need that if met will assist lower-income residents to attain meaningful employment of sufficient wage to support a higher quality of life.

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Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

Of the 18 Block Groups where the non-White population is 10% higher than citywide, 10 include Northern Arizona University and adjacent Block Groups (NAU Block Groups). NAU students account for the entire Pacific Islander population, 43% of the Black/African American population, 20% of the Asian population, and 20% of the Hispanic population. More than 1/3 (37%) of the Black/African American population lives in NAU Block Groups, as does 56% of the Asian population and 50% of the Hispanic population.

Outside of the NAU Block Groups, the Hispanic population is disproportionately high in seven Block Groups: Census Tract 3 Block Group 1; Census Tract 4 Block Group 5; Census Tract 5 Block Groups 1 through 4; and Census Tract 11.02 Block Groups 1 and 3. Also outside the NAU Block Groups, the American Indian population is disproportionately high in eight Block Groups: Census Tract 4 Block Groups 2, 3, and 5; Census Tract 5 Block Groups 1 through 3; Census Tract 7 Block Group 1; Census Tract 9 Block Group 3; and Census Tract 11.02 Block Group 1. These Block Groups also include the four target areas identified by the City.

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NA-35 Public Housing – 91.205(b)

Introduction

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 housing choice vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability. The average annual income of public housing residents is $22,215 and the average annual income of voucher holders is $14,778. The average stay of public housing residents is 9 years and 2 months and the average annual time receiving housing assistance from a Housing Choice Voucher is 7 years 4 months~~.~~ ~~T~~he public housing program is accepting applications and the approximate wait time ~~is~~ 6 months to 4 years for public housing. The waiting list for the Housing Choice Voucher Program is currently closed (except for special programs) and the approximate wait time is 1 and ½ to 3 years or more for a Housing Choice Voucher.

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	12	265	455	0	361	94	0	0

Table 21 - Public Housing by Program Type

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Data Source: Flagstaff Housing Authority

DRAFT

Characteristics of Residents

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project - based	Tenant - based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
Average Annual Income	0	49,66	$22,215	$14,351	0	$15,061	13,641	0
Average length of stay	0	8.5	9.2	7.4	0	4	0	0
Average Household size	0	1	3	2	0	2	1	0
# Homeless at admission	0	1	3	18	0	3	15	0
# of Elderly Program Participants (>62)	0	1	1	53	0	52	1	0
# of Disabled Families	0	10	37	190	0	190	56	0
# of Families requesting accessibility features	0	10	1	353	0	329	24	0
# of HIV/AIDS program participants	0	0	9	0	0	0	0	0
# of DV victims	0	0	10	0	0	0	0	0

Table 22 – Characteristics of Public Housing Residents by Program Type

Data Source: Flagstaff Housing Authority

DRAFT

Race of Residents

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	8	104	315	0	362	71		
Black/African American	0	0	12	29	0	24	5		
Asian	0	0	0	2	0	2	0		
American Indian/Alaska Native	0	2	139	111	0	93	18		
Pacific Islander	0	0	2	0	0	0	0		
Other	0	0	0	0	0	0	0		
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 23 – Race of Public Housing Residents by Program Type

Data Source: Flagstaff Housing Authority

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	80	75	0	75	5	0	0
Not Hispanic	0	10	185	339	0	257	89	0	0
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 24 – Ethnicity of Public Housing Residents by Program Type

Data Source: Flagstaff Housing Authority

DRAFT

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

Very few tenants and applicants (less than 5%) request accessible units or accessibility improvements. When requests are received the vast majority are for companion/emotional support -animals with the remainder being for grab bars, no stairs, flat entries, and service/assistive~~/~~ animals.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

The most immediate needs of public housing residents include less need for verification and simplification of the rules. The most immediate need among Housing Choice Voucher holders is available units to lease that are within the payment standard.

How do these needs compare to the housing needs of the population at large?

The housing needs of public housing residents and Housing Choice Voucher holders are comparable to the needs of the low-income population at large – units of sufficient size to adequately house their families and housing units that are affordable.

Discussion

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 housing choice vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability. The average annual income of public housing residents is $22,215 and the average annual income of voucher holders is $14,778. The average stay of public housing residents is 9 years and 2 months and the average annual time receiving housing assistance from a Housing Choice Voucher is 7 years 4 months~~.~~

DRAFT

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

The Arizona Rural Continuum of Care is managed by the Arizona Department of Housing (ADOH) and works throughout rural Arizona, including the City of Flagstaff, to coordinate homeless planning across municipalities and agencies. The City may use CDBG resources to support or expand facilities and services for homeless people and works closely with the Coconino County Continuum of Care and the coordinated entry program "Front Door of Flagstaff".

Homeless individuals and families in Flagstaff reflect the diversity, complex characteristics and special needs of homeless people throughout the United States. Some homeless people require limited assistance to regain permanent housing and self-sufficiency. Others, especially people with disabilities and those who are chronically homeless, require extensive and long-term support. In addition to people who are already homeless, individuals and families with limited incomes may be in imminent danger of becoming homeless.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

According to the Arizona Department of Housing point-in-time unsheltered count for Coconino County homeless individuals and families have been without a home as follows: 8% for less than 30 days; 19% for 31 days to 6 months; 9% for 7 to 12 months; 8% for 13-24 months and 46% for more than 24 months. There is no breakdown by homeless population type and there is no data available for the number of persons exiting homelessness each year.

DRAFT

Nature and Extent of Homelessness: (Optional)

Race:	Sheltered:	Unsheltered (optional)
White	170	87
Black or African American	21	18
Asian	13	0
American Indian or Alaska Native	108	6
Pacific Islander	0	1
Ethnicity:	**Sheltered:**	**Unsheltered (optional)**
Hispanic	135	11
Not Hispanic	272	115

Data Source Comments: 2020 Point-in-Time Count AZ-500 Arizona Balance of State CoC

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

In January 2020, there were 407 individuals in 136 sheltered families, and 10 in permanent supportive housing. Among families with children, most are single-parent female-headed households. There were an estimated 3 families with children that included a Veteran. The 2020 Balance of State point-in-time count identified 13 adults with children and 17 children under the age of 18 experiencing homelessness. There were 2 households that included a Veteran; these households may also include children. It is important to note that the 2020 point-in-time count took place in January and that the number of individuals experiencing homelessness in Flagstaff is significantly higher during the summer months

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

In January 20120, 45% of homeless individuals, including homeless individuals in families, were White/non-Hispanic and 35% were Native American; all other races and ethnicities accounted for the remaining 20% of homeless individuals. Among families 36% were Native American, 29% were White/non-Hispanic and 18% were White/Hispanic; all other races accounted for the remaining 26% of homeless individuals in families. Among individuals 50% were White/non-Hispanic and 35% were Native American; all other races and ethnicities accounted for the remaining 15% of homeless individuals. In many cases, Native American individuals visit Flagstaff and have no way to get back home; this contributes to the higher number of Native American people experiencing homelessness.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

The 2021 sheltered count reported by the AZ Department of Housing identified 817 sheltered individuals in Coconino County, including emergency shelter, transitional housing, and permanent

supportive housing. At that time and among families there were 280 people in emergency shelter, 69 people in transitional housing, 229 people in permanent supportive housing, and 231 people receiving rapid re-housing assistance including Veterans Affairs Supportive Housing Vouchers. Counts of sheltered families served by victim services agencies are not included in the sheltered count.

The 2020 Balance of State point in time count revealed 151 people in 91 households experiencing homelessness in Coconino County. This count was conducted in January when unsheltered homelessness in Coconino County is relatively low due to inclement weather.

Nearly 1/3 of unsheltered homeless people indicated the primary reason for homelessness was no employment. Other high ranking primary contributors to homelessness were household/ family dispute, insufficient employment, and the high cost of housing.

Discussion:

The Arizona Department of Housing manages the rural Continuum of Care, which includes the Coconino County Continuum of Care and the City of Flagstaff. Homelessness in Flagstaff is most prevalent among single adult men. The number of unsheltered homeless people in Flagstaff in the summer months is more than double the number during the winter months. The high cost of housing combined with insufficient moderate- and higher-wage employment opportunities are primary contributors to homelessness in Flagstaff.

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

For purposes of the Consolidated Plan, HUD defines special populations as:

1. Elderly and Frail Elderly People
2. People with Severe Mental Illness
3. People with Mental, Physical and/or Developmental Disabilities
4. People with Alcohol/Other Drug Addictions
5. Persons with HIV/AIDS & their families
6. Victims of Domestic Violence

The CDBG program expressly permits CDBG funding without income qualification for specific categories of people with special needs – referred to as "presumed benefit" - abused children, elderly persons, victims of domestic violence, severely disabled adults, illiterate adults, persons living with AIDS, and migrant farm workers.

Describe the characteristics of special needs populations in your community:

Elderly and Frail Elderly People. Using Coconino County CHAS data and applying proportionate rates of housing needs to Flagstaff residents, there are an estimated 906 elderly low- and moderate-income households with housing problems, including 682 owners of whom 326 have income less than 30% AMI and 224 renters of whom 51 have income less than 30% AMI. Elderly homeowners are most in need of assistance maintaining their homes and accessibility improvements to retain homeownership if desired. Elderly renters are in need of more affordable rental housing in close proximity to transportation and services.

People with Severe Mental Illness. Many SMI individuals are not employed and receive SSI, which in 2014 was $721/month; individuals with a qualifying disability may receive SSDI and the 2014 average payment was $1,148/month. Individuals with serious mental illness are particularly vulnerable to homelessness as there are insufficient permanent supportive housing units available and for those who can live independently, and median rents are too high; ADHS reports approximately 3.8% of enrolled people with SMI are homeless.

People with Physical and Developmental Disabilities. Using Coconino County CHAS data and applying proportionate rates of housing needs to Flagstaff residents, there are an estimated 802 LMI households that include a person with a disability who have housing problems, including 679 owners and 123 renters. Many people with disabilities who have housing needs may also be elderly. People with disabilities and their families have layered, complex needs that demand broad strategies and resources. Supportive housing for renters that includes transportation services and provides employment opportunities for people with disabilities would be beneficial as the unemployment rate for people with disabilities is 14.5% - double the rate for the population without disabilities.

What are the housing and supportive service needs of these populations and how are these needs determined?

Elderly and Frail Elderly People. Using Coconino County CHAS data and applying proportionate rates of housing needs to Flagstaff residents, there are an estimated 906 elderly low- and moderate-income households with housing problems, including 682 owners of whom 326 have income less than 30% AMI and 224 renters of whom 51 have income less than 30% AMI. Elderly homeowners are most in need of assistance maintaining their homes and accessibility improvements to retain homeownership if desired. Elderly renters are in need of more affordable rental housing in close proximity to transportation and services.

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People with Alcohol/Other Addictions. There is no specific data regarding the housing needs of people with alcohol and other drug addictions. Nearly half of people receiving substance abuse services from ADHS are age 26 to 45 and 85% are low income. Based on these demographics, in addition to treatment and related services, people with alcohol and other addictions are most likely to be in need of affordable rental housing.

Victims of Domestic Violence. The most immediate housing need of domestic violence survivors is a safe place to live. Many victims of domestic violence are capable of moving to permanent housing without supports and transitional housing with supportive services such as meals and basic needs, case management, financial coaching, employment preparedness, child care, life skills counseling, and court advocacy is most needed.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

According to the Arizona Department of Health Services 2020 Annual HIV/AIDS Report for Coconino County the HIV/AIDS prevalence rate is 188 per 100,000; eight of ten people living with HIV/AIDS are men. The prevalence of HIV/AIDS is higher among people age 35 to 54. According to the 2020 Arizona Statewide Needs Assessment for People Living with HIV/AIDS 55% of respondents to the statewide needs assessment survey reported renting, 17% lived with family or friends, 16% owned their home, and 14% reported being homeless at some time. Nearly half (48%) of survey respondents reported living alone and 38% lived in 2-person households. 75% of individuals receiving services have incomes that qualify as Medicaid eligible. Identified issues for the Northern Region include a widely-dispersed population that includes a large number of Native Americans, geographic challenges of delivering medication and food boxes, holding support groups with enough attendees, and mountainous terrain. The survey identified support groups, housing assistance, mental health services, and emergency financial assistance as the top ranked needs.

Discussion:

The available data provides a good sense of the number of people with various types of disabilities. The data is however not refined enough to accurately estimate service and/or adaptive and supportive housing needs as the number of persons receiving services and already living in adapted units is not available.

There is insufficient room above to fully describe the characteristics and needs of people with special needs. That section is continued here:

People with Alcohol/Other Addictions. There is no specific data regarding the housing needs of people with alcohol and other drug addictions. Nearly half of people receiving substance abuse services from ADHS are age 26 to 45 and 85% are low income. Based on these demographics, in addition to treatment and related services, people with alcohol and other addictions are most likely to be in need of affordable rental housing.

Victims of Domestic Violence. The most immediate housing need of domestic violence survivors is a safe place to live. Many victims of domestic violence are capable of moving to permanent housing without supports and transitional housing with supportive services such as meals and basic needs, case management, financial coaching, employment preparedness, child care, life skills counseling, and court advocacy is most needed.

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

Needed public facilities located in LMI neighborhoods and/or serving LMI residents and people with special needs include emergency shelters and transitional housing, and facilities providing services to youth, seniors and other special needs populations. The City library foresees a need for expansion to serve individuals experiencing homelessness and youth as school libraries are under-funded. Sustainability and energy efficiency improvements to shelters are also a critical need and several providers have approached the City for assistance.

Respondents to the City's Consolidated Plan survey identified the following priority public facilities needs in Flagstaff:

1. Child Care Centers;
2. Youth Centers;
3. Senior Centers; and
4. Disability Accessibility Improvements.

How were these needs determined?

The City's Capital Improvement Plan is prepared as part of the Annual Budget and Financial Plan and includes capital improvements spanning the coming ten years. Projects in the Capital Improvement Program fall into nine broad categories: general government, streets/ transportation, Flagstaff Urban Trails System (FUTS), arts and science/recreation/beautification, water, stormwater, wastewater, airport, and solid waste. The 5-year Capital Improvement Plan was reviewed to identify public facilities located in LMI neighborhoods and/or serving LMI residents and people with special needs. A survey was conducted for the Consolidated Plan and the results of the 2020 Coconino County Community Health and Human Services Needs Assessment were used to identify other needs of low and moderate income households.

Describe the jurisdiction's need for Public Improvements:

Needed public improvements located in LMI neighborhoods and/or serving LMI residents and people with special needs include ADA Accessibility Improvements and infrastructure for affordable housing projects.

Respondents to the City's Consolidated Plan survey identified the following priority public improvements needs in Flagstaff:

5. Street lighting; and
6. Energy Efficiency Improvements.

How were these needs determined?

The Capital Improvement Plan is prepared as part of the Annual Budget and Financial Plan and includes capital improvements spanning the coming ten years. Projects in the Capital Improvement Program fall into nine broad categories: general government, streets/ transportation, Flagstaff Urban Trails System (FUTS), beautification, water, stormwater, wastewater, airport, and solid waste. The 5-year Capital Improvement Plan was reviewed to identify public improvements located in LMI neighborhoods and/or servicing LMI residents and people with special needs. In addition, a survey was conducted for the Consolidated Plan.

Describe the jurisdiction's need for Public Services:

Records of past funding indicate a need for agency operating support, homeless outreach services, financial education and counseling, housing stabilization assistance, and health services.

Respondents to the City's Consolidated Plan survey identified the following priority public services needs in Flagstaff:

7. Mental Health Services
8. Housing Stabilization Services, and
9. Small Business Assistance.

How were these needs determined?

Public services needs were determined by reviewing past requests for funding, through a survey conducted specifically for the Consolidated Plan and through public meetings conducted for the Consolidated Plan. In addition, a survey was conducted for the Consolidated Plan and the results of the 2020 Coconino County Community Health and Human Services Needs Assessment were used to identify other needs of low and moderate income households.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

The housing market consists of homeowners and renters and the units they occupy. In addition to tenure and occupancy, the three primary elements of the housing market that impact supply and demand are:

1. Variety - the types of housing that are available.
2. Quality, - most often defined by age, unit value and whether the unit has complete plumbing or kitchen facilities.
3. Affordability - defined by the percentage of household income that must be spent for housing costs and whether that percentage consumes more than 30% of gross household income.

The Northern Arizona University main campus is located in Flagstaff and has a significant impact on housing availability. Student enrollment at Northern Arizona University Flagstaff campus in 2020 was 29,569, with 22,870 students enrolled full-time. Approximately 7,767 students lived in college dormitories or apartments situated on land owned by NAU, an estimated 18% (5,640) either lived with family or were enrolled in online/remote classes, and an estimated 9,733 students lived off campus. Assuming an average of 2.5 students per open-market rental unit an estimated 3,893 rental units were occupied by students. Students typically pay between $800 and $1000 per bedroom, far more than could be earned by renting units to families.

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

A variety of housing types is necessary to meet the diverse housing needs and desires of both owners and renters. Housing variety is driven by many factors - primarily demand for certain types of housing and amenities. Other factors that influence housing variety include public policy such as zoning and building requirements, the availability and cost of infrastructure, and the cost of development (land, construction, fees).

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	12,225	46%
1-unit, attached structure	2,825	11%
2-4 units	2,600	10%
5-19 units	4,595	17%
20 or more units	2,580	10%
Mobile Home, boat, RV, van, etc	1,665	6%
Total	***26,490***	***100%***

Table 25 – Residential Properties by Unit Number

Data Source: 2011-2015 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	15	0%	810	6%
1 bedroom	170	2%	2,305	18%
2 bedrooms	1,455	14%	5,490	43%
3 or more bedrooms	8,880	84%	4,170	33%
Total	***10,520***	***100%***	***12,775***	***100%***

Table 26 – Unit Size by Tenure

Data Source: 2011-2015 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

There are 1,255 subsidized low-income rental units in the City of Flagstaff. In addition to the 265 public housing units and 101 affordable rental units owned and operated by the City of Flagstaff Public Housing Authority, there are 888 affordable rental units in 12 apartment complexes funded with the Low Income Housing Tax Credit Program. LITHC units are generally targeted to households with income less than 60% of the area median income. LIHTC units may be targeted to specific populations, and 60 units are

targeted to elderly and disabled households; the remaining 828 units are targeted to families. There are also 12 HUD-funded Section 202 units serving very-low income people with disabilities.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

According to information provided by the Arizona Department of Housing there are two affordable housing properties containing 68 units with periods of affordability or use agreements that will expire between 2016 and 2025. A 10-year planning window is used to identify potential lost units to allow sufficient time to plan.

1. Timber Trails Apartments – 64 units funded with Low-income Housing Tax Credits / Bond funds will expire on October 20, 2021. The 64 units in this project include 16 1-bedroom units, 16 2-bedroom units and 32 3-bedroom units.
2. Sharon Manor II Apartments – 4 units funded with State Housing Funds will expire on December 31, 2025.

Does the availability of housing units meet the needs of the population?

There is a general oversupply of units with 3 or more bedrooms and insufficient units with 1 or 2 bedrooms. People have choice of where to live – including units that are too large for their household – and many small owner households choose to occupy housing units with 3 or more bedrooms. With students rooming together off-campus, large families may be challenged to find rental units with adequate bedrooms to comfortably accommodate all members of the family. In addition, VASH Voucher holders seeking 1-bedroom units that meet Housing Quality Standards have been challenged to find quality affordable units.

Describe the need for specific types of housing:

Condominium and townhome units and other attached units that are less costly to develop and suitable for homeownership by families of all sizes are needed, as are higher-density rental units suitable for non-student households.

Discussion

While there is a general over-supply of 3-bedroom units, the Northern Arizona University main campus is located in Flagstaff and has a significant impact on housing availability as an estimated 3,893 open-market rental units are occupied by students, many of them rooming together in larger units. The presence of a large number of students may negatively impact the availability of 3-bedroom and larger rental units suitable for large families.

Condominium and townhome units and other attached units that are less costly to develop and suitable for homeownership by families of all sizes are needed, as are higher-density rental units suitable for non-student households.

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

Government programs define cost burden as paying more than 30% of gross household income for total housing cost (rent or mortgage and utilities), however this definition is more appropriate to moderate income households than to lower or higher income households. Simply stated, housing cost burdened lower-income households may have little remaining to pay for the essentials – clothing, food, transportation and child care, while higher income households may choose to pay more for housing. Housing cost burden also has costs to the community; when housing costs are high employers may have difficulty attracting and retaining qualified employees.

Cost of Housing

	Base Year: 2015	Most Recent Year: 2019	% Change
Median Home Value	267,400	351,600	31%
Median Contract Rent	940	1265	34%

Table 27 – Cost of Housing

Data Source: 2011-2015 ACS (Base Year), 2015-2019 ACS (Most Recent Year)

Rent Paid	Number	%
Less than $500	865	6.9%
$500-999	5035	40%
$1,000-1,499	5150	41.2%
$1,500-1,999	1205	9.6%
$2,000 or more	255	2%
Total	***12,510***	***99.9%***

Table 28 - Rent Paid

Data Source: 2015-2019 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	425	No Data
50% HAMFI	1,655	455
80% HAMFI	7,335	1,070
100% HAMFI	No Data	2,205
Total	***9,415***	***3,730***

Table 29 – Housing Affordability

Data Source: 2007-2011 CHAS

Monthly Rent

Monthly Rent ($)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	964	1,024	1,266	1,653	2,003
High HOME Rent	850	912	1,096	1,257	1,383
Low HOME Rent	668	716	860	993	1,108

Table 30 – Monthly Rent

Data Source Comments:
US Dept. of Housing and Urban Development

Is there sufficient housing for households at all income levels?

2011-2015 CHAS data when compared with 2007-2011 household income and tenure data suggests insufficient rental units affordable to households with income less than 30% AMI and insufficient owner units affordable to households with income 50% to 100% AMI.

College students living off-campus that are supported by their parents appear to be very low income and their presence tends to inflate the number of households with income less than 30% AMI and to inflate the number of cost burdened households. It is however important to ensure adequate rental housing is available for non student households with income less than 30% AMI.

How is affordability of housing likely to change considering changes to home values and/or rents?

While the long-term (2011 to 2015) median home value nearly doubled (98% increase) and the median rent increase was 44%, shorter-term data indicate a 9.6% decrease in home values and a 6% increase in rents from 2011 to 2013. The long-term expectation is that both home values and rents will increase as the housing market continues to recover. Rents are expected to increase more significantly as demand for home purchases is hampered by housing prices that are high relative to household income, decreased investment in second/vacation homes, lack of interest and financial ability to purchase by previously foreclosed homeowners, and changing social values regarding homeownership. Rent increases may be somewhat lower than expected as site plans have been approved for 696 additional rental units that will primarily serve college students; the actual impact of new housing intended for student occupancy will depend on NAU student enrollment, which has been increasing steadily over the past five years.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Fair Market Rents and High HOME rents are comparable to the area median rent, although there is significant variability based on bedroom size. “Low HOME” rents are generally lower than the area

median rent. The relatively low rent associated with “low-HOME” units will impact the City’s strategy to suggest production by developers of new units that are affordable to households with income less than 50% AMI. Other factors, such as vacancy rates, waiting lists for existing affordable housing, potential loss of affordable housing units, the introduction of new student housing, and economic changes will have greater influence on the City’s strategy.

Discussion

During the market cycle from 2000 to 2011 median home values nearly doubled while median contract rents increased 44%. There was significant variability in the housing market during this period, particularly during the housing crisis and Great Recession. Both home values and rents are expected to increase during the next five years, with demand for rental units expected to drive greater rent increases and lower demand for owner units expected to result in moderate home value increases.

There are insufficient units affordable to owners and potential purchasers with income 50% to 100% AMI. 67% of renter respondents to the 2020 Coconino County Community Health and Human Services Needs Assessment indicated they would like to own a home but insufficient down payment and availability in their price range were barriers to homeownership. There are also insufficient rental units affordable to renters with income less than 30% AMI.

Rents established by HUD for the HOME program, which finances rehabilitation and new construction and for the Section 8 program, which provides monthly rental subsidies to low-income renters do not vary significantly from the area median rent due to the high volume of one and two bedroom rental units in Flagstaff. Rehabilitated or new units targeted to very low income renters would have positive impacts on the availability of affordable housing.

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

Housing quality encompasses a range of issues that are central to quality of life including housing safety, design and appearance, maintenance and energy efficiency, and community safety and livability. The quality of the existing housing stock reflects economic prosperity and pride of community.

The age of the housing stock is one indicator of housing quality. While many older housing units have been well-maintained and lovingly restored, other older housing units may have been built to outdated building codes using materials and construction techniques that are no longer considered safe or sustainable. Older housing units may be less energy efficient, resulting in higher utility costs for occupants. In addition, some materials, such as lead (in units built prior to 1978) and asbestos may be health hazards to unit occupants.

Definitions

A substandard housing unit is defined by HUD as lacking complete plumbing or kitchen facilities. HUD also requires the City to define standard condition and substandard condition but suitable for rehabilitation. These definitions are used in determining the eligibility of a housing unit for rehabilitation using CDBG funds.

- *Standard Dwelling Unit*. A dwelling unit that meets or exceeds HUD Housing Quality Standards (HQS) and local building codes with no major defects in the structure and only minor maintenance required. A standard dwelling will have a reliable roof; sound foundation; adequate and stable floors, walls and ceilings; surfaces and woodwork that are not seriously damaged; sound windows and doors; adequate heating, plumbing and electrical systems; and adequate water and sewer systems.
- *Substandard Dwelling Unit Suitable for Rehabilitation.* A dwelling unit that does not meet HUD Housing Quality Standards (HQS) and local building codes and has a major structural deficiency and/or is lacking one of the following: complete plumbing or kitchen facilities; efficient and environmentally sound sewage removal and water supply; a proper heating source; or is without electricity or adequate and safe electrical service yet has basic infrastructure that allows for economically and physically feasible improvements that will result in the unit meeting the definition of a standard dwelling upon completion of rehabilitation.
- **Condition of Units**

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	2,300	22%	6,925	54%
With two selected Conditions	30	0%	610	5%
With three selected Conditions	0	0%	0	0%
With four selected Conditions	0	0%	0	0%

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
No selected Conditions	8,185	78%	5,245	41%
Total	***10,515***	***100%***	***12,780***	***100%***

- **Table 31 - Condition of Units**

Data Source: 2011-2015 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	2,740	26%	2,860	22%
1980-1999	3,880	37%	5,270	41%
1950-1979	3,305	31%	4,040	32%
Before 1950	590	6%	610	5%
Total	***10,515***	***100%***	***12,780***	***100%***

Table 32 – Year Unit Built

Data Source: 2011-2015 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	3,895	37%	4,650	36%
Housing units built before 1980 with children present				

Table 33 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	17,100
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 34 - Vacant Units

Data Source: 2005-2009 CHAS

Vacant Housing Units

There is no data available regarding the number of vacant abandoned buildings and whether these buildings are suitable for rehabilitation. Overall vacancy rates are extremely low.

Need for Owner and Rental Rehabilitation

The data provided by HUD on "condition of housing" is not particularly useful in estimating the number of housing units needing rehabilitation. The data on condition of units is the sum of four housing conditions: 1) lacks complete kitchen facilities, 2) lacks complete plumbing facilities, 3) more than one person per room, and 4) cost burden greater than 30%. Conditions 3 and 4 are not directly relevant to the physical condition of the unit, although overcrowding and cost burden can lead to substandard housing. The only one of these four conditions with significant numbers is cost burden.

Complete kitchen facilities include a) cooking facilities, b) refrigerator, and c) a sink with piped water. Complete plumbing facilities include a) hot and cold piped water, b) a flush toilet, and c) a bathtub or shower. US Census data indicates there are a total of 37 units in Flagstaff that lack complete plumbing facilities and 192 that lack complete kitchen facilities; many of these units may be illegal accessory dwelling units.

The City's experience with its owner-occupied housing rehabilitation indicates that most units are in need of roofing, electrical and plumbing upgrades, hot water heaters and heating units. Public input from the City's survey indicates that deferred maintenance is occurring in the City's older neighborhoods where rental housing predominates.

Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards

HUD did not provide data showing the number of pre-1980 housing units by income level. Based on the income breakouts provided by HUD for families in the needs assessment, an estimated 38% or 3,065 units with LBP hazards are occupied by low and moderate income families and 865 are occupied by low and moderate income families with children.

Discussion

Housing units that are 30 years old or older are more likely than the newer housing stock to require rehabilitation or replacement, historic preservation, lead-based paint remediation, and energy efficiency improvements. There are 8,106 units that were built before 1980 and are more than 30 years old; this represents 36% of housing units. Renters and owners are equally likely to occupy pre-1980 housing units, with renters slightly more likely to occupy units built before 1950.

HUD data indicates that 2,290 pre-1980 housing units are occupied by households with children – 60% by renters and 40% by owners. Childhood lead poisoning is a serious pediatric health problem and children ages six years and younger are particularly susceptible to lead poisoning. Research indicates that even a low level of lead in a child's blood can have harmful effects on physical and developmental health. The most common source of exposure is deteriorating lead-based paint and lead-contaminated dust found in the home, but other sources include pottery, jewelry, candy and makeup.

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 housing choice vouchers, 106 Veterans Affairs Supportive Housing Vouchers, , 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability. The public housing units are in good repair as the Housing Authority follows a system of ensuring that all major systems are in good repair. The Housing Authority develops a 5-year Plan to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

Totals Number of Units

Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	12	265	481	0	333	106	2	40
# of accessible units									
***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**									

Table 35 – Total Number of Units by Program Type

Data Source: Flagstaff Housing Authority

Describe the supply of public housing developments:

The public housing program is accepting applications and the approximate wait time 6 months to 4 years for public housing. The waiting list for the Housing Choice Voucher Program is currently closed (except for special programs) and the approximate wait time is 1 and ½ to 3 years or more for a Housing Choice Voucher. The City of Flagstaff would benefit from additional public housing developments.

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

The City of Flagstaff Housing Authority provides 265 public housing units and 12 mod-rehab units. The remainder of the units are scattered throughout the community. All major systems within the developments are in good repair due to an established life cycling system.

Public Housing Condition

Public Housing Development	Average Inspection Score
Flagstaff Housing West (AZ006001) last inspected 10/1/18	92
East Flagstaff Housing (AZ006002) Last inspected 11/6/19	72

Table 36 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

All major systems within the developments are in good repair due to an established life cycling system. Needs identified in the Five Year Capital Plan include replacing water lines, siding, roofs, water heaters and countertops.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

The Flagstaff Housing Authority lists multiple goals and strategies for improving the living environment for families in public housing:

Goal Two: Provide a safe, drug free and secure environment in CFHA's public housing developments.
Objectives:
1. CFHA shall continue to maintain practices which encourage low crime rates in its developments. This will be accomplished by continuing to contract with the Flagstaff Police Department to have a full-time officer assigned to our developments.
2. Monitor and maintain our rate of eviction due to violations of criminal law by maintaining thorough screening policies and procedures that balance the need for public safety with resident rights protected under HUD's Disparate Impact Memo

Goal Three: Maintain the CFHA's real estate in habitable, safe, decent and sanitary conditions.
Objectives:
1. CFHA shall maintain a resident friendly, non-institutional and accessible environment in its developments as measured by regular customer surveys and formal annual resident input and participation.
2. CFHA shall maintain public housing units in compliance with all local and HUD requirements. This will be accomplished as follows:
a. Continue to use Capital Funds to maintain facilities, and systems, improve accessibility in homes and on the grounds and replace aging equipment.
b. Provide training on an annual basis for Maintenance Staff to allow them to grow professionally.
c. Provide training prior to occupancy for public housing residents in the care for and use of their residence.
d. Place emphasis of quality of unit turnover ahead of speed of unit turnover

e. Explore options to redevelop and expand affordable housing stock including HUD's Rental Assistance Demonstration (RAD) program.

Goal Five: Ensure community connectivity to services, facilities and amenities is maintained and enhanced as appropriate. This includes physical linkages to area parks, the Flagstaff Urban Trail System (FUTS) and other community amenities, as well as interactions with area schools and organizations..
Objectives:
1. Utilize the Siler Homes Activity Center as a base for various resident services
2. Work toward expanding staff knowledge of and relationships with community programs, family and youth services and activities to include job related training and career developments to allow them to provide accurate and appropriate referrals. Page 4 of 9 form HUD-50075-5Y (12/2014) 3. Seek to continue to work with our community partners to provide youth activities and drug prevention programs.
4. Continue to contract with the Flagstaff Police department to have a full-time officer assigned to our developments to promote Community based policing to minimize criminal and drug activity This program has been extremely successful over the years.
5. Continue to partner with Head Start to provide early childhood education at our sites.

Additionally, the Housing Authority has multiple goals and objectives created to increase resident involvement including: ongoing surveys and formal annual resident input and participation to ensure the public housing environment is appealing and up-to-date; providing maintenance and repair training prior to occupancy; continuing resident education; partnering with the Boys and Girls club and the City Recreation Department to provide free on-site programs; and 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.

Discussion:

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 housing choice vouchers, 106 Veterans Affairs Supportive Housing Vouchers as well as 2 Foster Youth Initiative vouchers (with a remaining capacity of 23) and 40 Mainstream Vouchers for non-elderly households that include an adult with a disability. The public housing units are in good repair as the Housing Authority follows a system of ensuring that all major systems are in good repair. The Housing Authority develops a 5-year Plan to identify the capital needs of public housing developments and the methods by which living conditions will be improved for public housing residents.

MA-30 Homeless Facilities and Services – 91.210(c)

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

Ten agencies in Flagstaff provide over 780 beds for people experiencing homelessness. Beds include emergency shelter beds where the stay is typically limited to a short duration, transitional housing beds where occupancy is from six to twenty-four months, and permanent supportive housing where occupancy is long term and includes supportive services necessary for people to live independently. Permanent supportive housing includes rapid re-housing assistance and Veterans Affairs Supportive Housing Vouchers.

Because Coconino County currently has the largest number of shelter beds in rural Arizona it receives limited resources for additional beds from the rural Continuum of Care. Without additional permanent supportive housing beds, the City will be challenged to move people from homelessness to permanent supportive housing.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	39	0	33	74	0
Households with Only Adults	232	0	29	98	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	70	0
Unaccompanied Youth	13	0	0	0	0

Table 37 - Facilities and Housing Targeted to Homeless Households

Data Source Comments: Arizona Department of Housing Rural Continuum of Care for Coconino County

Describe mainstream services, such as health, mental health, and employment services to the extent those services are use to complement services targeted to homeless persons

The Coconino County Continuum of Care providers utilize all available mainstream services to complement services specifically targeted to homeless persons. Mental Health services are generally provided by the Northern Arizona Behavioral Health Authority, The Guidance Center, Southwest Behavioral Health, and Northland Family Health Center. Health Care services are provided by Community Health Centers, the Flagstaff Regional Medical Center, and the Poore Clinic that provides free health care to uninsured and underinsured people. Homeless persons, like other low-income individuals, are also referred to job training and placement services administered through the Coconino County Workforce Investment Board.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Facilities and services that meet the needs of homeless persons are included in the unique appendices. In addition to facilities serving people experiencing homelessness, Flagstaff Shelter Services partners with The Refuge, a nonprofit organization, to provide overflow shelter services during the winter months. The Refuge solicits the help of local churches to open their doors in the evening to provide overflow shelter for as many weeks as possible. The Refuge provides transportation to and from the shelter and volunteers who stay the night at the church. The shelter provides the liability responsibility, the staff and organization for the volunteers at the churches. Besides offering shelter, the goal is to connect people with services. The overflow shelter also supports a more accurate point-in-time count to ultimately ensure that adequate resources are effectively used to stabilize people sufficiently for more permanent housing.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

The Flagstaff Housing Authority is a major provider of housing for low-income elderly people and persons with disabilities. The Housing Authority provides public housing for 67 low-income elderly people and people with disabilities and provides Housing Choice Vouchers to an additional 181 elderly people and people with disabilities.

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Upon retirement, many lower-income elderly persons may need subsidized accessible housing due to decreased mobility as they age. Frail elderly people may need a unit with an extra room for a personal care attendant or may need additional services. Persons with disabilities may need a group home with room for live-in service providers or assisted living opportunities. Persons with HIV/AIDS and persons with alcohol and other drug addictions may need a subsidized housing unit near their health care providers.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Clients are generally not allowed to be discharged from institutions, including mental health, drug and alcohol treatment, jails and prisons without a clear post-discharge housing plan. However, the experience of shelter and service providers is that despite best efforts on the part of these institutions, some clients often have nowhere else to go and end up on the streets, in shelters or in temporary arrangements with friends or relatives. This is particularly true of ex-offenders and people with untreated drug and alcohol problems who may be restricted from occupancy in public or subsidized housing due to crime and drug-free housing policies. The Guidance Center continues its leadership role in the Closing the Gap initiative which brings together a variety of community stakeholders who collaborate on strategies to mitigate the impacts of chronic alcoholism and ensure people with chronic alcoholism are directed to and receive appropriate services that can lead to permanent housing.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

The City plans to continue to operate public housing and Section 8 housing choice voucher programs targeted to people with special needs who are not homeless.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

The City plans to continue to operate public housing and Section 8 housing choice voucher programs targeted to people with special needs who are not homeless.

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

Affordable housing barriers are regulatory 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 in 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. Based on the checklist, the City identified three potential local public barriers to affordable housing development:

1. Has not adopted specific building code language regarding housing rehabilitation that encourages such rehabilitation through gradated regulatory requirements applicable as different levels of work are performed in existing buildings.
2. Has not instituted a single, consolidated permit application process for housing development that includes building, zoning, engineering, environmental and related permits.
3. Does not provide for expedited or "fast track" permitting and approvals for all affordable housing projects in the community.

The first barrier is the only barrier that could negatively impact the development of affordable housing in Flagstaff. The present permit application process does not require the developer to obtain approvals from separate departments, rather when an application is submitted the various permits are handled internally. State law requires the City to permit and approve all developments within a specified time frame, negating the necessity of providing for fast track permitting and approvals for affordable housing projects.

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

The HUD tables provide some basic data on Flagstaff's workforce, its economy and education. Flagstaff has a high percentage of its workforce with college or advanced degrees, largely due to the presence of Northern Arizona University. However, Flagstaff also has a fairly large number of younger working age residents who are unemployed or employed in low-wage jobs.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	244	72	1	0	-1
Arts, Entertainment, Accommodations	5,250	6,307	24	23	-1
Construction	1,251	1,144	6	4	-2
Education and Health Care Services	5,094	7,800	23	29	6
Finance, Insurance, and Real Estate	917	819	4	3	-1
Information	254	245	1	1	0
Manufacturing	2,534	4,045	12	15	3
Other Services	738	813	3	3	0
Professional, Scientific, Management Services	1,001	1,071	5	4	-1
Public Administration	0	0	0	0	0
Retail Trade	3,434	3,978	16	15	-1
Transportation and Warehousing	558	374	3	1	-2
Wholesale Trade	648	338	3	1	-2
Total	21,923	27,006	--	--	--

Table 38 - Business Activity

Data Source: 2011-2015 ACS (Workers), 2015 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	38,820
Civilian Employed Population 16 years and over	35,910
Unemployment Rate	7.52
Unemployment Rate for Ages 16-24	21.86
Unemployment Rate for Ages 25-65	2.99

Table 39 - Labor Force

Data Source: 2011-2015 ACS

Occupations by Sector	Number of People
Management, business and financial	8,175
Farming, fisheries and forestry occupations	1,635
Service	4,220
Sales and office	9,240
Construction, extraction, maintenance and repair	1,970
Production, transportation and material moving	1,465

Table 40 – Occupations by Sector

Data Source: 2011-2015 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	30,175	89%
30-59 Minutes	2,445	7%
60 or More Minutes	1,235	4%
Total	***33,855***	***100%***

Table 41 - Travel Time

Data Source: 2011-2015 ACS

Education:

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
Less than high school graduate	1,525	115	850

Educational Attainment	In Labor Force		
	Civilian Employed	Unemployed	Not in Labor Force
High school graduate (includes equivalency)	3,450	65	1,155
Some college or Associate's degree	7,755	430	1,775
Bachelor's degree or higher	10,815	280	1,570

Table 42 - Educational Attainment by Employment Status

Data Source: 2011-2015 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	25	235	145	355	280
9th to 12th grade, no diploma	910	490	395	870	265
High school graduate, GED, or alternative	4,350	1,335	1,260	2,090	890
Some college, no degree	12,045	2,470	1,765	2,760	885
Associate's degree	1,215	1,250	595	1,115	265
Bachelor's degree	1,560	3,015	1,940	2,495	1,145
Graduate or professional degree	65	1,295	1,195	2,725	1,410

Table 43 - Educational Attainment by Age

Data Source: 2011-2015 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	21,118
High school graduate (includes equivalency)	24,891
Some college or Associate's degree	30,755
Bachelor's degree	35,745
Graduate or professional degree	51,776

Table 44 – Median Earnings in the Past 12 Months

Data Source: 2011-2015 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

Education and health care services are by far the largest employment sectors in Flagstaff, employing 21% of all workers who live in Flagstaff. Arts, accommodations and recreation also employ 21% of

Flagstaff workers; however, many of these jobs are not full-time jobs. Retail trade (15%) and Manufacturing (11%) are also relatively high employment sectors. Together, these four sectors employ two-thirds of Flagstaff workers.

Describe the workforce and infrastructure needs of the business community:

Flagstaff's business community is seeking a mix of educated professionals, a workforce with manufacturing skills as well as a workforce with entry-level skills to fill numerous retail and accommodations sector jobs. Continued growth of NAU and growth in the health services sector may lead to demand for more professionals in the education and health care sectors.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

There are no large-scale investments or initiatives that will affect job and business growth opportunities during the next five years. Community Development staff is analyzing the 1992 Redevelopment Area Plan to determine whether an update is necessary; an update could result in new redevelopment opportunities.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

Considering the relatively low unemployment rate (3.18%) among 25 to 65 year olds, it first appears that there is little mismatch between skills and education and employment opportunities. However, the large number of people with Bachelor's Degrees (10,390) or some college (7,864) does not match with the largest occupation – sales and office – meaning that many employed workers are likely to be underemployed based on their education alone. Data from the Coconino County Workforce Business Plan indicates that only 14% of employees in the sales and office sector need a Bachelor's Degree or higher. Input received during the consultation process also suggests that the emphasis on college education is not a match for many of the jobs that are available. Local employers continue to say they struggle finding a workforce with the skills needed for their openings. The increasing use of technology in the workplace and the growing complexity of skills needed to effectively use new technology advances make it challenging.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

Local workforce development leaders have teamed up to design and implement several initiatives that show promise as foundations upon which to build a more consolidated system.

There are currently four One Stop Centers in the County that involve multiple partners.

Coconino County, DES, Chamber of Commerce, Northern Arizona University (NAU),

Sunnyside Neighborhood Association, Goodwill of Northern Arizona, the Economic

Collaborative of Northern Arizona (ECoNA) and Coconino Community College all partner with each other to design training programs that meet employer needs, promote business retention and expansion, join together to realize success in Arizona Commerce Authority

(ACA) projects, and offer Rapid Response services for downsizing or closing companies.

An important partner in the Coconino County One Stop System is the Senior Community Service Employment Program (SCSEP). SCSEP works with people 55 and over and also with people with disabilities. The training offered is designed to help people in those categories gain employment more readily.

The needs of jobs seekers and employers are met through the One Stop System, which addresses skill gaps through job readiness workshops, interviewing workshops, basic computer classes, computer tutoring and Microsoft Office workshops. The Career Center funds training for the Health Services industry sector through its partnership with the Coconino Community College and NAU School of Nursing. They assist individuals obtain the certifications in this field such as Certified Nursing Assistant, Registered Nurse, Medical Assistant, Pharmacy Technician, Medical Billing & Coding and Caregiver. The Coconino Career Center has a successful history of working with business and training partners to develop customized training for new and expanding business opportunities in the area.

Supportive services to enable successful completion of training may include assistance with costs of housing, utilities, transportation, child care, clothing/uniform, or tools necessary for employment. These efforts will support the Consolidated Plan by providing necessary support services for some individuals who would otherwise be in need of public services. Additionally, any CDBG investment in employment/job readiness services will support the current system.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

No

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Discussion

In addition to the above data, low and moderate income respondents to the 2020 Coconino County Community Health and Human Services Needs Assessment indicated that livable wages are the primary concern. As noted above, there is a mismatch between the high education levels of Flagstaff workers and the entry-level employment opportunities that are available. By targeting any CDBG investment in public services that improve basic skills, job readiness and employment search services, the City can supplement existing efforts.

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

According to HUD CPD Maps, there are nine Census Tracts where at least 38.4% of households have one or more housing problems. A concentration is defined as 10% greater than the citywide proportion of 28.48% of households. High concentration Census Tracts are Census Tract 3 (57.85%), Census Tract 8 (59.67%), Census Tract 11.02 (59.29%), Census Tract 2 (39.67%), Census Tract 10 (73.03%), Census Tract 9 (48.95%), Census Tract 12 (54.62%), Census Tract 4 (38.89%) and Census Tract 5 (43.08%).

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

An area of low-income concentration is defined as an area where at least 51% of the population has income below 80% of the area median income. There are 26 Census Block Groups where low-income populations are concentrated based on LMI Census data provided by HUD. Considering only Census Tracts there are 7 Census Tracts where low-income populations are concentrated – Census Tracts 2, 3, 5, 8, 10, 12 and 15. Appendix 1 includes tables demonstrating the Census Block Groups with a concentration of low-income and/or racial or ethnic minorities.

There are 18 Census Block Groups in Flagstaff that are considered areas of minority concentration based on 2010 Census data. An area of minority concentration is defined as an area where the proportion of minorities (non-White) is at least 10% higher than the proportion of that minority group citywide. 10 of the Census block Groups include or are adjacent to Northern Arizona University (NAU). NAU students account for all of the Pacific Islander population, 43% of the Black/African American population, 20% of the Asian population, and 20% of the Hispanic population. Considering only Census Tracts there are 5 Census Tracts where minority populations are concentrated – Census Tracts 3, 4, 5, 8, and 11.02. Census Tracts 3, 5 and 8 are also low-income concentration areas

What are the characteristics of the market in these areas/neighborhoods?

These areas are characterized by a larger proportion of non-family households, including single-person households and 2 to 4 unrelated people living together. One of four householders is age 15 to 24. More than six of ten (63%) households are renter households. Large family households are also slightly more likely to live in these areas. Census Tracts 8 and 10 have historically been Qualified Census Tracts for purposes of the Low Income Housing Tax Credit program.

Are there any community assets in these areas/neighborhoods?

There are significant community assets in these areas including: education and employment opportunities, public transportation, health and mental health services, recreation, and affordable

housing. There is also great diversity of housing types and land uses ranging from single-family homes to high density apartment complexes and commercial uses and historic areas suitable for preservation and enhancement. Target neighborhoods have active neighborhood groups that advocate for appropriate reinvestment, compatible design and preservation of neighborhood character.

Are there other strategic opportunities in any of these areas?

Neighborhood/area plans are in place for the Sunnyside and La Plaza Viejo areas. Identified strategic opportunities include:

1. Floodplain, roadway, parking, streetscape improvements and improvements to increase walkability.
2. Encouraging context-appropriate development in the transition area between neighborhood and commercial corridors.
3. Enhancing the commercial edges, incorporating residential scale details on the building elevation facing residential areas and the neighborhood core.
4. Preserving and enhancing the existing housing stock, including piloting a rental rehabilitation program in the La Plaza Viejo neighborhood
5. Infill development to create improved systems of open space, transportation and buildings, and increase the rate of homeownership.
6. Attraction of appropriate neighborhood level retail.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

Broadband access in communities helps provide economic growth, improved educational opportunities, access to better healthcare, greater employment opportunities, improving public safety, and increased global competitiveness for businesses.

The term broadband commonly refers to high-speed Internet access that is always on and faster than the traditional dial-up access. Broadband includes several high-speed transmission technologies such as: digital subscriber line (DSL), cable modem, fiber, wireless, satellite, and broadband over power lines (BPL).

Research among Organization for Economic Co-operation and Development (OECD) countries shows that a 4 Mbps increase in household broadband speed is associated with a roughly 4 percent increase in household income. Research shows that businesses who begin utilizing broadbands increase their employees' labor productivity of an average 5 percent in the manufacturing sector and 10 percent in the services sector.

The current standard for broadband in the U.S. is internet with a 25 Mbps (Megabits per second) download speed. Though Netflix says it needs only 5 Mbps to stream video, the 25 Mbps threshold is intended to satisfy the different needs; high-quality downloads, video communication, and multiple demands of a single household's network.

However, there are still a large number of Americans unable to access broadband at the speeds necessary to make full use of its benefits. Federal Communications Commission (FCC) and National Telecommunications and Information Administration (NTIA) datasets clearly demonstrate these significant gaps in access to broadband infrastructure:

- 10 percent of all Americans (34 million people) lack access to 25 Mbps/3 Mbps service.
- 39 percent of rural Americans (23 million people) lack access to 25 Mbps/3 Mbps.
- By contrast, only 4 percent of urban Americans lack access to 25 Mbps/3 Mbps

broadband.

• The availability of fixed terrestrial services in rural America continues to lag behind

urban America at all speeds: 20 percent lack access even to service at 4 Mbps/1 Mbps,

down only 1 percent from 2011, and 31 percent lack access to 10 Mbps/1 Mbps, down

only 4 percent from 2011.

• Americans living in rural and urban areas adopt broadband at similar rates where 25

Mbps/ 3 Mbps service is available, 28 percent in rural areas and 30 percent in urban

areas.

In December of 2017, HUD published the final rule, "Narrowing the Digital Divide Through Installation of Broadband Infrastructure in HUD-Funded New Construction and Substantial Rehabilitation of Multifamily Rental Housing." HUD is actively working to bridge the digital divide in low-income communities served by HUD by providing helping with the expansion of broadband infrastructure to low- and moderate-income communities. The final ruling requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD. Additionally, CDBG entitlement communities are required to provide an analysis of the needs of the broadband needs of housing occupied by low- and moderate-income households.

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

The FCC Fixed Residential Broadband Providers Map displays data showing the number of providers reporting residential fixed broadband in Flagstaff. The map shows the number of providers available with the most recent data from December 2018 with >25/3 Mbps. The City has complete coverage with diverse broadband providers for residents to choose from. While several broadband providers are available to residents, low- and moderate-income census neighborhoods have a low percentage of households subscribing to broadband. Some residents may be accessing internet service utilizing their mobile phone and the data from 2014-2018 may be out of date. The average download speed in Surprise is 49.22 Mbps. This is 19.7% slower than the average in Arizona and 12.6% slower than the national average. BroadbandNOW reports the following about broadband internet service providers in Surprise: • There are 6 internet providers in Flagstaff with 4 of those offering residential service. • Approximately 89% of Flagstaff residents are serviced by multiple wired providers. • The average internet download speed in Arizona is 61.29 Mbps. • Fiber optic internet is available to just 38% of Coconino County residents. • In Coconino County, approximately 58,000 people do not have access to 25mbps wired broadband. • There are 13 companies offering business internet services in Flagstaff.

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

While climate change is expected to lead to warmer temperatures in both winter and summer in the southwest, there is no clear signal for whether there will be a corresponding increase or decrease in precipitation in this region. Over the past 22 years, Arizona has experienced a prolonged drought occasionally punctuated by a wetter than normal year, which is quite typical for an arid climate. This arid region is characterized by extreme weather events particularly extremes in temperature and precipitation. During the past 22 years, there has been a gradual warming, potentially related to the drought that has resulted in an increasing number of winter rain events, rather than snow. However, there have also been several extremely heavy snow events across Coconino County lasting from 3 to 6 days. While the global climate models and the downscaled regional models call for warmer temperatures by 2030, 2050, and 2100, they provide no guidance for extreme weather events in the 2-10 year time interval of hazard mitigation plan updates. Even the past record of extreme events has so few occurrences that statistical modeling is not a viable option, and the data do not indicate a progression toward more frequent or more intense events. At this time there is insufficient actionable climate information on which to base mitigation actions. Therefore, most of the mitigation actions in this plan update are based on historical extreme weather events.

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Flagstaff's Regional Plan identifies a policy to address natural hazards such as wildfire, flooding, unstable soils, seismic or subsidence areas, high winds, and steep slopes among other hazards. The strategies developed to address this policy includes increasing public awareness, hazard identification, design for public safety, redevelopment plans, cooperative planning efforts, limit development in hazard areas, structural hazard mitigation, and wildfire fuel reduction among other strategies.

The City continues to focus energy and resources on helping to ensure that residents, particularly the elderly, are safe during times of extreme weather and wildfire season.

Housing rehabilitation programs, supported with CDBG funds, helps to ensure that low- and moderate income home owners are able to access financial resources to replace heating systems.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

Housing is an important issue to Flagstaff as a community. The limited supply of housing for low and moderate-income families and individuals affects quality of life and the ability to grow and develop economically as a community. The Housing Section works to address this shortage with a number of programs and tools designed to:

1. Increase housing inventory and availability;
2. Economically stabilize lower-income families through benefits of homeownership;
3. Support efforts for safe and adequate homes;
4. Revitalize community neighborhoods.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

Table 45 - Geographic Priority Areas

1	**Area Name:**	Citywide
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Other
	Other Revital Description:	Any location in the City of Flagstaff
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
2	**Area Name:**	La Plaza Vieja
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	

	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
3	**Area Name:**	Pine Knoll
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	
4	**Area Name:**	Southside
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	

	Are there barriers to improvement in this target area?	
5	**Area Name:**	Sunnyside
	Area Type:	Local Target area
	Other Target Area Description:	
	HUD Approval Date:	
	% of Low/ Mod:	
	Revital Type:	Comprehensive
	Other Revital Description:	
	Identify the neighborhood boundaries for this target area.	
	Include specific housing and commercial characteristics of this target area.	
	How did your consultation and citizen participation process help you to identify this neighborhood as a target area?	
	Identify the needs in this target area.	
	What are the opportunities for improvement in this target area?	
	Are there barriers to improvement in this target area?	

General Allocation Priorities

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The City annually accepts proposals from agencies interested in providing services and/or facilities for low and moderate income households, people experiencing homelessness and people with special needs. The City's funding includes priority to geographic target areas, among other priorities.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 46 – Priority Needs Summary

1	**Priority Need Name**	Revitalization, Public Facilities & Infrastructure
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	Geographic Areas Affected	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide
	Associated Goals	Facility Improvements ADA Accessibility Improvements Land Acquisition for Affordable Housing Dev Infrastructure for Affordable Housing
	Description	Improvements to public facilities; improvements in target neighborhoods; and activities to support the development of affordable rental and homeownership units.
	Basis for Relative Priority	Revitalization, public facilities and improvements and infrastructure in support of affordable housing development are supported by past records of funding, the community/stakeholder survey conducted for the Consolidated Plan, public and stakeholder input, and the planned activities of subrecipients of CDBG funds.

2	**Priority Need Name**	Public Services and Economic Opportunities
	Priority Level	High
	Population	Extremely Low Low Moderate Large Families Families with Children Elderly Public Housing Residents Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Frail Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Persons with Alcohol or Other Addictions Persons with HIV/AIDS and their Families Victims of Domestic Violence Non-housing Community Development
	Geographic Areas Affected	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide
	Associated Goals	Service and Facility Operating Support Employment & Job Training Support Housing Stabilization Services
	Description	Activities that provide support to low and moderate income households, people living below the poverty level, people with special needs and people experiencing homelessness.

	Basis for Relative Priority	Public services and economic opportunity supports are supported by past records of funding, the community/stakeholder survey conducted for the Consolidated Plan, public and stakeholder input, and the planned activities of subrecipients of CDBG funds.
3	**Priority Need Name**	Addressing Homelessness
	Priority Level	High
	Population	Extremely Low Low Large Families Families with Children Elderly Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	Geographic Areas Affected	Citywide
	Associated Goals	Facility Improvements Operating Support Emergency Shelter Permanent Supportive Housing
	Description	Activities to prevent homelessness, reach out to people experiencing homelessness, and provide facilities and services for people experiencing homelessness.
	Basis for Relative Priority	Addressing homelessness is supported by past records of funding, the community/stakeholder survey conducted for the Consolidated Plan, public and stakeholder input, and the planned activities of subrecipients of CDBG funds.
4	**Priority Need Name**	Decent Affordable Housing
	Priority Level	High

	Population	Extremely Low Low Large Families Families with Children Elderly Public Housing Residents
	Geographic Areas Affected	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide
	Associated Goals	Land Acquisition for Affordable Housing Dev Infrastructure for Affordable Housing Owner-occupied Housing Rehabilitation Rental Housing Construction Owner Housing Construction First-time Homebuyer Assistance Rental Housing Rehabilitation
	Description	Affordable rental and homeownership housing units for low and moderate income households.
	Basis for Relative Priority	Decent affordable housing supported by past records of funding, the community/stakeholder survey conducted for the Consolidated Plan, public and stakeholder input, data contained in the housing needs assessment and market analysis, and the planned activities of subrecipients of CDBG funds.

Narrative (Optional)

Through data analysis, a community/stakeholder survey, public and stakeholder consultation and review of past records, the City of Flagstaff has identified four priorities for the use of CDBG funds over the next five years.

Public and stakeholder input, records of past funding, the needs assessment and market analysis, and the City's General Plan and Capital Improvements Plan are used to determine the relative priority of activities and the populations that will be served.

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. All priority needs, regardless of priority designation of high or

low, are considered consistent with the City Consolidated Plan for the purpose of issuing consistency letters to third parties.

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

The table summarizes planned CDBG activities and the priority level and 5-year numeric goal for each. Activities that will be targeted to non-homeless special populations include revitalization, public facilities and infrastructure; and public services and economic opportunities.

5-year Consolidated Plan Goals			
Activity	**Special Population**	**Priority Level**	**5-year Goal**
Priority Need: **Neighborhood Revitalization, Public Facilities & Infrastructure**			
Neighborhood Facility and Infrastructure Improvements *Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.*		High	3,000 people
Public Facilities *Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.*	**X**	High	100 people
Acquisition for Affordable Housing Development *Land/ Real Property/ Etc.*		Low	3 units
Priority Need: **Public Services & Economic Opportunities**	**Special Population**	**Priority Level**	**5-year Goal**
Services to Meet Basic Needs *Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.*	**X**	High	300 people
Workforce Development *Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.*	**X**	Low	15 people
Housing Stabilization *Includes Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services/ Housing Counseling/ Etc.*		High	50 households
Priority Need: **Addressing Homelessness**	**Special Population**	**Priority Level**	**5-year Goal**

Service and Facility Operating Support *Includes Outreach/ Shelter Managers / Case Managers/ Coordinated Entry/ Etc.*	**X**	High	1,500 people
Increase Shelter Beds/Units *Includes Emergency / Transitional Shelter/ Permanent Supportive Housing/ Etc.*	**X**	High	15 beds
<u>Priority Need:</u> Decent Affordable Housing	**Special Population**	**Priority Level**	**5-year Goal**
Housing Rehabilitation *Includes Owner and Renter Housing*	**X**	High	20 units
Housing Development *Includes Owner and Renter Housing*	**X**	High	3 units
Housing Assistance *Includes Owner and Renter Housing*		High	50 households

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	3,620 low and moderate income households are cost burdened.
TBRA for Non-Homeless Special Needs	3,620 low and moderate income households are cost burdened and may be in need of supportive services.
New Unit Production	Insufficient units affordable to low and moderate income renters and potential homeowners.
Rehabilitation	8,100 units built before 1980. 120 households occupy substandard housing.
Acquisition, including preservation	Insufficient units affordable to low and moderate income renters and potential low and moderate income homeowners.

Table 47 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

The amount of CDBG funding received by the City varies from year-to-year based on the Federal Budget. The City expects to receive between $510,000 and $650,000 year during each of the next five years. The Annual Action Plan describes City allocations for the CDBG program during the coming year. These allocations fund activities to address goals for the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Special Needs and Citizen Participation.

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

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan $	Narrative Description
			Annual Allocation: $	Program Income: $	Prior Year Resources: $	Total: $		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	$571,367	$278,216	$39,190.17	$883,773.17	$2,285,468	The CDBG entitlement program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Table 48 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

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 fund raising by nonprofit organizations, State Housing Trust Funds, and City General Funds.

It should be noted that the below resource are funding not administered by the City of Flagstaff. Furthermore, the allocations will vary annually as will supplemental rescources that will be used to leverage projects. Federal, State and Local funds may be leverage for a varitey of uses for programs addressing the needs of people experiencing homelessness. Estimated leverage amounts over the five year period include:

Federal Sources:

- Continuum of Care – approximately $600,000 per year - The Continuum of Care (C o C) Program is designed to promote communitywide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.
- Public Housing Capital Fund – approximately $230,000 per year - The Capital Fund provides funds, annually, to Public Housing Agencies (PHAs) for the development, financing, and modernization of public housing developments and for management improvements.
- Section 8 Housing Choice Vouchers – approximately $3.4 million per year - Housing choice vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.

State:

- State Housing Trust Fund - approxiately $150,000 per year - The Arizona Departement of Housing combined Federal HOME rescources from the U.S. Department of Housing and Urban Development (HUD) with state rescources from the Housing Trust Fund (HTF) into a single housign program called the State Housing Fund (SHF). State Housing Trust Funds (HTF): The HTF was established in 1988 by the AZ State Legislature to provide a flexible funding source to assist in meeting the housing needs of low-income fmailies in Arizona. (A.R.S. 41-

3955 and A.R.S. 44-313). Federal HOME Funds (HOME): The HOME Investment Partnership Program (HOME) was created by the National Affordable Housing Act of 1990 (NAHA).

Local and Private:

- Federal Home Loan Bank Affordable Housing Program – approximately $100,000 per year. AHP supports the creation and preservation of housing for lower income families and individuals and are awarded to members who submit applications on behalf of project sponsors who are planning to purchase, rehabilitate, or construct affordable homes or apartments. Funds are awarded through a competitive process.
- Flagstaff General Funds – approximately $20,000 per year
- City General Funds support housing for people experiencing homelessness.
- Foundations and Other Private Grantmakers – approximately $50,000 per year. Local agencies raise or secure funds to support services for low-income people and people with special needs.

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 owns several parcels that may be suitable for future affordable housing or public facility development. The use of City-owned land is determined by the City Council as opportunities arise.

Discussion

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. In order to receive CDBG funds, the City must complete a Consolidated Plan every five years 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.

The amount of CDBG funding received by the City varies from year-to-year based on the Federal Budget. The City expects to receive between $510,000 and $650,000 year during each of the next five years. The Annual Action Plan describes City allocations for the CDBG program during the coming year. These allocations fund activities to address goals for the primary Consolidated Plan areas: Affordable Housing, Homelessness, Community Development, Special Needs and Citizen Participation.

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

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
CITY OF FLAGSTAFF	Government	Economic Development Homelessness Non-homeless special needs Ownership Planning Public Housing Rental neighborhood improvements public facilities public services	Jurisdiction

Table 49 - Institutional Delivery Structure

Assess of Strengths and Gaps in the Institutional Delivery System

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. The City does not feel there are any gaps in the institutional delivery system at this time.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	X
Legal Assistance	X	X	X
Mortgage Assistance	X	X	
Rental Assistance	X	X	
Utilities Assistance	X	X	
Street Outreach Services			
Law Enforcement	X		

Street Outreach Services			
Mobile Clinics		X	
Other Street Outreach Services		X	
Supportive Services			
Alcohol & Drug Abuse	X	X	
Child Care	X	X	
Education	X	X	X
Employment and Employment Training	X	X	X
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	X
Mental Health Counseling	X	X	X
Transportation	X	X	X
Other			

Table 50 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

The Continuum of Care is managed by the Arizona Department of Housing and is charged with overseeing implementation strategies regarding housing and services that will lead to an overall reduction in homelessness. The Coconino County Continuum of Care meets quarterly to review progress and implementation strategies; it convenes nonprofit organizations, business, faith and community groups to problem solve housing, treatment or shelter needs. Agencies address housing concurrently with substance abuse, mental health or health care needs.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

The delivery system offers a wide-range of services for special needs populations and people experiencing homelessness. The Continuum of Care and special needs services are not directly managed by the City, yet the City is actively engaged with organizations providing services, including the funding of these services to the extent that CDGB funds may be used for public services. A complete list of resources and services is maintained by Northland Family Help Center and distributed by the City as needed.

Street outreach services are limited in Flagstaff, including mobile clinics and Law Enforcement outreach. Public transportation is widely available and many health care services are available within walking distance of shelters. Respondents to the City's Consolidated Plan survey identified several gaps in the service delivery system for people experiencing homelessness including: inability to keep up with the growing demand for services; difficulty obtaining the documentation necessary to provide services; short-term services for transient populations; lack of a one-stop center to address all issues; absence of a well-established process for transitioning to permanent housing due to lack of permanent affordable housing; service follow-up; lack of cross-agency cooperation and understanding of services; and absence of a well-established coordinated assessment and rapid re-housing process.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City will continue its membership in the Continuum of Care to ensure that priority needs of special populations and people experiencing homelessness are addressed. The Coconino County Continuum of Care will continue to work with the Arizona Department of Housing to address shelter and service-delivery gaps.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Neighborhood Facility and Infrastructure Improvements	2021	2025	Non-Housing Community Development	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Revitalization, Public Facilities & Infrastructure		Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 3000 Persons Assisted
2	Public Facilities	2021	2025	Non-Homeless Special Needs Non-Housing Community Development	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Revitalization, Public Facilities & Infrastructure Addressing Homelessness		Public Facility or Infrastructure Activities Low/Moderate Income Housing Benefit: 100 Persons Assisted
3	Acquisition for Affordable Housing Development	2021	2025	Affordable Housing	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Revitalization, Public Facilities & Infrastructure Decent Affordable Housing		Rental units constructed or Homeowner Housing added: 3 Household Housing Unit
5	Services to Meet Basic Needs	2021	2025	Non-Housing Community Development	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Public Services and Economic Opportunities		Public service activities other than Low/Moderate Income Housing Benefit: 300 People Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Workforce Development	2021	2025	Non-Housing Community Development	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Public Services and Economic Opportunities		Public service activities other than Low/Moderate Income Housing Benefit: 15 Persons Assisted
7	Housing Stabilization Services	2021	2025	Non-Housing Community Development	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Public Services and Economic Opportunities		Public service activities other than Low/Moderate Income Housing Benefit: 50 Households
8	Service and Facility Operating Support	2021	2025	Homeless	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Addressing Homelessness		Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 1500 Households Assisted
9	Increase Shelter Beds/ Units	2021	2025	Homeless	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Addressing Homelessness		Housing for Homeless added: 18 beds or Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Housing Rehabilitation	2021	2025	Affordable Housing	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Decent Affordable Housing		Homeowner Housing Rehabilitated: 20 Household Housing Unit
12	Housing Development	2021	2025		Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Decent Affordable Housing		Rental units constructed: 3 Household Housing Unit
13	Owner Assistance	2021	2025	Affordable Housing	Sunnyside La Plaza Vieja Southside Pine Knoll Citywide	Decent Affordable Housing		Homeowner Assistance Provided 50 Household Housing Unit

Goal Descriptions

1	**Goal Name**	Neighborhood Facilities and Infrastructure Improvements
	Goal Description	Neighborhood Facility and Infrastructure Improvements - *Includes Parks/ Playgrounds/ Streets/ Water Sewer Lines/ Energy Efficiency/ Broadband Infrastructure/ Etc.*
2	**Goal Name**	Public Facilities
	Goal Description	Public Facilities - *Includes Acquisition/ Construction/ Reconstruction/ Rehab/ Installation/ Improvements/ Etc.*

3	**Goal Name**	Affordable Housing Development
	Goal Description	Acquisition for Affordable Housing Development - *Land/ Real Property/ Etc.* Development of infrastructure in support of affordable housing development.
4	**Goal Name**	Services to meet basic needs
	Goal Description	Services to Meet Basic Needs - *Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.*
6	**Goal Name**	Workforce Development
	Goal Description	Workforce Development - *Includes Childcare/ Senior Services/ Services for Disabled Individuals/ Mental Health/ Etc.*
7	**Goal Name**	Housing Stabilization Services
	Goal Description	Housing Stabilization - *Includes Rental Assistance/ Eviction and Foreclosure Prevention/ Legal Services/ Housing Counseling/ Etc.*
8	**Goal Name**	Service and Facility Operating Support
	Goal Description	Service and Facility Operating Support - *Includes Outreach/ Shelter Managers / Case Managers/ Coordinated Entry/ Etc.*
9	**Goal Name**	Increase Shelter Beds/ Units
	Goal Description	Increase Shelter Beds/Units - *Includes Emergency / Transitional Shelter/ Permanent Supportive Housing/ Etc.*
11	**Goal Name**	Housing Rehabilitation
	Goal Description	Rehabilitation of housing units owned by low and moderate income households

13	**Goal Name**	Housing Development
	Goal Description	Construction of housing units for purchase or rental by low and moderate income households.
14	**Goal Name**	Housing Assistance
	Goal Description	Assistance for low and moderate income households to purchase an affordable home.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The City estimates it will provide affordable housing to 15 extremely low-income families, 40 low-income families and 30 moderate income families. The City does not directly recieve HOME funding.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

The City of Flagstaff Housing Authority is not required to increase the number of accessible units through a 504 voluntary compliance agreement.

Activities to Increase Resident Involvements

The Housing Authority has multiple goals and objectives created to increase resident involvement including: ongoing surveys and formal annual resident input and participation to ensure the public housing environment is appealing and up-to-date; providing maintenance and repair training prior to occupancy; using the Siler Homes Activity Center as a base for various resident services including resource referral and goal setting for residents seeking economic self-sufficiency; establishing community partnerships to provide programming relevant to residents; continuing resident orientation; partnering with the Boys and Girls club to provide free on-site programs; and resident meetings, barbeques and newsletters to help residents with education, employment, job training and youth services.

Is the public housing agency designated as troubled under 24 CFR part 902?

No

Plan to remove the 'troubled' designation

Not applicable

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Affordable housing barriers are regulatory 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 in 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. Based on the checklist, the City identified three potential local public barriers to affordable housing development:

1. Has not adopted specific building code language regarding housing rehabilitation that encourages such rehabilitation through gradated regulatory requirements applicable as different levels of work are performed in existing buildings.
2. Has not instituted a single, consolidated permit application process for housing development that includes building, zoning, engineering, environmental and related permits.
3. Does not provide for expedited or "fast track" permitting and approvals for all affordable housing projects in the community.

The first barrier is the only barrier that could negatively impact the development of affordable housing in Flagstaff. The present permit application process does not require the developer to obtain approvals from separate departments, rather when an application is submitted the various permits are handled internally. State law requires the City to permit and approve all developments within a specified time frame, negating the necessity of providing for fast track permitting and approvals for affordable housing projects.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Over the past decade, the City has taken extensive steps to both remove barriers and to promote affordable housing development, including the development of an Incentive Policy for Affordable Housing (IPAH), adopted in October 2009 and later integrated into the City zoning code. The IPAH is designed to foster the preservation and production of affordable housing units and is intended to narrow the deficit of all types of housing for households earning up to 150% of the Area Median Income (AMI). The IPAH standards may be applied to rental housing, homeownership housing, and shelter, as well as to expiring affordable housing developments. The IPAH incentivizes developments that commit to permanently affordable housing units. When a developer takes advantage of the incentives offered under the IPAH, the affordable units are legally committed to the intended population through occupancy, resale and rent restrictions. The City has no current plans to adopt specific building code language that would allow gradated housing rehabilitation.

SP-60 Homelessness Strategy – 91.215(d)

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

The City is not a direct recipient of Emergency Solutions Grant funds. Continuum of Care members may use CDBG funds to assist street outreach. Funded programs generally require an Individual Assessment Plan for each client enrolled in their program. There are currently three nonprofit organizations that conduct outreach services.

Addressing the emergency and transitional housing needs of homeless persons

The City of Flagstaff will continue to support agencies that provide emergency and transitional housing to the extent allowed under the CDBG program. The City will also support the creation of new emergency shelter beds and transitional housing beds for families should a fundable proposal be received; while the City and C o C members recognize Housing First and permanent supportive housing are critical to ending homelessness 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 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 provide support to those agencies that help homeless people transition to permanent housing and that prevent homelessness, support the development of new rental housing opportunities including providing CDBG funds for infrastructure improvements should a fundable proposal be received, support move-in assistance programs, and continue its active participation in the Coconino County Continuum of Care.

The City of Flagstaff Housing Authority has focused on placement of homeless veterans through the VASH rental voucher program. Other agencies have a strong record of success in placing and keeping homeless individuals housed through rapid re-housing programs.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving

assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

The City will continue to provide support to those agencies that help low-income individuals and families avoid becoming homeless through the provision of CDBG funds for public services activities including eviction prevention, foreclosure prevention, housing and financial counseling services, and legal services to assist low-income households experiencing unlawful eviction. The City will also continue participating in discussions with the Coconino County Continuum of Care regarding the needs of people being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The City will continue to take action to educate and inform the public regarding lead hazards by distributing lead poisoning and lead hazard information to participants in federally-funded programs and to any interested resident.

How are the actions listed above related to the extent of lead poisoning and hazards?

Through education and information the City can reach many households who occupy or plan to occupy one of the 8,100 housing units built before 1980.

How are the actions listed above integrated into housing policies and procedures?

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.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

Twenty percent of Flagstaff households or 4,379 households had income below the poverty level in 2019. The rate of poverty was highest among non-family households age 18 to 24; many of these households are NAU students with limited income generating capacity. Of non-family households headed by a person age 25 or older 18% lived below the poverty level. Single-parent female-headed households experienced the highest rate of poverty among family households at 24%. Of single-parent male-headed households 15% lived below the poverty level. Among married-couple family households 6% lived below the poverty level.

The City will reduce the number of poverty level households by providing CDBG public services resources to local agencies that provide social supports, eviction and foreclosure prevention, and services that support employment and job training. The City will also continue to rehabilitate housing units owner-occupied by households living at or below the poverty level to support these households in retaining quality, safe housing. Local agencies rely heavily on State funding and programs to address the needs of poverty-level households and reduced State funding of many of these programs has a significant negative impact on individuals and families and the ability of the City to leverage resources. The State has reduced funding for economic development programs, eliminating incentives and assistance to retain, expand and locate international and other qualified business projects. Budget reductions in the State Housing Trust Fund will have the greatest impact on the City of Flagstaff Consolidated Plan.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

The US Census calculates poverty using income from earnings and other sources for adult household members, but not public assistance such as housing subsidy or food stamps. For this reason and others it is important to note that while poverty may measure what a family needs, it is used primarily as a statistical yardstick. Many poverty level households consist of people with special needs who live on fixed incomes. Poverty level households would benefit from affordable rental housing and permanent supportive rental housing. Those who are owner occupants would benefit from assistance with housing rehabilitation, including disability accessibility improvements.

Households living below the poverty level will be made aware of the various local services available that provide an economic safety net and opportunities for increased earnings. Due to the reduced State Housing Trust Fund, there has been the loss of matching and leverage funds for affordable housing programs and projects and fewer households can be assisted. Fewer resources are available for the eviction and foreclosure prevention programs that are a significant safety net for poverty-level households experiencing a crisis. And the State policy to not provide HOME funds for owner-occupied housing rehabilitation activities in entitlement jurisdictions will limit the ability of the City to provide needed improvements to homes owned by poverty-level households, many of whom have special needs.

SP-80 Monitoring – 91.230

Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The purpose of monitoring is to ensure all projects remain compliant with the regulations set forth by HUD, including timely expenditure of funds. The City of Flagstaff accomplishes the majority of its goals through collaboration with community organizations identified by a public Request for Proposals process. These collaborations are monitored for progress through monthly/ quarterly reports, receipt of payment requests that are compared to monthly/ quarterly reports for consistency, and ongoing communication. Regular communication ensures that sub-recipients facing challenges are provided the necessary support. If payment requests are not received regularly, the City contacts sub-recipients to encourage payment request submittal and therefore timely expenditure of funds. Along with monthly/quarterly reports, payment requests are examined to quantify progress.

Each sub-recipient also receives on-site monitoring to identify areas for improvement, assist in overcoming challenges impeding accomplishments, and ensure compliance with regulations and policies. The City monitors each subrecipient to ensure that minority and women owned business enterprise marketing and procurement policies are followed. Agencies that received a positive monitoring in the past for the same contract may be offered the option of an in-depth desk monitoring performed by the Housing and Grants Administrator.

Timely expenditure of funds is also ensured through the Request for Proposals process. This process places value on the sub-recipients ability to execute the program and utilize the CDBG funds in an efficient and expedient manner.

The City of Flagstaff addresses Consolidated Plan goals and objectives through internally-performed activities and programs. These activities and programs are managed by the Housing Section and are tracked for performance and compliance through institutional processes including accounting, performance and time tracking, grant management, and legal review. Measured accomplishments are provided through the Integrated Disbursement and Information System (IDIS), in the Consolidated Annual Performance Evaluation Report, and in regular updates on Housing Section accomplishments provided to the City Council in public and televised meetings.

AP-85 Other Actions – 91.220(k)

Introduction:

In addition to establishing goals related to the use of CDBG funds, the City 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.

Actions planned to foster and maintain affordable housing

In December 2020, Flagstaff City Council declared a Housing Emergency via Resolution 2020-66. The Resolution recognizes the need to make housing a leading priority for the City of Flagstaff as an organization and the community overall. It also calls for a number of efforts to be undertaken, among them, the development of a 10-year housing plan (underway), the creation and implementation of a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community and combating "Not in My Backyard" opposition to housing and affordable housing.

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

An annual survey conducted by a local non-profit, Housing Solutions of Northern Arizona (HSNA), continues to show rising rates and less availability of rental units within City limits. As of May 2019, the data shows 801 people on waiting lists at income-restricted complexes. Market rate rental averages were measured as follows:

$808 for a room/shared living ..... up 9.5%
$979 for a studio ..... up 7.7%
$1,214 for a one-bedroom ..... up 4%
$1,494 for two-bedroom ..... up 3.7%
$1,819 for a three-bedroom ..... down 2.5%

These actual rents have been well above the HUD Fair Market Rents (FMRs) for several years. The HSNA survey states, “In order to afford an average two-bedroom apartment - without paying more than 30% of income on housing - a household must earn approximately $4,980 monthly, $59,760 annually, or $28.73 hourly (assuming a 40-hr work week and 52 weeks/yr.).” The City is experiencing an immediate need to house hundreds of households at more affordable rates.

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 plans to rehabilitate 6 homes during the coming year and will provide lead-based paint hazard information to an estimated 8 applicants for owner occupied housing rehabilitation assistance.

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

10. 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.
11. 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.
12. 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

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 2021 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(l)(1,2,4)

Introduction:

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.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(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 funding 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.

Appendix - Alternate/Local Data Sources

1	**Data Source Name** Balance of State Count
	List the name of the organization or individual who originated the data set. Arizona Department of Housing
	Provide a brief summary of the data set. Inventory of Sheltered and Unsheltered Individuals
	What was the purpose for developing this data set? Meet HUD requirements for Continuum of Care / HMIS reporting
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data is collected throughout balance of Arizona, including Coconino County of which Flagstaff is a part
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in Time 2020
	What is the status of the data set (complete, in progress, or planned)? Complete
2	**Data Source Name** Public Housing by Program Type
	List the name of the organization or individual who originated the data set. Flagstaff Public Housing Authority
	Provide a brief summary of the data set. Public Housing by Program Type
	What was the purpose for developing this data set? To provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data covers the entire City of Flagstaff Public Housing
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? As of December 2015

	What is the status of the data set (complete, in progress, or planned)? Complete
3	**Data Source Name** Characteristics of Public Housing Residents 1
	List the name of the organization or individual who originated the data set. Flagstaff Public Housing Authority
	Provide a brief summary of the data set. Characteristics for Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? As of December 2020
	What is the status of the data set (complete, in progress, or planned)? Complete
4	**Data Source Name** Race of Public Housing Residents
	List the name of the organization or individual who originated the data set. Flagstaff Housing Authority
	Provide a brief summary of the data set. Race of Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Primarily 2011-2015 or 2010 the most recent available Census
	What is the status of the data set (complete, in progress, or planned)? Complete

5	**Data Source Name** Ethnicity of Public Housing Residents
	List the name of the organization or individual who originated the data set. Flagstaff Housing Authority
	Provide a brief summary of the data set. Ethnicity of Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? December 2015
	What is the status of the data set (complete, in progress, or planned)? Complete
6	**Data Source Name** Services/Facilities - homeless
	List the name of the organization or individual who originated the data set. City of Flagstaff
	Provide a brief summary of the data set. List of facilities serving people experiencing homelessness by type of facility.
	What was the purpose for developing this data set? Provide information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Comprehensive for the City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in time as of December 2020
	What is the status of the data set (complete, in progress, or planned)? Complete

CITY OF FLAGSTAFF
COMMUNITY DEVELOPMENT
BLOCK GRANT

Housing Flagstaff

Mayor
Mayor Paul Deasy

Council

Vice-Mayor Becky Daggett
Councilmember Adam Shimoni
Councilmember Regina Salas
Councilmember Austin Aslan
Councilmember Miranda Sweet
Councilmember Jim McCarthy

City Manager
Greg Clifton

Community Development Director
Dan Folke

Housing Director
Sarah Darr

City of Flagstaff

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City of Flagstaff

Analysis of Impediments to Fair Housing

May 15, 2021

Submitted to the U.S. Department of
Housing and Urban Development

Consolidated Plan and Analysis of Impediments to Fair Housing Choice

Prepared for: City of Flagstaff Community Development Division
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Introduction and Executive Summary

Background

In addition to prohibiting discrimination in housing, the Fair Housing Act also promotes the creation of diverse, inclusive communities with equal access to community resources such as good schools, transportation and jobs, and healthy environments. To accomplish this goal, the Fair Housing Act explicitly requires that federal housing and community development programs affirmatively advance fair housing and expand opportunity, or "affirmatively further fair housing" (AFFH), regardless of race, color, religion, national origin, family status, disability, and gender.

The City of Flagstaff receives an annual entitlement allocation of Community Development Block Grant (CDBG) funding from the US Department of Housing and Urban Development. The amount of CDBG funding received by the City varies from year-to-year. In Program Year 2021-2022, the City received $571,367. The purposes of CDBG funding are:

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

In order to receive CDBG funding, the City must complete a Consolidated Plan every five years. The City's Consolidated Plan for HUD Program Years 2021 – 2026 was recently completed. In addition to the 5-year Consolidated Plan, the City must complete an Annual Action Plan that describes how CDBG funds will be used in the coming year. As part of the 5-year Consolidated Plan and Annual Action Plans, the City certifies it will affirmatively further fair housing. As part of this certification, the City must complete an Analysis of Impediments to Fair Housing Choice (AI), take appropriate actions to overcome the effects of any impediments identified through the analysis, and maintain records reflecting the actions taken.

AI Purpose and Goals

The City of Flagstaff has consistently supported the concept of the provision of fair housing for its residents without regard to race, color, religion, sex, national origin, handicap, or familial status. The purpose of this AI is to identify legitimate fair housing problems (impediments) faced by people seeking housing in Flagstaff. The AI reviews current information and data available from a number of sources, identifies current impediments to fair housing in the City of Flagstaff, evaluates the efficacy of the 2016 Plan of Action and develops a new Plan of Action to address current impediments.

The City's goals in developing this AI and implementing the Plan of Action include to:

1. Increase affordable and accessible housing opportunities to provide for greater Housing Choice among low- and moderate income and/or disabled citizens.

2. Create public awareness of fair housing laws and reporting processes and destigmatize housing choice voucher holders among housing sector stakeholders, populations at-risk for discrimination and the community as a whole.

3. Advocate for local and regional policy changes that increase affordable housing development and availability, with a focus on promoting development outside of minority and low income areas of concentration.

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Methodology

Statistical Analysis

Multiple statistical analyses were conducted, drawing on data from the following sources:

- 2015-2019 US Census Bureau American Community Survey Data
- Census 2010 Census Tract Block Group level data for the City of Flagstaff
- Census 2010 City of Flagstaff and Coconino County Data
- Federal Financial Institutions Examination Council (FFEIC)
- Home Mortgage Disclosure Act (HMDA) Data
- HUD Fair Housing complaint data
- HUD CHAS data.

In addition to data and information from the US Census, HUD and FFEIC, the City collected information and data for this Analysis from the following sources:

- A survey of 84 Flagstaff area residents.
- Interviews with 25 individuals working in the housing and related industries in Flagstaff
- Reports, data, and studies conducted on the national level
- The City of Flagstaff Consolidated Plans for FY2016-2020 and FY2021-2025
- The City of Flagstaff HUD Consolidated Annual Performance Reports for FY2015 through FY2019; and
- The City of Flagstaff 2016 Analysis of Impediments to Fair Housing Choice.

Resident Survey

A resident survey was conducted during November and December 2020 in both English and Spanish. The survey was designed to identify possible events of housing discrimination, identify resident's understanding of fair housing laws and how to file a complaint, and glean ideas about what might be done to prevent housing discrimination. The survey was developed by the Southwest Fair Housing Council and shared with the City.

Industry Stakeholder Interviews

During November and December 2020, nearly 60 industry stakeholders were contacted to discuss fair housing in Flagstaff and 44 stakeholders agreed to participate in the interview. The goal of the interviews was to contact people with expert knowledge about housing or housing-related services, assess their awareness of fair housing compliance, and collect their thoughts on perceived impediments and barriers to fair housing choice in the City of Flagstaff. Individuals from a number of different fields were interviewed, including social service and housing providers and Realtors. The results of these interviews provide qualitative information and insights into local issues pertaining to fair housing.

Regulation, Policy and Ordinance Review

One component of the AI is the review of local regulations, policies and ordinances that potentially impact fair housing in the City.

Review of Documents and Studies

In addition to statistical analyses, the following documents were reviewed and incorporated into this Analysis of Impediments to Fair Housing Choice:

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- US Department of Housing and Urban Development FY 2019-2020 Annual Report on Fair Housing (most recent available).
- Where You Live Matters 2020 Fair Housing Trends Report by The National Fair Housing Alliance.
- City of Flagstaff Regional Transportation and Land Use Plan; and
- City of Flagstaff Incentive Policy for Affordable Housing.

Fair Housing Complaints and Enforcement Review

Fair housing complaint data was compiled from the City of Flagstaff, Southwest Fair Housing Council, and the US Department of Housing and Urban Development Fair Housing and Equal Opportunity Office.

Public Comments and Hearings

The City of Flagstaff made the draft AI available for public review and comment from March 1, 2021 through April 15, 2021. On April 13, 2021, the Flagstaff City Council conducted a public hearing regarding the draft AI, and on April 20, 2021, the City Council took action to formally approve the AI for HUD submittal alongside the 2021-2025 CDBG Consolidated Plan and 2021/2022 Annual Action Plan.

Conclusions

Identified Impediments

HUD defines impediments to fair housing choice as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choice.
- Any actions, omissions or decisions that have this effect.

The following impediments were identified in the City of Flagstaff:

1. **Community Education.** The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey, public forum and community interviews indicate that there is a need for continued outreach and education. Outreach to both industry stakeholders and residents is needed to ensure a broad understanding of Fair Housing.
    a. 42% of survey respondents are either not very informed or only somewhat informed about housing discrimination.
    b. 33% of survey respondents do not know where to report a housing discrimination complaint.
    c. While 54% of survey respondents indicated they believe housing discrimination is occurring or likely occurring in Flagstaff and 61% indicated they would report housing discrimination if they encountered it, there were only 13 complaints filed between 2016 and 2020.

1. **Minority and Low-income Areas of Concentration.** Concentrations of both minorities and low-income households exist in four Census Tracts.
    - LMI Concentration = at least 51% of population has income below 80% AMI.
        - Census Tracts 2, 3, 5, 8, 10, 12, and 15.
    - Minority Concentration = proportion of minorities at least 10% higher than the Citywide proportion.

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        - Census Tracts 3, 4, 5, 8 and 11.02.
    - Four Census Tracts that are both areas of low income and minority concentration.
        - Census Tract 3, 4, 5, and 8.
    - The City's minority population continues to grow.
        - In 2011, racial and ethnic minorities represented 27% of the population, up from 26% of the population in 2008 and 21% in 2000.
        - Northern Arizona University students represented 22% of the City's minority population in 2011, including 43% of the Black/African American population and 100% of the Pacific Islander population.

2. **Disability Accessibility.** Testing data from Southwest Fair Housing Council indicates that housing discrimination on the basis of disability is more likely to be supported. Complaint data from Southwest Fair Housing Council and the US Department of Housing and Urban Development indicate a higher volume of complaints based on disability.
    - 11 of 13 fair housing complaints reported by HUD in Flagstaff were regarding disability.
    - 14 of 15 complaints reported by SWFHC were regarding disability.
    - Majority (14) were rental housing

3. **Housing Choice**. Affordability is an indirect aspect of housing discrimination. The Fair Housing survey indicated a lack of affordable housing leading to a lack of Housing Choice.
    - While housing choice voucher usage is an option for low-income renters, the program has a long wait-list and many landlords are unwilling to accept vouchers due to existing societal stigmas.
    - Community survey results, especially among Flagstaff LMI residents, indicate a lack of affordable housing as well as a shortage of landlords and property management organizations willing to accept Housing Choice Vouchers limiting LMI resident's choice in housing.
    - Lack of affordable housing supply for large households, which disproportionately impacts minorities, low-income households, and families with large households
    - • Lack of affordable housing supply, particularly for low-income special needs households and persons with disabilities.
    - Public policy barriers to the development of Affordable Housing throughout the City of Flagstaff, Arizona
    - "Not in My Backyard" Residents in some neighborhoods designate a new development (e.g. shelter, affordable housing, group home) or change in occupancy of an existing development as inappropriate or unwanted for their local area.

<u>City of Flagstaff Fair Housing Action Plan FY 2021-2022</u>

The Action Plan is a critical element of the AI as it describes the measurable activities that will be conducted by the City of Flagstaff to address the identified impediments. In summary, the City will take the following actions to address impediments:

1. Sponsor a variety of education opportunities for residents and stakeholders
2. Reach out to minority and other protected classes to encourage their participation in fair housing planning and education opportunities.
3. Provide training and undertake recruitment of landlords and property managers for Housing Choice Vouchers – Improve public and stakeholder impression of HCV clients

4. Sponsor no less than 3 Fair Housing trainings annually target both housing sector stakeholders and community residents with a focus on:
    a. Disability accessibility
    b. Rentals and the use of Criminal Records in housing
    c. Extended protections under Sex/Gender
    d. Emotional support animals
5. Prioritize funding for owner and renter occupied housing rehabilitation to provide disabled LMI accessibility adaptations with deferred loans and grants and incentivize rental occupied housing rehabilitation programs for landlords adapting units for accessibility
6. Develop a comprehensive Housing Plan for the City of Flagstaff including information on Fair Housing, Housing Choice, and efforts to increase affordable and accessible housing units
7. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration

Reference Documents

The following documents are referenced in this Analysis of Impediments to Fair Housing Choice or provide valuable information regarding fair housing and related laws:

- The Arizona Fair Housing Law is available on The Arizona Residential Landlord/Tenant Act is available on the Arizona Department of Housing website at http://www.housing.az.gov/sites/default/files/documents.
- The Arizona Tenant's Rights and Responsibilities Handbook is available on the City of Flagstaff website at http://www.flagstaff.az.gov/DocumentCenter/View/42329.

The Fair Housing Act and AFFH

HUD's "Affirmatively Furthering Fair Housing" (AFFH) regulation is designed to ensure that localities promote inclusive communities while developing plans to expend Community Development Block Grant (CDBG) and other federal housing funds.

The Fair Housing Act has two goals: to end housing discrimination and to promote diverse, inclusive communities. The second goal is referred to as Affirmatively Furthering Fair Housing (AFFH), requiring cities to commit to upholding values of fair access and equal opportunity.

The Affirmatively Furthering Fair Housing provision was part of the Fair Housing Act when it was passed by Congress in 1968. Through that provision, Congress directed HUD to make sure that neither the agency itself, nor the cities, counties, states and public housing agencies it funds, discriminate in their programs. Further, Congress intended that HUD programs be used to expand housing choices and help make all neighborhoods places of opportunity, providing their residents with access to the community assets and resources they need to flourish. In recent years, HUD increased oversight of its grantees' fair housing compliance, and took steps to give them better tools to ensure they are connecting all of their residents to opportunity, regardless of race, color, religion, national origin, sex, family status or disability.

The Affirmatively Furthering Fair Housing Rule

On July 16, 2015, the US Department of Housing & Urban Development (HUD) issued a new regulation to implement the affirmatively furthering fair housing requirements of the Fair Housing Act. With this rule, HUD would provide its program participants (states, counties, municipalities, and public housing agencies) with more effective means to affirmatively further the purposes and policies of the Fair Housing Act, Title VIII of the Civil Rights Act of 1968.

HUD received nearly 1,000 comments on the proposed rule including comments from national civil rights, fair housing, women's, disability, LGBT and consumer organizations and labor unions. Advocates, grantees, the GAO, and HUD itself had determined that the previous system was not an effective way to ensure that either HUD or its grantees were using their resources to expand housing choice and ensure that all neighborhoods are places of opportunity, thereby fulfilling their statutory obligations to affirmatively further fair housing.

In conjunction with the rule, HUD provided its grantees with a format to use for analyzing local and regional fair housing issues, known as the Assessment of Fair Housing Tool. HUD launched the rule with an Assessment Tool for Local Governments and also developed one for Public Housing Agencies. HUD also published a guidebook to help grantees through the process of conducting their required Assessments of Fair Housing (AFHs).

AFFH UPDATE: HUD EFFECTIVELY SUSPENDS AFFH REGULATION

On January 5, 2018, HUD effectively suspended implementation of the agency's 2015 Affirmatively Furthering Fair Housing regulation. It did this by delaying program participants' submission of the fair housing plans (known as Assessments of Fair Housing or AFHs) until after October 31, 2020. The submission of these fair housing plans is tied to the 5-year cycle under which program participants must submit their spending plans, (known as Consolidated Plans, or Con Plans).

HUD's action means that most program participants will not be required to submit a fair housing plan for HUD review until 2024 or 2025.

The Assessment of Fair Housing process has proven to be helpful to communities that have undergone the process. For example, performing a thorough analysis of local impediments to fair housing will allow for the discovery potential problems face by residents such as a serious eviction problem not adequately addressed because the city had not fully recognized the scope of the problem. This issue drives family instability. The lack of affordable housing can exacerbate this issue for the city. The AFH process can uncovered issues like this and help the city formulate a plan that will help provide better assistance to residents.

As a CDBG grantee, the City of Flagstaff is required to certify its commitment to affirmatively further fair housing. The City of Flagstaff will continue to perform an Analysis of Impediments to Fair Housing to certify this commitment, identify impediments and create an action plan for addressing the discovered impediments.

Geography and History

Flagstaff lies near the southwestern edge of the Colorado Plateau, the western side of the largest contiguous Ponderosa Pine forest in the continental United States. Flagstaff is located just south of the San Francisco Peaks, the highest mountain range in Arizona and includes the highest point in Arizona – Humphrey's Peak at 12,633 feet. The area around Flagstaff is considered a high altitude semi-desert, however, ecosystems ranging from pinon-juniper studded plateaus, high desert, green alpine forest and barren tundra can all be found within a short drive of Flagstaff[1].

Flagstaff's early economy was based on the lumber, railroad and ranching industries. The first permanent settlement was in 1876, when Thomas F. McMillan built a cabin at the base of Mars Hill on the west side of town. The city grew rapidly, primarily attributable to its location along the east-west transcontinental railroad line. In the 1880s, the railroads purchased land in the west from the federal government, which was then sold to individuals to help finance the railroad projects[2]. By 1886, Flagstaff was the largest city on the railroad line between Albuquerque, New Mexico and the west coast of the United States.

Route 66 was completed in 1926 and ran through Flagstaff. Flagstaff was incorporated as a City in 1928, and in

1929 the City's first motel, the Motel Du Beau, was built[3]. Flagstaff went on to become a popular tourist stop along Route 66. According to the Arizona Historical Society, Flagstaff was the quintessential World War II boom town and was never the same after Pearl Harbor[4]. Part of this big change was the creation of the Navajo Ordnance Depot in 1942. The depot was vital to the U.S. success in the Pacific Theater during World War II. Munitions from plants across the country were shipped by rail to the Bellemont depot and stored, pending shipment to the Pacific via Los Angeles or San Francisco.

Navajos, Hopis, and Austrians played a major role at this very unusual military base. More than one thousand Navajo and Hopi workers were employed to build and then run the munitions storage depot. With family members, the Native American population was well over three thousand when they moved into "Indian Village" on the northwestern corner of the base. The Flagstaff area population jumped from five thousand to twenty thousand in just a few months, with many living in the forest, in rented garages, and in cars close to the construction site. During World War II, about $42 million passed through town, in one way or another…an enormous sum in the 1940's[5]. Not only were 250 Austrian prisoners of war held at the northern Arizona munitions depot, but over one thousand sailors and marines came to the Arizona State Teachers College campus (today Northern Arizona University) for officer training. Prior to the war, about a dozen buildings/homes were constructed each year in Flagstaff. World War II brought about 1,200 buildings/homes---one century worth of growth.

Walkable urban areas were primarily developed prior to the 1940's in the heart of Flagstaff. Such places developed in a pattern where a person could live with limited reliance on the automobile and were conducive to destination walking and cycling, characteristics that are still prevalent today. The heart of the Flagstaff urban area is largely supported through a network of interconnected, tree-lined streets, a diversity of housing choices, and a mix of appropriate commercial and residential uses in a compact form. These areas also support public transit due to their compact nature. The Flagstaff urban areas include the downtown, south of downtown, La Plaza Vieja, Flagstaff Townsite and adjacent historic neighborhoods. Most of Flagstaff's residents and visitors agree that these areas help to define the unique character and identity of Flagstaff.

During the 1990s, development in the region spread across the rural landscape. While the rural environs are desirable, this leapfrog development was an inefficient use of land and natural and financial resources within the Flagstaff area; it increased traffic congestion, and placed a strain on the ability of the City and Coconino County to provide needed services and facilities, such as transportation, police, and fire and emergency services.

At present, the Flagstaff area has a relatively finite amount of developable private land. Of the large vacant parcels located within the City limits, a majority are at the periphery. Projections for the ultimate population of Flagstaff and surrounding areas vary. Population projections for 2055 adopted by the Arizona Department of Economic Security in 1997 showed an anticipated City of Flagstaff population of 158,272. In 2018 projections were reduced to 107,646.

[1] www.flagstaffarizona.org/flag_climate.html

[2] Paradis, Thomas Wayne. "Theme Town: A Geography of Landscape and Community in Flagstaff, Arizona."

[3] Paradis, pp. 244–245.

[4] www.arizonahistoricalsociety.org/userfiles/pdf/news_events/camp_navajo_historic_tour2.pdf

[5] www.arizonahistoricalsociety.org/userfiles/pdf/news_events/camp_navajo_historic_tour2.pdf

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Socio-economic Profile

Flagstaff is a mountain city located at 7,000 feet in the highlands of north central Arizona. It is surrounded by the Coconino National Forest, which contains the largest contiguous stand of Ponderosa Pines in the world. Flagstaff occupies 65 square miles on a volcanic plateau at the base of Arizona's highest point, the San Francisco Peaks, at 12,633 feet. Flagstaff is considered a metropolitan area because its population is over 50,000; however, its identity is still rooted in its small town mountain heritage. Hunting, fishing, skiing, mountain biking and rock climbing are just a few of the outdoor activities that attract people to Flagstaff.

Flagstaff has long been a transportation hub. Located along an old wagon road to California, Flagstaff's development began after the railroad arrived in 1881. Today, Flagstaff is the economic hub of Northern Arizona, ideally situated at the junction of Interstates 40 and 17. The Phoenix metropolitan area is 140 miles to the south and Grand Canyon National Park is approximately 80 miles to the north.

Flagstaff's incorporated population is about 70,000, with an additional 20,000 living in nearby unincorporated communities, and a trade area of 240,700. There are roughly 49,000 people employed in Flagstaff.

Flagstaff is home to Northern Arizona University (NAU). The school specializes in a number of environmental areas including forest health and biology. NAU is the state's largest residential campus, with roughly 22,000 students enrolled. Flagstaff has nine public elementary schools, two middle schools, two high schools and many private and charter schools. The newly expanded Coconino Community College is located adjacent to the NAU campus.

Flagstaff is a governmental, educational, transportation, cultural and commercial center, with healthcare, education, and tourism as major sources of employment. The city is home to a number of scientific and high-tech research and development industries, including W.L. Gore, Machine Solutions, and Prent Thermoforming. The community also has two museums, numerous art galleries, a symphony orchestra, four recreation centers, an ice-skating rink and a major ski resort. Flagstaff has extensive medical facilities and resources, including a state-of-the-art trauma center at the Flagstaff Medical Center.

Coconino County and Flagstaff possess an abundance of natural, cultural and archaeological resources, fueling an active tourism economy. Primary among all attractions is the Grand Canyon, a widely recognized natural wonder that stimulates domestic and international visitation at a rate approaching four million persons per year.

The Flagstaff area has a relatively finite amount of developable private land. Of the large vacant parcels located within the City limits, a majority are at the periphery and can be considered potential "greenfield development" or developments that incorporate sustainable programs and technologies such as lifecycle housing, complete streets, parks and open spaces, integrated retail and office, energy efficient buildings, innovative rainwater and stormwater facilities, and sidewalks and trails. Densities are expected to increase slowly over the next forty years, with more housing, employment, and transportation options.

According to the Flagstaff Regional Plan 2030, projections for the ultimate population of Flagstaff and surrounding areas vary. Population projections adopted by the Arizona Department of Economic Security in 1997 showed an anticipated population of 158,272 in the year 2050, while 2006 projections were 96,418 and

more recent estimates are lower still. If large population growth occurs and accommodations have not been made, local housing and land costs will increase substantially, and newcomers may be forced to move to distant communities, creating sprawl and long commutes to work.

Population

Flagstaff's incorporated population is about 72,000, with an additional 20,000 living in nearby unincorporated communities, and a trade area of 240,700. There are roughly 49,000 people employed in Flagstaff.

According to the 2015/2019 ACS, the City of Flagstaff has been a place of in-migration for several decades, growing by nearly 10,400 people (20%) from 2000 to 2008, 1,253 people (2%) between 2008 and 2011. More recently the City of Flagstaff population increased by 11.5% between 2011 and 2019. Growth in the early 2000's was fueled primarily by investors acquiring second homes, low mortgage rates and liberal financing terms, and the retirement of baby boomers. A significant portion of growth since 2008 can be attributed to an increase in Northern Arizona University student enrollment.

TABLE 1 – POPULATION AND HOUSEHOLD TRENDS AND PROJECTIONS

2000 (1)		2008 (2)		2011 (3)		2019 (4)		2030 Projected (5)	
Pop.	HH	Pop.	HH	Pop.	HH	Pop.	HH	Pop.	HH
53,137	19,355	63,505	22,860	64,758	22,360	72,402	22,360	83,746	28,916

(1) Census 2000; (2) 2006/2008 ACS; (3) 2007/2011 ACS; (4) 2015/2019 ACS (5) AZ Department of Water Resources

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

Race and Ethnicity

According to the 2015/2019 ACS 78% of the City's population is White, compared with 73% in 2008 and 79% in 2000. The Native American population comprised 8% of the population in 2019, compared with 13% in 2015. The population identifying as another race, including 2 or more races is just 8%, compared with 12% in 2015. Among all races, 19% of the population is Hispanic or Latino, a 1% difference of the population in 2015.

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The City of Flagstaff comprises 51% of the Coconino County population and, with the exception of the Native American population, includes 80% of racial and ethnic minorities in the County. 80% or more of the County's Black/African American and Asian population lives in Flagstaff, as does nearly 70% of the population of another race, including two races.

TABLE 2 – CITY OF FLAGSTAFF AND COCONINO COUNTY POPULATION RACE/ETHNICITY (2019)					
	City of Flagstaff			Coconino County	
	No.	%	% of Coconino County	No.	%
Total	72,402		51%	141,274	
White	56,722	78%	63%	90,333	64%
Black or African American	1,442	2%	83%	1,742	1%
Asian	2,227	3%	81%	2,766	2%
Native American or Alaska Native	5,683	8%	15%	37,504	27%
Native Hawaiian/Pacific Islander	189	0%	80%	235	0%
Other Race (incl. 2 or more races)	6,139	8%	71%	8,694	6%
Hispanic or Latino	13,990	19%	70%	19,931	14%
Source: 2015/2019 ACS Note: A Hispanic or Latino person may be any race.					

Northern Arizona University

Students attending Northern Arizona University (NAU) represent more than one quarter (27%) of City of Flagstaff residents and contribute to racial and ethnic diversity, particularly among, Pacific Islander/Asian and African American populations; NAU students represent 43% of the African American population and 20% of the Asian and Hispanic populations. Approximately 10,500 students live in NAU dormitories and apartments, and an estimated 60%, or 13,600 students occupy open- market rental units, many located in close proximity to the University. NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018).

TABLE 3 - 2019 NAU STUDENT ENROLLMENT (FLAGSTAFF CAMPUS)				
	Students	% of NAU Students	% City of Flagstaff	% Coconino County
Total	30,736		27%	13%
White	16,942	55%	25%	15%
Black or African American	1019	3%	43%	34%
Asian	669	2%	20%	16%
Native American or Alaska Native	878	3%	11%	2%
Pacific Islander	86	1%	100%	45%
Other Race	807	3%	8%	5%
Hispanic or Latino	2,422	14%	20%	14%
Sources: Northern Arizona University; 2015/2019 ACS				

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Age of the Population

According to the 2015/2019 ACS, nearly 40% of the City's population is between the ages of 15 and 24, compared to 24% of the Coconino County population and 14% of the Arizona population. This is primarily due to the presence of NAU. The proportion of Flagstaff's population age 65 and older is 6.6%, less than half the statewide percentage of 13.1%. Flagstaff's high elevation and cold weather climate make it less attractive as a retirement destination. The percentage of 18 to 24 and 24 to 34 individuals are significantly higher in Flagstaff then the county and state. This is due to the growing population of NAU students.

TABLE 4 - AGE OF THE POPULATION – CITY OF FLAGSTAFF, COCONINO COUNTY AND ARIZONA (2019)

Age	Arizona		Coconino County		City of Flagstaff	
	No.	%	No.	%	No.	%
Under 15	1,359,113	18.67	23,271	16.22	22,038	2.12
15 to 17	277,617	3.81	4,303	3	1,594	2.12
18 to 24	694,529	9.54	19,997	21.46	24,471	32.61
25 to 34	1,001,594	13.76	19,997	13.94	10,560	14.07
35 to 44	898,533	12.34	15283	10.65	7,435	9.91
45 to 54	853081	11.72	14245	9.93	6,873	9.16
55 to 64	884091	12.15	16571	11.55	7093	9.45
65 or more	1,307,241	17.96	18,586	12.95	6,527	8.70
Total	7278717		143476		75,044	
Median Age	38.3		31.1		25.8	

Source: 2015/2019 ACS

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Household and Family Types

Among the estimated 5,188 families with children in Flagstaff, 76% are married couple families, 17.5% are single-mother families, and just 6% are single-father families. Single-mother families are more likely to include children under 18 than are married-couple or single-father families. Just 2.3% of families with children include unmarried parents.

TABLE 5 - HOUSEHOLDS BY FAMILY TYPE (2019)				
	Coconino County		City of Flagstaff	
Households	48993		23839	
Families	29111	59.4%	12432	52.1%
Married-couple Families	21964	75.4%	10077	81.1%
Children under 18	7532	34.3%	3967	31.9%
Co-habiting couple household	4257	14.6%	3014	24.2%
Children under 18	619	14.5%	68	2.3%
Male householder, no wife present	9974	34.3%	6491	52.2%
Children under 18	656	6.6%	326	5.0%
Female householder, no husband present	12798	44.0%	6027	48.5%
Children under 18	2234	17.5%	827	13.7%
Source: 2015/2019 ACS				

Far more families in Flagstaff are renters, 52.6% compared to the State average of 34.7%. Very few of the married and unmarried partners in Flagstaff are LGBTQ but the average tends to match the percentage averages of the State.

TABLE 6 – MISC. HOUSEHOLDS (2019)				
	City of Flagstaff		Arizona State	
Families	12432		1740704	
Married-couple Families	9236	74.29%	1272331	73.09%
Opposite Sex Spouse	9175	99.34%	1211397	95.21%
Same Sex Spouse	61	0.49%	12151	0.70%
Un-married couple Families	2017	16.22%	198263	11.39%
Opposite Sex unmarried Partner	1919	95.14%	176494	89.02%
Same Sex Unmarried Partner	98	4.86%	11011	5.55%
Families living in Owner-occupied Units		47.40%		65.30%
Families living in Renter-occupied units		52.60%		34.70%
Source: 2015/2019 ACS				

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Household Type by Race/Ethnicity

Citywide, nearly 49% of households are family households and 52% are non-family households. African American (47.7%), Native American (70%) and Hispanic (68%) households are more likely to be family households. Single female headed families are most prevalent among Native American (31%) and African American family households (35%). Single male headed households are most common among Native American households at 10%. All Pacific Islander households are single people living alone; there are 40 Pacific Islander households in Flagstaff. Among other non-family households, nearly one-third (25.4%) of 2 or more race households are single people. Living together in non-family households is most prevalent among Pacific Islander (39%) and Asian (17%) non-family households.

TABLE 7 – FLAGSTAFF HOUSEHOLDS BY FAMILY TYPE AND RACE/ETHNICITY (2019)

	Flagstaff	White	African American	Native American	Asian	Pacific Islander	2 or more races	Hispanic
Family Households	48.8%	50.2	47.7	69.9	44.5	14	50.2	68
Married Couple	39.3%	41.5%	7.3%	28.4%	38%	0%	38.5%	49.3%
Male alone	3.5%	3.8%	5.4%	10.2%	1%	0%	7.5%	8.2%
Female alone	6%	4.9%	35%	31.3%	18%	14%	16%	4.4%
Non-families	52	49.8	52.3	30.1	55.8	86%	49.8	50.7
Living Alone	29%	26.7%	42.7%	19.6%	26%	47%	25.4%	32.5%
Not living alone	22.1%	23%	9.6%	10.5%	17%	39%	38.8%	18.2%
Source: 2015/2019 ACS								

Population with Disabilities by Age

Compared to Coconino County (13.4%) and the State of Arizona (13.2%), residents of Flagstaff are more likely (14.2) to be a person with a disability, in most part due to the number of group homes available in Flagstaff to the disabled population that is not able to live independently. The proportion of adults age 18 to 64 with a disability, including an independent living disability is higher in Flagstaff than in Coconino County and the State of Arizona. In the past 5 year the percentage of individuals in Flagstaff with a disability has more than doubled.

TABLE 8 - NON-INSTITUTIONALIZED POPULATION WITH DISABILITY (2019)

	Arizona		Coconino County		City of Flagstaff	
	No.	%	No.	%	No.	%
Population	7,165,904		142,729		65,157	
With a disability	946,481	13.2	19,204	13.4	9,308	14.2
Age 5 to 17	32,916	3.4	883	4.5	290	3.1
Age 18 to 64	112,465	12	8,505	44.2	4,775	51.2
Age 65 and older	106,834	11.8	10,870	56.6	2214	23.7
Source: 2015/2019 ACS						

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Income by Family Size

Median family income is lower among six-person families (67%) and five-person families (86%) than in Coconino County (86% and 97% respectively) and the State of Arizona (95% and 103% respectively).

TABLE 9 - MEDIAN INCOME BY FAMILY SIZE (2019)						
	Arizona		Coconino County		City of Flagstaff	
All Families	$74468		76601		$ 89234	
2-person families	69,122	49.30%	79,206	49.30%	84,896	95.14%
3-person families	74,639	19.10%	67,028	17.90%	92,273	103.41%
4-person families	84,669	16.30%	84,712	17.40%	84,618	94.83%
5-person families	78,221	8.70%	69,544	9.00%	110,397	123.72%
6-person families	75,728	3.90%	73,051	3.70%	108,819	121.95%
7+ person families	89,229	2.70%	137,784	2.70%	153,786	172.34%
Source: 2015/2019 ACS						

Median Income by Household Type

The median family income in the City of Flagstaff is $65,648, compared to the median household income of $48,758 and median non-family household income of $30,454. As households include single-people and unrelated individuals living together, household income is typically lower than family income. Among family households, married-couple families enjoy the highest median income, while single-female headed households have the lowest median income. Female householders living alone have the lowest median income of all household types.

TABLE 9 - MEDIAN HOUSEHOLD INCOME BY FAMILY TYPE (2019)						
	Arizona		Coconino County		Flagstaff	
All Households	$ 50,752	% Arizona HH Income	58085	% Coconino HH Income	$ 58,900	% Flagstaff HH Income
Family Households	74,468	120.00%	76,601	131.88%	89,234	151.50%
Own children < 18 yrs	70,158	113.06%	69,910	120.36%	87,596	148.72%
No own children < 18 yrs	76,202	122.80%	85,700	147.54%	92,766	157.50%
Married-couple families	87,708	141.34%	88,814	152.90%	95,828	162.70%
Female householder, no husband	42,001	67.68%	40,037	68.93%	50,703	86.08%
Male householder, no wife	53,183	85.70%	51,703	89.01%	105,506	179.13%

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	40,198	64.78%	34,758	59.84%	35,792	60.77%
Non-family households	36,234	58.39%	28,367	48.84%	29,744	50.50%
Female householder	31,218	50.31%	25,474	43.86%	26,100	44.31%
Living alone	68,463	110.33%	35,940	61.87%	35,551	60.36%
Not living alone	44,150	71.15%	37,402	64.39%	36,692	62.30%
Male householder	37,255	60.04%	26,799	46.14%	26,898	45.67%
Living alone	71,291	114.88%	52,571	90.51%	49,926	84.76%
Not living alone	74,468	120.00%	76,601	131.88%	89,234	151.50%
Source: 2015/2019 ACS						

Median Income by Race/Ethnicity

Compared to the State of Arizona, minority households in Flagstaff experience a proportionately higher median income, yet the median income of minority households in Flagstaff varies. Flagstaff's White households enjoy the highest proportionate median income at 110%. Since 2011 Black/African American households decreased from 104% to 75%. Hispanic, Native American/Alaskan Native and Asian households have median incomes well below the City median income. Hispanic

TABLE 10 - INCOME BY RACE / ETHNICITY (2019)						
	Arizona		Coconino County		City of Flagstaff	
	Median Income	% of Median Income	Median Income	% of Median Income	Median Income	% of Median Income
All Households	$ 50,752		58085		$ 58,900	
White	63828	125.76%	68919	119%	64896	110.18%
Black or African American	41040	80.86%	43145	74%	44252	75.13%
Native American	39974	78.76%	42757	74%	37083	62.96%
Asian	78785	155.24%	42607	73%	41281	70.09%
Hispanic	95.86%	54664	94%	50530	85.79%	95.86%
Source: 2015/2019 ACS						

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Income Category by Race/Ethnicity (2010)

According to the 2010 Census, minorities in the City of Flagstaff were disproportionately low-income when compared to White households.

*The ACS only provides income by race data for municipalities with a population over 75,000. The 2010 Census numbers for these metrics is the most current available at this time.

- **Extremely low-income (0% to 30% AMI)** – 31% of Asian, 25% of 2 or more Race, 26% of Black and 19% of Native American households were extremely low income compared to 16% of White households.
- **Low income (30.1% to 50% AMI)** – 100% of Pacific Islander (9 households), 15% of Asian and 12% of Hispanic households were low-income, compared to 9% of White households.
- **Low-to-moderate income (50.1% - 80% AMI)** – 27% of Native American and 20% of Hispanic households were low-to-moderate income, compared to 16% of White households.
- **Moderate-to-middle income (80.1% to 120%)** – 19% of Hispanic households were moderate to middle income, compared to 18% of White households.
- **Middle and higher income (120.1% or more)** – 45% of 2 or more Race households were middle and higher income, compared to 43% of White households.

TABLE 11 - INCOME CATEGORY BY RACE/ETHNICITY (2010)

	Extremely Low Income		Low Income		Low to Moderate Income		Moderate to Middle Income		Middle and Higher Income	
Race/Ethnicity	No.	%	No.	%	No.	%	No.	%	No.	%
Flagstaff	3,964	16%	2,268	9%	3,789	16%	4,277	18%	9,770	41%
White	2,858	16%	1,679	9%	2,521	14%	3,258	18%	7,684	43%
Black	61	20%	21	7%	50	16%	47	15%	132	42%
Native American	353	19%	110	6%	512	27%	317	17%	602	32%
Asian	169	31%	85	15%	68	12%	45	8%	187	34%
Pacific Islander	0	0%	9	100%	0	0%	0	0%	0	0%
2 or more Races	88	25%	13	4%	58	16%	39	11%	160	45%
Hispanic	435	15%	351	12%	580	20%	571	19%	1,005	34%

Source: 2010 Census

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Poverty by Race/Ethnicity

According to the 2015/2019 ACS, 17.5% of the Flagstaff population lives below the poverty level. Native American, and Hispanic populations experience a higher poverty rate then the white population (16.7%).

TABLE 12 - POPULATION IN POVERTY BY RACE/ETHNICITY (2019)		
	Below Poverty Level	
Race/Ethnicity	No.	%
City of Flagstaff	10,396	17.5%
White	7,829	16.70%
Black	202	26.30%
Native American	1,054	20.50%
Asian	469	26.00%
Pacific Islander	47	36.20%
Other Race	230	13.20%
Hispanic	2316	20.10%
Source: 2015/2019 ACS		

Poverty by Family Type

TABLE 13 - POVERTY BY FAMILY TYPE (2019)		
All families	720	5.8%
Married couple Family	238	2.6%
with children < 18	151	1.2%
Female householder, no husband present	377	16.9%
with children < 18	277	2.2%
Source: 2015/2019 ACS		

The overall rate of poverty among families in the City of Flagstaff is 5.8%. Single female householders with children under age 18 experience poverty at six times the rate of all families and six times the rate of married-couple families. Almost one- third of single-parent female headed families live below the poverty level.

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Persons with Disabilities and Poverty

The City of Flagstaff's population with disabilities experiences a rate of poverty more than double the population without disabilities – 51.2% compared to 24.5% for the overall population - 1,932 people with disabilities in Flagstaff live below the poverty level.

The Workforce and Employment

From 2017 to 2018, employment in Flagstaff, AZ grew at a rate of 1.46%, from 36.5k employees to 37.1k employees.

The most common employment sectors for those who live in Flagstaff, AZ, are Educational Services (6,584 people), Accommodation & Food Services (5,974 people), and Retail Trade (4,554 people). This chart shows the share breakdown of the primary industries for residents of Flagstaff, AZ, though some of these residents may live in Flagstaff, AZ and work somewhere else. Census data is tagged to a residential address, not a work address.

In 2018, 56.7% of the workforce was employed in four industries - 1) accommodation and food services, 2) retail trade, 3) educational services, and 4) heath care and social assistance. Slightly more than half (53.8%) of employees are employed full-time. Considering only full-time employment the top four industries were 1) health care and social assistance, 2) retail trade, 3) educational services, and 4) manufacturing.

TABLE 14 - TOP 6 INDUSTRIES EMPLOYING THE FLAGSTAFF WORKFORCE IN 2018

	Employment	% Total Employment	Median Annual Earnings	Full-time	% Full-time	Median Annual Full-time Earnings
All Industries	37,100		$20,100	18,687	53.8%	$38,772
Accommodation & food services	5974	16.1%	$13,127	1,628	31.6%	$17,524
Retail trade	4554	12.3%	$12,157	2,490	48.8%	$30,320
Educational services	6584	17.8%	$20,786	2,286	45.0%	$42,784
Health care and social assistance	4,408	11.9%	$40,122	2,405	55.8%	$41,758

Source: 2015/2019 ACS

Housing Profile

The City of Flagstaff HUD 2021 – 2025 Consolidated Plan describes in detail housing conditions in the City of Flagstaff. This housing profile provides context for and focuses on housing conditions by income, race/ethnicity, disability status, familial status and geographic areas.

The housing market consists of homeowners and renters and the units they occupy. In addition to tenure and occupancy, the three primary elements of the housing market that impact supply and demand are:

1. Variety - the types of housing that are available.
2. Quality, - most often defined by age, unit value and whether the unit has complete plumbing or kitchen facilities.
3. Affordability - defined by the percentage of household income that must be spent for housing costs and whether that percentage consumes more than 30% of gross household income.

The Northern Arizona University main campus is located in Flagstaff and has a significant impact on housing availability. Student enrollment at Northern Arizona University Flagstaff campus in 2020 was 29,569, with 22,870 students enrolled full-time. Approximately 7,767 students lived in college dormitories or apartments situated on land owned by NAU, an estimated 18% (5,640) either lived with family or were enrolled in online/remote classes, and an estimated 9,733 students lived off campus. Assuming an average of 2.5 students per open-market rental unit an estimated 3,893 rental units were occupied by students. Students typically pay between $800 and $1000 per bedroom, far more than could be earned by renting units to families.

2011-2015 CHAS data when compared with 2007-2011 household income and tenure data suggests insufficient rental units affordable to households with income less than 30% AMI and insufficient owner units affordable to households with income 50% to 80% AMI.

College students living off-campus that are supported by their parents appear to be very low income and their presence tends to inflate the number of households with income less than 30% AMI and to inflate the number of cost burdened households. It is however important to ensure adequate rental housing is available for non student households with income less than 30% AMI.

There are insufficient units affordable to owners and potential purchasers with income 50% to 80% AMI. 67% of renter respondents to the 2020 Coconino County Community Health and Human Services Needs Assessment indicated they would like to own a home but insufficient down payment and availability in their price range were barriers to homeownership. There are also insufficient rental units affordable to renters with income less than 30% AMI.

Rents established by HUD for the HOME program, which finances rehabilitation and new construction and for the Section 8 program, which provides monthly rental subsidies to low-income renters do not vary significantly from the area median rent due to the high volume of one and two bedroom rental units in Flagstaff. Rehabilitated or new units targeted to very low income renters would have positive impacts on the availability of affordable housing.

Residential Development Trend

In general, the housing market moves roughly in line with the rest of the economy over the long term. During the economic and housing boom from 2000 to 2006, the City issued an annual average of 630 residential permits. With the economic downturn, residential permitting declined to an average of 233 units per year from 2008 through

2011. In recent years, 2018 to 2020, an annual average of 295 residential permits were issued primarily for single family detached homes.

Age of the Housing Stock

Housing units that are 30 years old or older are more likely than the newer housing stock to require rehabilitation or replacement, historic preservation, lead-based paint remediation, and energy efficiency improvements. 36% of the City's housing units or 8,106 units were built before 1980 and are more than 30 years old. Of units built before 1980, roughly equal numbers are owner and renter occupied; renters are slightly more likely to occupy units built before 1950.

HUD data indicates that 2,290 pre-1980 housing units are occupied by households with children – 60% by renters and 40% by owners. Childhood lead poisoning is a serious pediatric health problem and children ages six years and younger are particularly susceptible to lead poisoning. Research indicates that even a low level of lead in a child's blood can have harmful effects on physical and developmental health. The most common source of exposure is deteriorating lead-based paint and lead-contaminated dust found in the home, but other sources include pottery, jewelry, candy and makeup.

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	3,895	37%	4,650	36%
Housing units built before 1980 with children present				

Table 1 – Risk of Lead-Based Paint

Data Source: 2011-2015 ACS (Total Units) 2011-2015 CHAS (Units with Children present)

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	2,740	26%	2,860	22%
1980-1999	3,880	37%	5,270	41%
1950-1979	3,305	31%	4,040	32%
Before 1950	590	6%	610	5%
Total	***10,515***	***100%***	***12,780***	***100%***

Table 2 – Year Unit Built

Tenure and Tenure by HUD Income Category

The homeownership rate in Flagstaff, AZ is 46.8%, which is lower than the national average of 63.9%. According to the US Census, the rate of homeownership in the City of Flagstaff increased from 48% in 2000 to 52% in 2008 and then decreased to 48% in 2011 and 46.8% in 2019. Homeownership decreases across all income levels except households with incomes 50-80% AMI occurred, with the largest decreases among higher income households. The relatively stable homeownership rate among households with incomes 50-80% AMI may be attributed to the likelihood that these households received homeownership education and counseling prior to home purchase.

Ownership increases with household income - 69% of households with incomes above 100% AMI own their home compared to 25% of households with incomes below 50% AMI.

Families with Income in the past 12 months below poverty level:	1,315	
Families in poverty, owner occupants:	335	25.48%
Families in poverty, renter occupants:	975	74.14%

Tenure by Race/Ethnicity

While the homeownership rate in the City of Flagstaff is lower than that of Coconino County and the State of Arizona, it is particularly low among Native American households – 3.2%. The highest homeownership rates are among White (90%) and Hispanic (14.4%) household.

TABLE 16 - TENURE BY HOUSEHOLDER RACE/ETHNICITY (2019)

	Owner	Renter
White	90.0	74.5
Black	0.6	2.3
Native American	3.2	10.1
Asian	1.9	3.8
Other Race	2.8	2.8
Hispanic	14.4	17.2
Total	47%	53%

Source: 2015/2019 ACS

Housing Problems of Owners by Race/Ethnicity (Coconino County)

The US Department of Housing and Urban Development provided housing problems data by race and ethnicity for the City's Consolidated Plan. HUD defines the four housing problems as: 1) Lacks complete kitchen facilities; 2) Lacks complete plumbing facilities; 3) More than one person per room; and 4) Cost Burden greater than 30%. According to this data, cost burden is the most significant housing problem in Flagstaff and disproportionately impacts minority owners:

- Hispanic owners at all income levels are more likely than White owners to have housing problems.
- Lower income Black and Asian owners are more likely to have housing problems than lower income White owners, yet higher income Black and Asian owners are less likely to have housing problems than higher income White owners.
- Higher income Native American owners are more likely to have housing problems than White owners; yet lower income Native American owners are less likely to have housing problems than White owners.

TABLE 17 –OWNERS WITH HOUSING PROBLEMS BY income and RACE AND ETHNICITY (2015) owner					
Race/Ethnicity	≤30% AMI	30.1-50% AMI	50.1-80% AMI	80.1-95% AMI	95.1% AMI and above
Flagstaff, AZ	3225	2,185	2,385	925	NA
White	1805	1,300	1,715	715	NA
Black	60	90	4	4	NA
Asian	110	70	60	10	NA
Native American	340	305	270	55	NA
Pacific Islander	0	0	15	0	NA
Hispanic	750	405	265	150	NA
Other	n/a	2,185	2,385	925	NA
Source: HUD eCon Planning Suite data					

Housing Problems of Renters by Race/Ethnicity (Coconino County)

According to HUD CHAS data for Coconino County, housing problems also disproportionately impact minority renters:

- Lower income Hispanic renters are more likely than lower income White renters to have housing problems, with the exception of those with incomes 50.1 – 80% AMI.
- The lowest-income Black renters are more likely to have housing problems than the lowest income White renters; however Black renters with incomes above 30.1% AMI are less likely than White renters to have housing problems.

TABLE 18 –PERCENT OF RENTERS WITH HOUSING PROBLEMS BY RACE AND ETHNICITY (2015)							
Race/Ethnicity	≤30% AMI	30.1-50% AMI	50.1-80% AMI	80.1-95% AMI	95.1% AMI and above	All Renters	
						No.	%
Coconino County	95.6%	85.5%	70.3%	62.0%	8.2%	8,360	53.8%
White	96.2%	90.6%	77.9%	51.0%	8.3%	4,790	51.5%
Black	100%	53.8%	25.0%	n/a	n/a	125	52.1%
Asian	n/a	n/a	n/a	n/a	n/a	140	45.9%
Native American	92.2%	66.4%	45.8%	75.0%	14.6%	1,760	54.2%
Pacific Islander	n/a	n/a	n/a	n/a	n/a	0	n/a
Hispanic	100%	96.3%	73.7%	85.7%	2.5%	1,440	65.2%
Other	100%	n/a	n/a	66.7%	n/a	105	43.8%
Source: HUD CHAS Data for Coconino County							

Housing Problems by Race/Ethnicity (HUD Consolidated Plan data for Flagstaff)

When a population's proportion of housing need is at least 10% higher than the housing needs of the population as a whole, the City considers that population to have disproportionate need. Disproportionately greater housing needs occur at each HUD income category; however, disproportionate housing need is not consistent for any one racial or ethnic group. The relatively small number of households in some racial and ethnic categories combined with the large proportion of NAU students who are minorities may impact this assessment.

- Among households with incomes below 30% AMI, Black/African American households have disproportionately greater housing needs; 2% of the City's population is Black/African American and 43% of Black/African American people in Flagstaff are NAU students.
- Among households with incomes between 30% and 50% AMI, Asian households have disproportionately greater housing needs. 2% of the City's population is Asian.
- Among households with incomes between 50% and 80% AMI, Pacific Islander households have disproportionately greater housing needs. HUD data suggests a smaller Pacific Islander population than local data. There are 10 Pacific Islander households experiencing disproportionately greater need and local data suggests that all are NAU students.
- Among households with incomes between 80% and 100% AMI, Native American households have disproportionately greater housing needs.

TABLE 19 – PERCENT OF HOUSEHOLDS WITH HOUSING PROBLEMS BY RACE, ETHNICITY AND INCOME LEVEL

	≤30% AMI	30.1-50% AMI	50.1-80% AMI	80.1-100% AMI
White	86%	84%	66%	39%
Black	100%	0%	46%	0%
Asian	91%	100%	33%	10%
Native American	96%	75%	61%	74%
Pacific Islander	n/a	n/a	100%	n/a
Hispanic	93%	86%	58%	55%

Source: HUD eCon Planning Suite data

HUD also provides data regarding severe housing needs. When a population's proportion of severe housing need is at least 10% higher than the housing needs of the population as a whole, the City considers that population to have disproportionate need. Disproportionately greater severe housing needs occur at each HUD income category except 30% to 50% AMI. Disproportionately severe housing need is consistent among Hispanic households with incomes between 50% and 100% AMI. Disproportionately severe housing needs among Hispanic households may result from larger family sizes and multi-generational households that result in overcrowding and severe overcrowding as defined by HUD.

- Among households with incomes below 30% AMI, Black/African American households have disproportionately greater severe housing needs. 2% of the City's population is Black/African American and 43% of Black/African American people in Flagstaff are NAU students.
- Among households with incomes between 30% and 50% AMI, no households have disproportionately greater housing needs.
- Among households with incomes between 50% and 80% AMI, Hispanic households have disproportionately greater housing needs.
- Among households with incomes between 80% and 100% AMI, Native American and Hispanic households have disproportionately greater housing needs.

TABLE 20 – PERCENT OF HOUSEHOLDS WITH SEVERE HOUSING PROBLEMS BY RACE AND ETHNICITY AND INCOME LEVEL (2015)				
Race/Ethnicity	≤30% AMI	30.1-50% AMI	50.1-80% AMI	80.1-100% AMI
Citywide	85%	50%	17%	17%
White	83%	52%	16%	9%
Black	100%	0%	0%	0%
Asian	91%	0%	0%	10%
Native American	91%	34%	12%	55%
Pacific Islander	0%	n/a	0%	n/a
Hispanic	90%	58%	28%	34%
Source: HUD eCon Planning Suite data				

Housing cost burden is the most prevalent housing problem in Flagstaff as there are few units lacking complete plumbing and/or kitchen facilities and limited incidences of overcrowding. Unfortunately the data provided by HUD included a significant error; therefore, HUD CHAS data for Coconino County was used to identify whether housing cost burden disproportionately impacts minority households relative to White households. This data revealed housing cost burden is disproportionately high among Black/African American households with income < 30% AMI and Pacific Islander households with income 30% to 50% AMI; many of these households are student households.

Geographic Concentration Areas

Low-income Concentration Areas – Census Block Groups

In 2019, 47.1% of the City's households were low and moderate income. There are 26 Census Block Groups with a disproportionately high percentage of low and moderate income households. For the purposes of the AI, disproportionately high is defined as at least 10% higher than the City. City Target Neighborhoods are identified in the following table along with those areas with a high concentration of NAU students (NAU Block Groups).

Considering only Census Tracts there are 7 Census Tracts where low-income populations are concentrated – Census Tracts 2, 3, 5, 8, 10, 12 and 15.

TABLE 21 - LMI BLOCK GROUPS

Census Tract	Block Group	Total Population	LMI Population	% LMI	NAU Block Group	Target Area Name
2	2	1,350	605	44.81%		
3	1	700	210	30.00%		
3	2	3,050	2,715	89.02%		Sunnyside
3	3	1,880	1,340	71.28%		Sunnyside
3	4	1,335	750	56.18%		Sunnyside
4	3	1,860	820	44.09%		
4	4	800	625	78.13%	X	
4	5	645	155	24.03%		
5	2	925	325	35.14%		
5	3	1,135	345	30.40%		
5	4	1,115	740	66.37%		
5	5	410	130	31.71%		
6	2	1,865	1,020	54.69%	X	
8	1	1,045	810	77.51%	X	Southside
8	2	2,555	2,290	89.63%	X	Southside
8	3		830	82.18%	X	Pine Knoll

		1,010				
9	1	575	160	27.83%		
9	3	2,020	1,390	68.81%		
10	1	400	280	70.00%	X	
10	2	585	550	94.02%	X	
10	3	1,475	860	58.31%	X	
11.02	3	930	785	84.41%	X	La Plaza Vieja
11.02	4	1,615	1,120	69.35%	X	
12	1	1,270	655	51.57%	X	
Source: HUD 2021 LMI Data based on 2011/2015 American Community Survey						

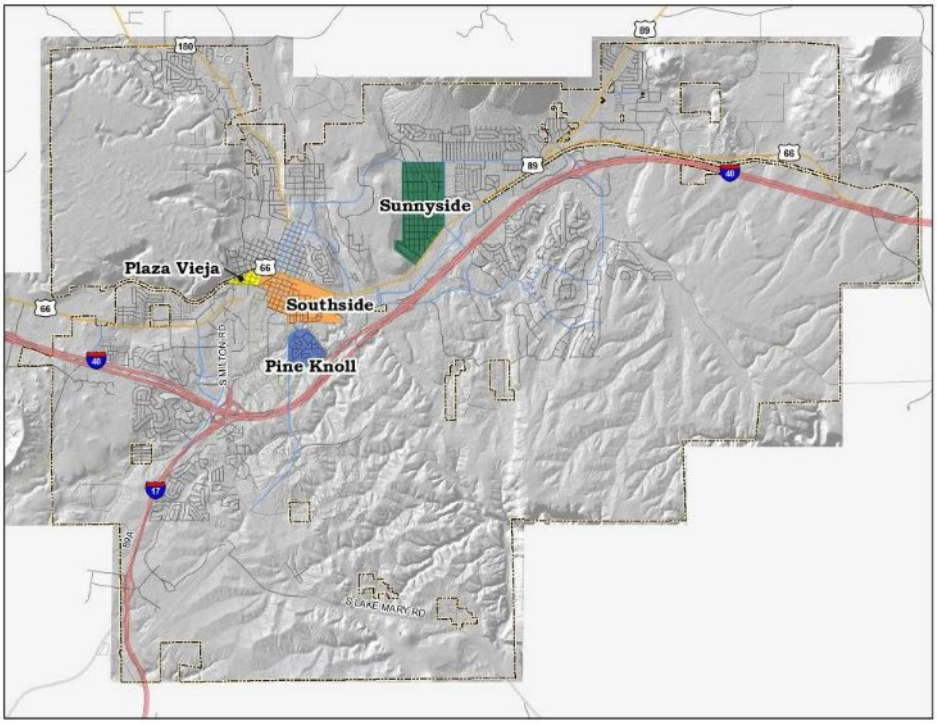
City of Flagstaff Target Neighborhoods

The City has identified four target neighborhoods:

- 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 people who live in the target neighborhoods have the following characteristics:

- 8,565 people reside in target neighborhoods – 6,210 are considered low and moderate income.
- 33% are Hispanic or Latino.
- 27% are minorities.
- 50% live in family households.
- 21% are headed by a householder 24 years old or younger.
- 24% own the home they occupy.



The Sunnyside Neighborhood Association, Southside Community Association and La Plaza Vieja Neighborhood Association 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 also work collectively and advocate for continual and necessary infrastructure improvements in historic neighborhoods, growing more local jobs, increasing voter registration, and promoting unity among neighbors.

Minority Concentration Areas – 2010 Census Block Groups

There are 18 Census Block Groups in Flagstaff that are considered areas of minority concentration based on 2010 Census data. An area of minority concentration is defined as an area where the proportion of minorities (non-White) is at least 10% higher than the proportion of that minority group citywide. 10 of the Census block Groups include or are adjacent to Northern Arizona University (NAU). Areas with minority concentrations are shaded in the following table.

TABLE 23 - LMI AND MINORITY BLOCK GROUPS

Census Tract	Block Group	Racial Concentration	Ethnic Concentration	NAU Block Group	LMI Concentration	Target Area Name
3	1	26.7%	23.8%		X	
3	2	58.5%	41.9%		X	Sunnyside
3	3	58.7%	37.3%		X	Sunnyside
3	4	54.3%	41.1%		X	Sunnyside
4	2	35.8%	23.2%			
4	3	36.1%	23.7%		X	
4	4	51.4%	26.1%	X	X	
4	5	26.4%	20.8%		X	
5	1	32.2%	21.0%			
5	2	32.0%	25.8%		X	
5	3	49.6%	32.4%		X	
5	4	34.5%	50.3%		X	
6	2	39.1%	13.8%	X	X	
7	1	30.3%	18.3%	X		
8	2	29.1%	16.1%	X	X	Southside
8	3	42.9%	26.0%	X	X	Pine Knoll
9	3	35.2%	17.0%			
11.02	1	36.1%	29.2%			La Plaza Vieja
11.02	3	32.1%	25.9%	X	X	
11.02	4	35.1%	26.4%	X	X	

Source: 2010 Census SF3

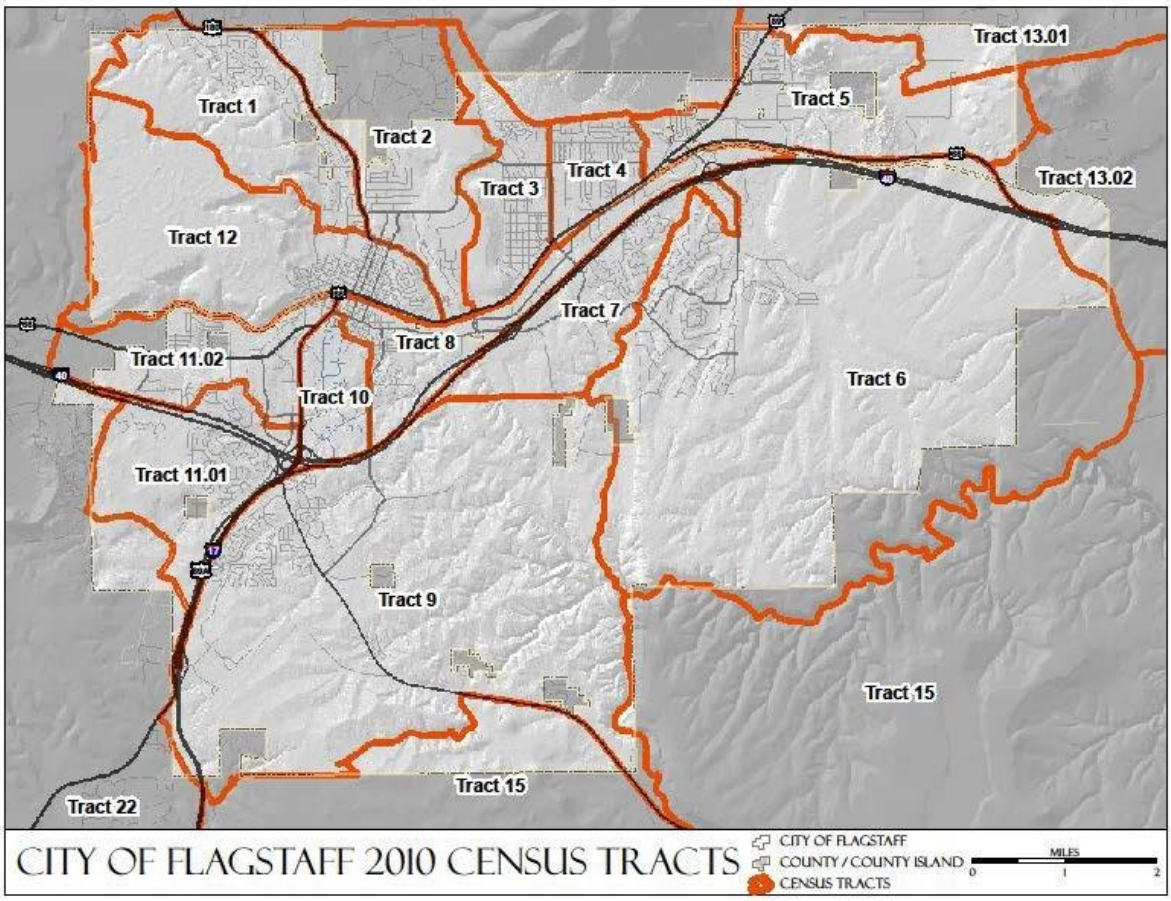
Citywide in 2010, 27% of the population was minority and 18% was Hispanic, compared to 21% minority and 16% Hispanic in 2000. Overall, the proportion of minorities increased 28.6% and the proportion of Hispanics increased 11.1%. There was one Census Tract (11.02) added to the City list of minority concentration areas as a result of new Census boundaries in 2010. Several Census Tracts experienced increases in minority populations at a higher rate than the increase in the citywide minority population:

- Census Tract 3 – The minority population increased 20% from 40% in 2000 to 52% in 2010.
- Census Tract 5 – The Hispanic population increased 30.4% from 23% in 2000 to 30% in 2010. Census Tract 5 is an NAU Census Tract.

Minority and LMI Concentration Areas – 2010 Census Tracts

There are four Census Tracts that are both areas of low income and minority concentration – Census Tract 3, Census Tract 4, Census Tract 5, and Census Tract 8.

TABLE 24 - LMI AND MINORITY CENSUS TRACTS							
Census Tract	Total Population	Racial Minority Population	% Racial Minority	Ethnic Minority Population	% Ethnic Minority	Minority Concentration	LMI Concentration
1	3,666	564	15.4%	531	14.5%	NO	NO
2	3,550	806	22.7%	482	13.6%	NO	NO
3	6,478	3,466	53.5%	3,217	49.7%	YES	YES
4	5,226	1,742	33.3%	1,021	19.5%	YES	YES
5	4,242	1,884	44.4%	1,113	26.2%	YES	YES
6	5,531	1,069	19.3%	289	5.2%	NO	NO
7	3,564	417	11.7%	530	14.9%	NO	NO
8	3,912	1,199	30.6%	523	13.4%	YES	YES
9	6,553	1,168	17.8%	1,025	15.6%	NO	NO
10	7,519	1,988	26.4%	652	8.7%	NO	YES
11.01	4,650	962	20.7%	529	11.4%	NO	NO
11.02	6,478	1,946	30.0%	1,539	23.8%	YES	NO
12	2,540	461	18.1%	265	10.4%	NO	YES
13.01	No data	No data					NO
13.02	No data	No data					NO
15	No data	No data					YES
22	No data	No data					NO
Source: 2010 Census							


Tract 13.01
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Tract 10
Tract 11.01
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Tract 15
Tract 15
Tract 22
CITY OF FLAGSTAFF 2010 CENSUS TRACTS
CITY OF FLAGSTAFF
COUNTY / COUNTY ISLAND
CENSUS TRACTS
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1
2

Persons with Disabilities Concentration Areas

Data regarding persons with disabilities is available only at the Census Tract Level and from ACS 2008/2012. According to ACS 2008/2012, 7.7% of City of Flagstaff residents are persons with disabilities. Areas where the proportion of persons with disabilities is at least 10% higher than citywide are Census Tracts 2 and 4. Census Tract 4 is also an area of low income and minority concentration and Census Tract 2 includes a Low Income Housing Tax Credit project targeted for occupancy by people who are elderly or have disabilities.

TABLE 25 - POPULATION WITH DISABILITIES BY CENSUS TRACT (2012)

Census Tract	No.	%.	Concentration
City of Flagstaff	4,665	7.7%	NO
Tract 1 (part)	313	7.9%	NO
Tract 2 (part)	328	9.5%	YES
Tract 3 (part)	498	7.5%	NO
Tract 4 (part)	603	11.3%	YES
Tract 5 (part)	391	8.1%	NO
Tract 6 (part)	274	5.1%	NO
Tract 7 (part)	162	4.6%	NO
Tract 8 (part)	251	7.0%	NO
Tract 9 (part)	350	5.4%	NO
Tract 10 (part)	606	7.3%	NO
Tract 11.01 (part)	304	6.2%	NO
Tract 11.02 (part)	385	6.3%	NO
Tract 12 (part)	200	7.6%	NO
Tract 13.01 (part)	0	0.0%	NO
Tract 13.02 (part)	0	0.0%	NO
Tract 15 (part)	0	0.0%	NO
Tract 22 (part)	0	0.0%	NO
Source: ACS 2008/2012			

Low-income Multifamily Housing Locations

There are 1,255 subsidized low-income rental units in the City of Flagstaff. In addition to the 265 public housing units and 101 affordable rental units owned and operated by the City of Flagstaff Public Housing Authority, there are 888 affordable rental units in 12 apartment complexes funded with the Low Income Housing Tax Credit Program. LITHC units are generally targeted to households with income less than 60% of the area median income. LIHTC units may be targeted to specific populations, and 60 units are targeted to elderly and disabled households; the remaining 828 units are targeted to families. There are also 12 HUD-funded Section 202 units serving very-low income people with disabilities.

Two income-restricted developments are located in a Census Tract this is also an area of minority concentration. During the past five years no income restricted developments were added in areas of minority concentration. The majority of Low Income Housing Tax Credit projects are located in Census Tract 9, an area primarily south of Interstate 40 and the most recently-developed area of the City.

Private Sector - Home Mortgage Disclosure Act (HMDA) Data

Congress enacted the Home Mortgage Disclosure Act (HMDA) in 1975 to provide the public with information that would assist in determining if financial institutions are serving the credit needs of their communities and to identify discriminatory housing activities. The law requires that certain financial institutions such as banks, savings associations, credit unions and other mortgage lending institutions collect and publicly disclose information on home loan applications and purchases. HMDA data provides an array of information on mortgage lending activity such as the type and disposition of loans, and borrower characteristics such as race, gender, and income.

HMDA data provides valuable insight into possible impediments to fair housing choice in the City of Flagstaff. Because HMDA data does not measure credit history, this analysis cannot conclude that higher rates of loan denial are explained solely by the credit of the borrowers, or solely based on race, ethnicity, sex or other protected classes. Instead, HMDA data can identify whether further investigation into discriminatory practices is needed.

In 2019, 1121 home loan applications were made by Flagstaff residents and 92 or 7% were denied. 1,624 refinancing loan applications were also made, with a denial rate of 14%. The combined denial rate for the 2,745 home purchase and refinance loans were 15%, less than half the denial rate of 33.9% in 2008 when 3,044 applications were received.

The Consumer Financial Protection Bureau (CFPB)

The Consumer Financial Protection Bureau (CFPB) was established on July 21, 2010 under Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203 (Dodd-Frank Act). The CFPB was established as an independent bureau within the Federal Reserve System. The Bureau is an Executive agency as defined in Section 105 of Title 5, United States Code. The Dodd-Frank Act authorizes the CFPB to exercise its authorities to ensure that, with respect to consumer financial products and services:

1. Consumers are provided with timely and understandable information to make responsible decisions about financial transactions;

2. Consumers are protected from unfair, deceptive, or abusive acts and practices and from discrimination;
3. Outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens;
4. Federal consumer financial law is enforced consistently in order to promote fair competition; and
5. Markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

To accomplish its mission, the CFPB is organized into six primary divisions:

1. Consumer Education and Engagement provides information to consumers to empower them to make financial decisions that are best for them.
2. Supervision, Enforcement and Fair Lending ensures compliance with Federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.
3. Research, Markets and Regulations conducts research to understand consumer financial markets and consumer behavior, evaluates whether there is a need for regulation, and determines the costs and benefits of potential or existing regulations.
4. Legal Division ensures the Bureau's compliance with all applicable laws and provides advice to the Director and the Bureau's divisions.
5. External Affairs manages relationships with external stakeholders and ensures that the Bureau maintains robust dialogue with interested stakeholders to promote understanding, transparency, and accountability.
6. Operations builds and sustains operational infrastructure to support the entire organization and hears directly from consumers about challenges they face in the marketplaces through their complaints, questions, and feedback.

Home Purchase Loan Application Disposition by Race

In 2019, 93% of loan applications were made by White applicants. 75% of home purchase loan applications were originated. Among loans not originated, 20% were denied. Overall, loan applications resulting in an originated loan were highest among Hispanic applicants and lowest among Native American Applicants. Loan denial rates were highest among Native American applicants and lowest among White applicants.

Adjusting HMDA data for income may explain loan application disposition data – minorities and single-parent families often have lower incomes and challenging credit histories or no credit histories that may lead to higher rates of denial. In 2014, 76% of loan applications were from higher income applicants (income above 120% AMI), compared with 55% in 2008. In 2019, 16% of loan applications were from middle income households (income 80-120% AMI), and 8% from low and moderate income households (income less than 80% AMI). Origination rates were highest among low and moderate income households at 77% and lowest among middle-income households at 59%. The higher rate of origination among low and moderate income households suggests that housing education and counseling and perhaps home purchase assistance increased the rate of loan originations.

Except at higher income levels Native American home purchase loan applicants experience the highest rates of loan denial.

TABLE 27 - DISPOSITION OF HOME PURCHASE LOAN APPLICATIONs by RACE/ETHNICITY 2019			
Race/Ethnicity	Applications Received	Applications Denied	
		No.	%
Native American	98	22	22.45%
Asian	56	16	28.57%
Black/African American	18	6	33.33%
Native Hawaiian or Other Pacific Islander	7	7	100.00%
White	3428	708	20.65%
Hispanic	232	76	32.76%
Source: Consumer Financial Protection Bureau HMDA Query			

TABLE 28 - HOME PURCHASE LOAN APPLICATIONS AND DENIALS BY GENDER AND CO-APPLICANT STATUS OF APPLICANT			
	Applications	Denials	% Denied
Female Alone	721	182	25.24%
Male Alone	1180	353	29.92%
Joint	2209	369	16.70%
Source: Consumer Financial Protection Bureau HMDA Query			

Homme Purchase Loan Application Disposition – Manufactured

Housing The rate of loan denials for manufactured housing purchases (56.1%) is 6.5 times the rate of loan denials for one to four family dwellings (8.6%). 41% of the loan denials for Native American home purchase loan applicants were for manufactured housing as were 20% of loan denials for Hispanic home purchase loan applicants. This data suggests that housing type plays a significant role in whether a home purchase loan will be originated.

TABLE 29 - LOAN APPLICATIONS AND DENIALS FOR MANUFACTURED HOUSING PURCHASE BY RACE			
	Applications	Denials	% Denied
Native American	39	16	41.03%
Asian	1	0	0.00%
Black/African American	3	0	0.00%
White	211	15	7.11%
Hispanic	31	6	19.35%
Source: Consumer Financial Protection Bureau HMDA Query			

Disposition of Refinancing Loan Applications in the City of Flagstaff (2019)

In 2019, nearly three quarters of refinancing loans were in Census Tracts that are neither low-income nor minority concentration tracts. 2019 HMDA data defining the disposition of refinancing loan applications by Census Tract revealed higher denial rates than citywide in five Census Tracts - 3, 8, 11.01, 11.02 and 15; the citywide rate was 21.5%. The combined rate of denial in Census Tracts that are neither LMI nor minority concentration tracts is 14.9% compared to 24.6% in LMI concentration tracts and 25.4% in minority concentration tracts. This data suggests that there is a higher correlation of refinancing loan denial in LMI and minority concentration tracts.

Refinancing Loan Application Denial by Race

In 2019, 20% of refinancing loan applications for which the applicant reported race were denied. The rate of loan denial was higher among non-White applicants (27.1%) than for White applicants (19.5%), suggesting that refinancing loan denials are more prevalent among minority borrowers than White borrowers.

Lower income households are more likely to experience a refinancing loan denial than are households at higher incomes. Considering race and ethnicity, Native American refinancing loan applications experience the highest rates of loan denial.

Unlike home purchase loans, the rate of refinancing loan denials for females is not higher than for males. The highest rates of refinancing loan denial are among all borrowers with income less than 80% of the area median income, suggesting that income and credit play a role in refinancing loan originations.

Local Loan Limits

FHA and conventional Loan limits vary based on the number of living-units on the property. FHA loans are only allowed on 1 to 4 living-unit properties. These 1 to 4 unit properties can be purchased with an FHA loan as long as the owner occupies one of the unit. Properties with over 4 units are considered commercial and do not quality for FHA or conventional loans.

Limits for FHA Loans in Flagstaff, Arizona range from $389,850 for 1 living-unit homes to $749,700 for 4 living-units. Conventional Loan Limits in Flagstaff are $548,250 for 1 living-unit homes to $1,054,500 for 4 living-units. The 2021 Home Equity Conversion Mortgage (HECM) limits in Flagstaff is $822,375. HECM limit does not depend on the size of the home.

Conventional loans (also called "conforming") are loans that conform to the requirements set by Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac buy home loans from lenders to provide liquidity.

Flagstaff has high cost limits to compensate for above average housing prices. Limits in Flagstaff are above the 2021 national floor.

Fair Housing Programs

Fair Housing Laws and Policies

The Fair Housing Act of 1968 (FHA) made it illegal to discriminate in housing because of a person's race, color, religion, or national origin. In 1970 gender was added as a protected class and in 1988, the Fair Housing Amendments Act added familial status and disability (referred to as Handicapped in FHA) to the list. The familial status provision protects households with children under 18 years of age. Disability covers physical and mental disabilities, including persons with HIV/AIDS or in recovery from substance abuse. Federal protection under FHA does not cover discrimination based on age, income, source of income or sexual orientation.

The Arizona Fair Housing Act (AFHA) of 1991 (ARS § 41.1491) provides the same protections as the Federal Fair Housing Act (FHA), but different procedures for administrative complaint processing. In addition, the AFHA brought the Arizona Landlord and Tenant Act into compliance with the State Fair Housing Statute.

Agencies and Organizations

City of Flagstaff

Fair housing complainants who contact the City of Flagstaff are provided a packet of information that includes information regarding who to contact and how to file a complaint. The packet refers complainants to three possible sources for further assistance and processing – the Arizona Attorney General's Office, the US Department of Housing and Urban Development, and the Southwest Fair Housing Council. The packet describes the role of each agency and the process for filing a complaint. The Arizona Attorney General's Office is the Fair Housing Assistance Program that would directly process a formal complaint originating in Flagstaff. The SWFHC is the Fair Housing Initiatives Program that would investigate the complaint and then turn the complaint over to the US Department of Housing and Urban Development or the Attorney General's Office.

The City's Housing Specialist is the primary contact for fair housing questions and complaints. While there had historically been a low volume of calls (1 to 3 calls per year) and complaints, the City began logging the number of calls received regarding fair housing in 2015. The City also logs calls related to landlord-tenant issues. These logs reveal that most complaints are related to landlord-tenant issues.

TABLE 37 - FAIR HOUSING AND LANDLORD TENANT CALLS

Year	Fair Housing Calls	Landlord-Tenant Calls
2015	0	4
2016	0	4
2017	0	16
2018	2	21
2019	8	15
2020	5	24
Total	**15**	**84**

Southwest Fair Housing Council

The Southwest Fair Housing Council (SWFHC) also takes calls from Flagstaff residents, including those who may elect to call SWFHC after contacting the City.

The Arizona Attorney General's Office

The Arizona Fair Housing Act is essentially the same as the Federal Fair Housing Act and is designated as "substantially equivalent." As a result, under the Federal Fair Housing Assistance Program (FHAP), the U.S. Department of Housing and Urban Development (HUD) contracts with the Arizona Attorney General's Civil Rights Division to investigate and rule on fair housing cases. Nearly all complaints that are submitted to HUD and originate within Arizona, except for Phoenix, are processed by the Attorney General's office.

Filing a complaint with the Arizona Attorney General is simple. Initiating the process is done by completing an intake complaint form. The form is to be delivered to the Attorney General's office by mail, fax, or via the internet. This form is located at http://www.azag.gov/civil_rights/CivilRightsIntake.pdf. update web address

The Attorney General advises persons wishing to file a complaint to consider the following when completing the complaint:

1. First, make a separate list of the things you want to say.
2. Present the events in the order in which they happened using dates whenever possible.
3. Type or print legibly in ink.
4. Enclose copies of documents such as records, letters, contracts, policies, manuals, receipts, or other documents that you have regarding the incident of discrimination. KEEP ORIGINAL DOCUMENTS FOR YOUR FILES.
5. Remember that your questionnaire should describe the event or incident that you believe to be discriminatory. If possible, state why the act was discriminatory.
6. Mail or deliver your questionnaire to the Phoenix or Tucson office.
7. Upon receipt of your questionnaire, a member of our staff will review your questionnaire and contact you. This process may take up to two weeks after our receipt of your questionnaire, depending on the circumstances and the information you are able to provide with your questionnaire.

Typically, after receiving the complaint, the Attorney General will notify the alleged violator of the complaint, and that person must submit a response. The Attorney General will investigate the complaint and determine whether reasonable cause exists to believe that the Fair Housing Act has been violated. If the Fair Housing Act has been violated, the Attorney General will try to reach a conciliation agreement with the respondent. If an agreement is reached, the Attorney General will take no further action on the complaint. If the Attorney General finds reasonable cause to believe that the discrimination occurred, and no conciliation is reached, the case will be heard in an administrative hearing within 120 days. The case may be handled by the Department of Justice (DOJ) and heard in U.S. District Court if one of the parties so desires.

U.S. Department of Housing and Urban Development

Individuals who believe they have been discriminated against in a housing transaction may also file a complaint with the HUD Enforcement Division in San Francisco. The first step in filing a complaint with HUD is to submit a Housing Discrimination Complaint form explaining the nature of the alleged violation. Housing discrimination complaint forms are available on the Internet portal.hud.gov/hudportal/HUD?src=/program_offices/ fair_housing_equal_opp/ complaint-process. A complaint form or additional information may also be obtained by calling the HUD Housing Discrimination Hotline at 1-800-669-9777, or by writing to the following address:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
Room 5204
451 Seventh St. S.W.
Washington, DC 20410-2000

If HUD adjudicates the case, HUD lawyers will litigate the case for the complainant before an Administrative Law Judge (ALJ). If the ALJ decides that discrimination occurred, the respondent can be ordered:

- To compensate for actual damages, including humiliation, pain, and suffering.
- To provide injunctive or other equitable relief; for example, to make housing available.
- To pay the federal government a civil penalty to vindicate the public interest. The maximum penalties are $10,000 for a first violation, $27,500 for a second offense, $50,000 for a third violation within seven years.
- To pay reasonable attorney's fees and costs.

Fair Housing Complaints and Testing

Complaints

Fair housing complaint data is recorded by *basis*, representing the protected class, and *issue*, representing the particular unlawful activity that took place. Basis data also tracks responses to housing complaints, such as acts of harassment or retaliation. Further, there may be more than one basis or issue arising from a single complaint. HUD data includes data processed by the Arizona Office of the Attorney General (AGO) and HUD. Under the Fair Housing Assistance Program, HUD has had a work-sharing agreement with the AGO since 1993 and most cases are processed by the AGO. HUD retains jurisdiction to process a small set of cases – generally those involving allegations of discrimination involving a recipient of HUD funds where there is an issue that involves interpretation of HUD's regulations or program policies.

During the period from January 1, 2016 to December 15, 2020, fair housing complaints from Flagstaff residents were filed mostly on the basis of disability. The Data from this period points to housing discrimination, primarily on the basis of disability. The higher rate of fair housing complaints on the basis of disability may also point to higher awareness of fair housing laws among persons with disabilities.

Suits Filed by the US Department of Justice or the Arizona Attorney General's Office

Under the Fair Housing Act, the Department of Justice (DOJ) may bring lawsuits in the following instances:

1. Where there is reason to believe that a person or entity is engaged in what is termed a "pattern or practice" of discrimination, or where a denial of rights to a group of people raises an issue of general public importance;
2. Where force or threat of force is used to deny or interfere with fair housing rights, the DOJ may institute criminal proceedings; and,
3. Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD, or file their own lawsuit in federal or state court. The DOJ brings suits on behalf of individuals based on referrals from HUD.

No evidence was located indicating that the U.S. Department of Justice or the Arizona Attorney General's Office has brought a lawsuit in the City of Flagstaff.

Fair Housing Testing

Fair housing testing can be a useful measure for evaluating the operation of a housing market for compliance with fair housing law. Some organizations have an enforcement plan in place which stipulates the types and the degree to which they will perform testing. Many organizations, including the City of Flagstaff, do not have an enforcement plan. The Southwest Fair Housing Council (SWFHC) conducts fair housing testing in Flagstaff through an agreement with the US Department of Housing and Urban Development.

The results of testing by SWFHC indicate that housing discrimination is occurring in Flagstaff, with a higher rate of housing discrimination in rental housing based on disability.

Community Survey

The Southwest Fair Housing Council designed a survey to understand fair housing issues and patterns of housing discrimination and shared this survey with the City of Flagstaff. The City posted a virtual survey and distributed the access info for the survey through multiple e-mailing lists, public housing newsletters, flyers sent to the offices of housing and social service agencies, on City of Flagstaff social media accounts and on the City's website. Though the survey is neither scientific nor statistically significant, it does provide insight into people's understanding of and attitudes towards fair housing, helps to shed light on the extent that residents perceive housing discrimination is occurring and the types of discrimination that may be most prevalent, and provides context for training and education needs.

84 surveys were completed or returned and not every respondent answered every question. Some respondents gave more than one answer to a question or gave narrative answers that were interpreted and counted in one of the survey categories when possible. Survey respondents generally reflected the demographic composition of the City. Of survey respondents: 38% were a racial or ethnic minority and 71% were White/Anglo; 40% were male, 55% were female, 4% were non-binary, and 1% were transgender; 41% had children in the household; 22% included a household member with a disability; 53% were one or two-person households; 36% were low-to-moderate income; and 43% were homeowners.

While the majority (65%) of respondents indicated they have not encountered or do not know someone who has encountered housing discrimination, 36% indicated that they know someone who has or think they know someone who has.

Have you or someone you know ever encountered one or more forms of the described housing discrimination in your local area?	
	Responses
No, I have not and don't know anyone who has.	56%
Don't know	8%
Yes, I have or I know someone who has.	24%
I think I may have or I may know someone who has.	12%

Among those respondents who indicated they had encountered housing discrimination or knew someone who had, respondents identified, in rank order, refusing or discouraging to rent an apartment or buy a home, or charging more to rent an apartment or buy a home followed by steering as the most common types of housing discrimination.

If you believe that you or someone you know encountered housing discrimination in your local area, please write down the letter(s) from the shaded boxes at the beginning of the survey that best describes the type of discrimination.	
	Responses
Refusing, discouraging or charging more to rent an apartment or buy a home.	66%
Discouraging a person from living where he or she wants to live, often by steering him or her to another apartment, complex or neighborhood.	38%
Refusing, discouraging or charging more for home insurance.	10%
Refusing or making it hard to get a loan to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.	14%
Predatory lending: unfair, misleading, or deceptive or fraudulent loan practices.	10%
Discrimination based on disability: Refusing to make a reasonable accommodation, refusing to allow a modification to make an apartment more accessible for persons with a disability or lack of accessible units.	21%

Slightly more than half of survey respondents believe that housing discrimination is either likely or does occur. Among those indicating that housing discrimination is likely or occurring, refusing or discouraging to rent an apartment or buy a home was followed by steering as the most common types of housing discrimination.

Do you believe housing discrimination occurs in your local area?	
	Responses
Yes	38%
No	5%
Likely	32%
Unlikely	26%

If you think housing discrimination is occurring in your local area, what types do you think are most prevalent?	
	Responses
Refusing, discouraging or charging more to rent an apartment or buy a home.	73%
Discouraging a person from living where he or she wants to live, often by steering him or her to another apartment, complex or neighborhood.	62%
Refusing or making it hard to get a loan to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.	38%
Discrimination based on disability: Refusing to make a reasonable accommodation, refusing to allow a modification to make an apartment more accessible for persons with a disability or lack of accessible units.	52%
Refusing, discouraging or charging more for home insurance.	21%
Predatory lending: unfair, misleading, or deceptive or fraudulent loan practices.	37%

When asked how well informed they were about housing discrimination, 59% of respondents felt either very informed or somewhat informed.

How well informed are you about housing discrimination?	
	Responses
Very informed	17%
Somewhat informed	42%
Not very informed	32%
Not at all informed	10%

When asked what they would do if they encountered housing discrimination, 33% of survey respondents indicated that they would report housing discrimination if they encountered it and 33% indicated that they would not know what to do. Multiple respondents indicated that they would both tell the person that they believed they were discriminating and then report it.

What would you do if you encountered housing discrimination?	
	Responses
Report it	33%
Would not know what to do	33%
Tell the person that you believe they are discriminating	18%
Do nothing and seek other housing options	17%

To measure understanding of the complaint and reporting process, survey respondents were asked where they would report housing discrimination. More than one-third of respondents indicated they would contact the City of Flagstaff, followed closely by contacting HUD. Several respondents stated that if the City did not provide relief they would report the City for failure to act. Other responses included Southwest Fair Housing Council, Arizona Department of Real Estate, Flagstaff Housing Authority, and the Arizona Department of Housing.

If you wanted to report housing discrimination, who would you report it to?	
	Responses
City of Flagstaff	23%
HUD	20%
Attorney General	5%
Don't know / Not sure	38%
Other	13%

More than half of survey respondents answered the question about what might be done to help prevent housing discrimination. About one-third (33%) indicated that education and training was most needed, while 13% of respondents indicated that more affordable housing would help solve the problem. Other ideas included enforcement, advertising, reporting, investigation, and fines. One respondent suggested that all applicants for housing, both rental and purchase, should receive a pamphlet describing their fair housing rights and what to do if they believe they have been discriminated against.

What do you think should be done to help prevent housing discrimination?	
	Responses
Education /Training	33%
Don't know	6%
Provide more affordable housing	13%
Make landlords/offenders accountable for their actions	27%
Report it	8%
Other	13%
Investigating/monitoring	4%
Local Investigations / Investigations	2%
Background checks and uniform reporting for lending agencies	0%
Stop making banks lend money to people who can't afford it since there is a correlation of race and income	0%
Stop discriminatory development practices/favors to friends so the market can stabilize	0%
Use clear policies with oversight from supervisors/ management to ensure their proper application	0%

Community Interviews

During November and December 2020, 45 industry stakeholders were contacted for fair housing interviews and 45 agreed to participate. Many of those contacted indicated that they would be open to completing a survey rather than participating in an interview, while others asked to be removed from the contact list. The goal of the interview process was to contact people having expert knowledge about housing in Flagstaff and to assess their awareness of fair housing compliance, collect their thoughts on perceived impediments to fair housing choice, and to solicit their thoughts about fair housing barriers and constraints in Flagstaff. The results of these interviews provide qualitative information and insight into fair housing issues in Flagstaff. Some interviewees provided multiple answers to the interview questions.

Measuring respondents' knowledge of fair housing laws was one goal of the interviews. Interviewees were asked to name the classes that are protected by Fair Housing laws. Industry stakeholders were most likely to be able to cite several protected classes and demonstrate a general idea of the protected classes and only 22% were able to cite all of the protected classes; a small few knew there are seven protected classes. Industry stakeholders were more likely to be aware that Fair Housing Laws protect specific classes than were other community leaders and participants who were more likely to cite everyone or to identify participants in the market (renters / purchasers).

Understanding of Fair Housing Law – Protected Classes	
Don't know – at least 5 protected classes	7%
Don't know – at least 7 protected classes	2%
Race, Religion, Sex, Handicap, Familial Status, National Origin	22%
Everyone	20%
Race, Color, Religion, Sex, Handicap, Familial Status, National Origin	53%
Other	7%

Interviewees were asked if they felt the Fair Housing laws served a useful purpose and the majority indicated that they do. Interviewees were also asked if they found Fair Housing laws to be clear and easy to follow. While the majority agreed the laws were useful, fewer felt that the laws were easy to follow.

Understanding of Fair Housing Law – Usefulness and Clarity		
	No	Yes
Fair Housing Laws are Useful	9%	91%
Fair Housing Laws are Clear and Easy to Follow	47%	53%

Another question was whether the interviewee had attended Fair Housing training in the past three years, and if so who sponsored the training. 38% stated they had attended a City of Flagstaff Fair Housing training event.

Education and outreach have been primary tools of the City to address Fair Housing in Flagstaff and it is important to understand whether stakeholders and potential local leaders would be interested in attending additional training in the future. 35 interviewees indicated they would attend additional training if offered by the City.

Outreach and Education – Access to Training	
Attended in Past 3 Years	26
City-sponsored	11
Employer or Licensor sponsored	6
Would attend in future if City offered	35

Interviewees were asked to identify to whom they would refer a housing discrimination complainant. Responses were varied, with most identifying the City of Flagstaff as the primary contact. The varied responses indicate confusion regarding the referral system and complaint system. This confusion is a barrier to complainants accessing the fair housing complaint system.

Understanding of Fair Housing Complaint System	
	Responses
City of Flagstaff	11
Attorney General's Office	5
HUD	15
Other	13

The interviews also addressed testing. Interviewees were asked if they were familiar with testing and provided a brief overview of what constituted testing. Interviewees were then asked if they felt there was a need for testing. 63% of interviewees were not familiar with testing and did not feel comfortable expressing an opinion about the accuracy of testing or the need for future testing. Among those familiar with testing, 23 indicated that more testing was needed.

Understanding and Accuracy of and Need for Testing	
	Responses
Familiar with Testing	30
Accurately Measures Fair Housing Issues	13
More Testing Needed	23
Less Testing Needed	2
Same Amount of Testing	7

The final line of inquiry was whether interviewees felt the City needed a formal plan to address Fair Housing. A resounding 86% of interviewees indicated that a Plan is needed. **Several interviewees indicated that while a Fair Housing planning is needed it should be integrated into a larger housing plan that addresses housing availability and affordability.**

Need for Local Fair Housing Plan		
	No	Yes
Plan Needed	14%	86%

Public Policies and Practices

Zoning, Land Use and Development

Over the past decade, the City has taken extensive steps to remove barriers and promote affordable housing development, including the development of an Incentive Policy for Affordable Housing (IPAH), adopted in October 2009 and later integrated into the City zoning code. 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 IPAH 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 resource protection.

A current zoning code amendment is being processed that would allow for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment is being proposed separately from a revision of the IPAH and related zoning code incentives, primarily to accommodate the tight external timeline requirements of any current and upcoming Low-Income Housing Tax Credit projects in the City. City staff is currently working on a comprehensive update to the existing IPAH document. Interviews with the development community and housing practitioners will help shape new concepts and revisions, along with guidance from a working group made up of members from the City's Housing and Planning and Zoning Commissions. The intent of this update to the incentive policy is to ensure the incentives offered are not only useful and effective, but that they are flexible enough to be applied under varied market conditions.

In the last couple of years, the City has adopted several zoning code amendments that implement policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in 2018. The intent of the 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. Recent zoning code amendments included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

The IPAH incentivizes developments that commit to permanently affordable housing units. When a developer takes advantage of the incentives offered under the IPAH, the affordable units are legally committed to the intended population through occupancy, resale and rent restrictions. The 2021 update to the City's incentive policy may include additional provisions for a wider array of affordable commitments rather than exclusively permanent affordability. The update may also consider methods for determining an "in-lieu" payment option to support affordable housing efforts through the city

and its partners; if a specific dollar amount is known by a developer, they may prefer budgeting for that specific dollar amount up front, rather than accept the unknown costs associated with constructing and selling/renting affordable units.

Review of Public Policies and Practices

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.

In December 2020, Flagstaff City Council declared a Housing Emergency via Resolution 2020-66. The Resolution recognizes the need to make housing a leading priority for the City of Flagstaff as an organization and the community overall. It also calls for a number of efforts to be undertaken, among them, the development of a 10-year housing plan (underway), the creation and implementation of a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community and combating "Not in My Backyard" opposition to housing and affordable housing.

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

An annual survey conducted by a local non-profit, Housing Solutions of Northern Arizona (HSNA), continues to show rising rates and less availability of rental units within City limits. As of May 2019, the data shows 801 people on waiting lists at income-restricted complexes. Market rate rental averages were measured as follows:

$808 for a room/shared living ..... up 9.5%
$979 for a studio ..... up 7.7%
$1,214 for a one-bedroom ..... up 4%
$1,494 for two-bedroom ..... up 3.7%
$1,819 for a three-bedroom ..... down 2.5%

These actual rents have been well above the HUD Fair Market Rents (FMRs) for several years. The HSNA survey states, “In order to afford an average two-bedroom apartment - without paying more than 30% of income on housing - a household must earn approximately $4,980 monthly, $59,760 annually, or $28.73 hourly (assuming a 40-hr work week and 52 weeks/yr.).” The City is experiencing an immediate need to house hundreds of households at more affordable rates

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 2021 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

The City of Flagstaff utilized a HUD survey to identify impediments with respect to zoning, land use and development. The purpose of the survey was to identify zoning regulations, practices and procedures that act as barriers to the development, siting and use of housing for individuals with disabilities. The HUD-adopted survey was completed by City staff with zoning and land use responsibilities, and respondents’ comments are noted below in italics. The survey indicates that the City’s zoning, land use and development regulations, practices and procedures do not act as barriers to the development, siting and use of housing for individuals with disabilities.

TABLE 40 - HUD FAIR HOUSING IMPEDIMENT STUDY - REVIEW OF PUBLIC POLICIES AND PRACTICES		
	Yes	No
Zoning Regulation Impediment: Does the Code definition of “family” have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement?		☐
Zoning Regulation Impediment: Does the Code definition of “disability” the same as the Fair Housing Act?	☐	
Practice Impediment: Are personal characteristics of the residents considered?		☐
Practice Impediment: Does the zoning ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as a “boarding or rooming house” or “hotel”?		☐
Practice Impediment: Does the zoning ordinance deny housing opportunities for disability individuals with on site housing supporting services?		☐
Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled?		☐

TABLE 40 - HUD FAIR HOUSING IMPEDIMENT STUDY - REVIEW OF PUBLIC POLICIES AND PRACTICES		
	Yes	No
Does the jurisdiction policy not allow disabled persons to make reasonable modifications or provide reasonable accommodation for disabled people who live in municipal-supplied or managed residential housing?		☐
Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for disabled applicants and is the hearing only for disabled applicants rather than for **all** applicants?		☐
Does the zoning ordinance address mixed uses? How are the residential land uses discussed? *Within the Commercial Zoning districts, residential units are allowed by right as long as site conditions are met; Planned Residential is an additional opportunity that may provide for mixed uses; the City also promotes Form Based Code design and development.* What standards apply? *The City requires design standards and compatibility exercises that deal with the form/design of the neighborhood, including access to services.*	☐	
Does the zoning ordinance describe any areas in this jurisdiction as exclusive? Are there exclusions or discussions of limiting housing to any of the following groups? If yes, check all of the following that apply: Race_____Color_____Sex_____Religion_____Age_____Disability _____ Marital or Familial Status_____Creed of National Origin _____		☐
Are there any restrictions for Senior Housing in the zoning ordinance? If yes, do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people)?		☐
Does the zoning ordinance contain any special provisions for making housing accessible to persons with disabilities? *Provisions for housing accessibility for people with disabilities are specified in the City's building code.*	☐	
Does the zoning ordinance establish occupancy standards or maximum occupancy limits? Do the restrictions exceed those imposed by state law? *Provisions for maximum occupancy are specified in the City's building code and are consistent with state law.*		☐
Does the zoning ordinance include a discussion of fair housing? If yes, how does the jurisdiction propose to further fair housing? *The zoning ordinance includes a reference to the Fair Housing Act in the definition of "family".*	☐	
Describe the minimum standards and amenities required by the ordinance for a multiple family project with respect to handicap parking. *2% of the spaces required for multi -family complex are required to be accessible***.**	☐	
Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)?		☐
Does the zoning code distinguish handicapped housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)?		☐

TABLE 40 - HUD FAIR HOUSING IMPEDIMENT STUDY - REVIEW OF PUBLIC POLICIES AND PRACTICES		
How are "special group residential housing" defined in the jurisdiction zoning code? *The City has adopted the State's statutory definition of "A residential facility (for 8 or fewer unrelated persons – not including staff = 10 total) providing living facilities, sleeping rooms and*		
meals. This use shall be considered as a single-family dwelling, in terms of applicable building standards. This category does not include a home for the developmentally disabled or other institutional uses such as protected living or sheltered care facilities, see "Institutional Residential"."		
Does the jurisdiction's planning and building code presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? Is there any provision for monitoring compliance?		

Public Housing and Section 8

Public Housing Authority Policies

The City of Flagstaff Public Housing Authority (PHA) addresses the needs of extremely low income, low income and moderate-income families through the provision of public housing and housing choice vouchers. The PHA manages 265 public housing units and 333 Housing Choice Vouchers. In addition, the PHA manages 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability and provides 12 SRO Section 8 vouchers for persons with serious mental illness through a partnership with the Guidance Center. The Public Housing program and Housing Choice Voucher (Section 8) programs have been designated by HUD as "High Performing".

According to data provided by HUD for the 5-year Consolidated Plan, 42% of public housing residents are White, 2% are Black/African American, 54% are Native American, and 30% are Hispanic. Among Housing Choice Voucher participants 67% are White, 7% are Black/African American, 1% are Asian, 25% are Native American and 22% are Hispanic. Elderly people comprise 15% of public housing residents and 15% of Housing Choice Voucher participants. Families with a person with a disability comprise 10% of public housing residents and 36% of Housing Choice Voucher participants.

Section 8 Program Background and Guidelines

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The program objectives of Section 8 are to provide decent, safe, and sanitary housing for very low income families while maintaining rent payments at an affordable level, to promote freedom of housing choice and spatial deconcentrating of very low income families of all races and ethnic backgrounds, and to provide an incentive to private property owners to rent to very low income families by offering timely assistance payments.

Administration of the City of Flagstaff Section 8 programs are in compliance with the HUD Section 8 regulations as well as all federal, state and local Fair Housing Laws and Regulations. It is the intent of the program not to deny any family or individual the opportunity to apply for, or receive, assistance under any programs on the basis of race, color, sex, religion, national or ethnic origin, age, familial status, handicap, disability, or sexual preference.

- **Section 8 Housing Choice Vouchers** are the most common vouchers. The waiting list for these vouchers opens periodically and applicants can use vouchers to subsidize their rent at a conventional market rental with a landlord interested in participating in Section 8. As of April 9, 2020, this waiting list is closed.

- A limited number of **Homeless Vouchers** are dedicated to those experiencing homelessness; those experiencing homelessness may qualify for a non-homeless voucher before they would receive a dedicated homelessness voucher. In addition, **Mainstream Vouchers** are dedicated to households with a non-senior person with a disability. These vouchers are drawn from the same waiting list for Housing Choice Vouchers and do not require a separate application.
- **Single-Room Occupancy-Moderate Rehabilitation (SRO-Mod Rehab) Vouchers** are issued by the Flagstaff Housing Authority in collaboration with the The Guidance Center. These vouchers serve individuals experiencing homelessness with disabilities in a congregate residential setting. Vouchers are issued only through a referral process, beginning with case work from the The Guidance Center.
- **Veteran Affairs Supportive Housing (HUD-VASH) Vouchers** are issued to veterans and their families experiencing homelessness. These vouchers are available by VA referral only.
- **Foster Youth to Independence (FYI) Vouchers** serve young people, aged 18-24, who are aging out of the foster care system. Vouchers are issued only by referral from the Arizona Department of Child Safety (AZ DCS).

The preferences process of the City of Flagstaff Section 8 Program assigns all applicants to a waiting list in the order of preference status by order of date and time of the application. Preference is given to those who live or work in Flagstaff, however the PHA accepts applications from both residents and non-residents; preference categories are:

1. First preference is given to homeless families (up to 4/year).
2. Second preference is given to transitional housing local preference.
3. Special provision is given to homeless Veterans for VASH.

Public Housing Guidelines

The preferences process of the City of Flagstaff Section 8 Program assigns applicants to a waiting list in the order of preference status by order of date and time of the application. The preference categories are:

1. First preference is given to residents of Flagstaff or those employed in Flagstaff.
2. Special provision is given to elderly persons for 1-bedroom units.

The Housing Authority will not house an applicant if any member of the family is a person who was evicted during the past three years because of drug-related criminal activity from housing assisted under a 1937 Housing Act program.

Property Tax Policies

Property taxes in Arizona include a primary and secondary tax. The primary tax is set at the state level and governed by Arizona Revised Statutes and the State Constitution. Receipts from primary property taxes are deposited in the General Fund. The City of Flagstaff utilizes these revenues to support Police, Fire, Recreation, Community Development, Library, Central Services and Housing programs. The State limits the annual increase of revenue collected to 2% plus any new construction.

The secondary tax rate can be changed locally only through the passage of designated, voter-approved bonds for

capital projects. While increased property taxes may have a disparate impact on low-income households, including protected classes, the property tax rate has not increased in Flagstaff during the past three years.

Landlord/Tenant Policies

Rental housing policies are governed by the Arizona Residential Landlord Tenant Act. Because there is considerable gray area between landlord/tenant issues and fair housing issues, all public and private agencies that handle housing issues need to train their staff to recognize potential fair housing issues, which may appear to be landlord/tenant issues, and accurately refer clients to where they can get information and help. The Arizona Residential Landlord Tenant Act is available online at www/housing.az.gov.

National Reports and Studies

National Fair Housing Alliance – Fair Housing Trends Data for 2020

https://nationalfairhousing.org/wp-content/uploads/2020/09/NFHA-2020-Fair-Housing-Trends-Report.pdf

The 2019 complaint data continues to show that private fair housing organizations address the majority of housing discrimination complaints that are reported throughout the country. In 2019, private, non-profit fair housing organizations processed 73.12 percent of complaints, as compared to 6.13 percent by HUD, 20.61 percent by FHAP agencies, and 0.14 percent by DOJ.

There were 28,880 reported complaints of housing discrimination in the U.S. in 2019. This is a reduction of approximately 7.5 percent from 2018's total of 31,202, which was the largest total since the early 1990s. There were 17,010 cases that involved discrimination against a person with a disability, or 58.90 percent of all cases. Discrimination against persons with disabilities is the easiest to detect, as it most often takes place as an overt denial of a request for a reasonable accommodation or modification to the housing unit. The second most reported type of housing discrimination was on the basis of race, with 4,757 or 16.47 percent of all cases. This was followed by familial status as the third most frequent basis for discrimination, with 2,228 cases or 7.71 percent of all cases of housing discrimination. The fourth most frequent basis of discrimination was sex, with 1,948 complaints or 6.75 percent of all complaints. The fifth most frequent basis was national origin, with 1,730 reported cases or 5.99 percent of all complaints. Color was a basis of discrimination for 646 complaints or 2.24 percent of all complaints, and religion was the basis of 328 complaints or 1.14 percent of all complaints nationwide.

As in prior years, rental-related housing discrimination complaints reported in 2019 were the most numerous. This is due primarily to the fact that rental transactions are the most frequent type of housing transaction, and the simplicity of the transaction can make it easier to identify or suspect discrimination. In 2019, there were 24,186 rental complaints reported across all agencies, and 18,889 of these were reported by private fair housing organizations. The number of rental-related complaints reported in 2019 is slightly fewer than in 2018. Rental-related complaints in 2019 accounted for 83.75 percent of all transaction types reported, compared to 83.39 percent in 2018 and 82.05 percent in 2017.

Real estate sales complaints comprised 2.7 percent of all housing discrimination cases reported in 2019, with 779 complaints total. This number represents a decrease from 2018 when 897 sales complaints were reported, and a decrease from 805 complaints reported in 2017. Real estate sales complaints may be decreasing because homeownership rates in the U.S. have not rebounded from the 2008 housing crash. According to the National Association of Real Estate Brokers (NAREB), the Black homeownership rate stood at 40.6 percent at the end of the second quarter of 2019, a decrease of 1 percent between 2018 and 2019. The gap in homeownership rates between Black and White households is larger than it was in 1968 when the Fair Housing Act was enacted.

In 2019, there were 234 complaints of lending discrimination, a decrease from the previous two years. These complaints represented less than 1 percent of all complaints. In 2018, there were 330 lending complaints, and in 2017, there were 380 complaints.

In recent years, HUD has stepped up its efforts to achieve the goals of the Fair Housing Act's AFFH provision by taking action when it finds that jurisdictions (municipalities, counties, states and Public Housing Authorities) that receive HUD funding are not fulfilling their fair housing obligations. HUD's actions provide an illustration of the kinds of policies that may be obstacles to overcoming segregation and its ill effects on society. Some of these policies include:

- Locating subsidized housing only in poor communities of color.
- Adopting exclusionary zoning policies that make it impossible to develop affordable housing within the jurisdiction.
- Using local powers for issuing permits and approving projects to prevent new affordable housing developments from being built.
- Failing to adopt strategies or take actions to overcome the effects of public actions that aggravate the shortage of affordable housing.
- Requiring local approval for Low Income Housing Tax Credit projects, effectively giving hostile jurisdictions veto power over new developments; and,
- Making plans to reduce the number of public housing units and Housing Choice Vouchers within the jurisdiction.

A Paired-Testing Pilot Study of Housing Discrimination against Same-Sex Couples and Transgender Individuals

https://www.urban.org/sites/default/files/publication/91486/hds_lgt_final_report_3.pdf

Diane K. Levy Doug Wissoker Claudia L. Aranda Brent Howell Rob Pitingolo Sarale Sewell Rob Santos June 2017

To more accurately document discrimination against same-sex couples and transgender homeseekers, studies were conducted in the Dallas–Fort Worth, Los Angeles, and Washington, DC, metro areas using paired testing, a powerful research tool that can capture discrimination in action.

Findings indicate that in the early stages of the rental search process, housing providers discriminate against gay men and transgender people on some treatment measures but treat lesbians and heterosexual women comparably.

In paired testing, two testers pose as equally qualified home seekers, differing only in a specific characteristic. For our pilot studies in the Dallas–Fort Worth and Los Angeles metros, we compared the experiences of, for example, a lesbian posing as part of a couple with a heterosexual woman posing as part of a couple to observe discrimination based on sexual orientation. Lesbian and gay testers and their heterosexual counterparts disclosed their sexual orientation to housing providers early by referencing a partner or spouse by a gender-specific name.

In the Washington, DC, metro area, the experiences of transgender and cisgender home seekers were compared. This study was smaller than the sexual orientation pilot study and tested research methods to inform future work. These tests were split into two groups—in half the tests, transgender testers explicitly identified as transgender to providers; in the other half, testers did not explicitly disclose their gender status.

Housing providers discriminated against gay men and transgender people on some measures

After conducting 2,009 paired tests, it was found that housing providers told gay men about one fewer available unit on every 4.2 tests than they told heterosexual men about, were slightly less likely to schedule an appointment with gay men, and quoted gay men average yearly rent costs that were $272 higher.

Housing providers were about equally likely to schedule an appointment with lesbians and with heterosexual women, told them about and showed them approximately the same number of rentals, and provided comparable information about rents and incentives. Differences across treatment measures of availability and inspections consistently disadvantaged lesbian testers, but the differences generally were small and not statistically significant.

Providers told transgender testers about fewer rentals than they told cisgender testers, regardless of the protocol used. Transgender testers who disclosed their gender status were less likely to be told about available rentals on average. They were, however, more likely to be allowed to view available units than transgender testers who did not disclose. It is unclear why.

A Pilot Study of Landlord Acceptance of Housing Choice Vouchers

https://www.huduser.gov/portal/portal/sites/default/files/pdf/Landlord-Acceptance-of-Housing-Choice-Vouchers.pdf

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The U.S. Department of Housing and Urban Development (HUD) sponsored the first large-scale, multisite study of whether landlords treat people with vouchers differently than other renters.

The project's goals were to (1) identify testing methodologies for measuring differential treatment of renters who use housing vouchers authorized under Section 8(o) of the United States Housing Act of 1937, (2) identify the types and patterns of rental housing discrimination against voucher holders, and (3) measure the prevalence and extent of voucher-related discrimination, including differences in discrimination against racial and ethnic minorities and differences between low- and high-poverty neighborhoods.

The Housing Choice Voucher (HCV) program is the federal government's largest rental housing assistance program. The goals of the HCV program are to increase access to safe, affordable housing units and to provide opportunities for low-income families to obtain rental housing outside areas of poverty or minority concentration (HUD, 2009). Voucher holders can, in theory, move anywhere in the country where a PHA administers the program, but their housing choices are severely constrained by their ability to navigate the private rental market, find a unit with rent below the payment standard, and identify a landlord who will participate in the program. Landlords decide, for the most part, if they want to accept vouchers as payment for their rental units.

Is it illegal for landlords to refuse to rent to voucher holders?
The Fair Housing Act (Public Law 90-284), enacted in 1968 as Section VIII of the Civil Rights Act, aims to "prevent segregation and discrimination in housing, including in the sale or rental of housing and the provision of advertising, lending, and brokerage services related to housing." Under the Fair Housing Act, landlords are prohibited from refusing to rent to members of protected classes—defined based on race, color, national origin, sex, religion, disability, and familial status. Voucher holders are not protected under the Act and landlords may have a legal right to turn away voucher holders.

Although voucher holders are not protected under the Fair Housing Act, the program disproportionally serves members of protected classes—families with children, racial and ethnic minorities, and persons with disabilities. Some fair housing advocates argue that claims under the Fair Housing Act may be justified, because the act prohibits practices that may appear neutral—such as electing not to accept vouchers—but result in "disparate impacts," for example, residential segregation, for a protected class. Beyond the federal statute, states and local jurisdictions have passed local ordinances, often referred to as source-of-income protections, to prohibit discrimination against voucher holders. In these locations, it is illegal for landlords to discriminate against voucher holders. For this study, the term discrimination is used to describe unequal or differential treatment of voucher holders, although this treatment is not necessarily illegal in all our testing sites.

Finding Voucher-Affordable Units Is Challenging

How difficult is it to find voucher-affordable units? For 16 months, more than 341,000 online advertisements across the five study sites were screen and found 8,735 advertisements for rental housing that appeared to be voucher eligible based on information in the ad. The effort required to find voucher-eligible housing differed dramatically across sites. For example, the average number of advertisements screened to identify a potentially eligible unit ranged from more than 50 in Los Angeles and Newark to 30 in Fort Worth, 19 in Washington, D.C., and 11 in Philadelphia. As the testers searched for units, they did not precisely model the housing search a voucher holder might conduct. Nonetheless, their experience shows that searching for housing with vouchers is time consuming and frustrating. Voucher holders must navigate the rental market on their own, searching for units that meet the program rental cap. This search requires combing apartment listings and making multiple telephone calls to landlords to inquire about apartment availability. Many searches turn up short.

Many Landlords Do Not Accept Vouchers

The voucher acceptance tests show clear evidence of outright denial of vouchers, although denial rates varied widely. Denial rates were highest in Fort Worth (78 percent) and Los Angeles (76 percent) and only somewhat lower in Philadelphia (67 percent). Rates were substantially lower in Newark (31 percent) and Washington, D.C. (15 percent). Moreover, across the five sites, between 9 and 25 percent of landlords said vouchers were accepted only under certain conditions or they were unsure of the voucher acceptance policy. Landlords were more likely to deny voucher holders in low poverty areas compared with high-poverty areas, particularly in the sites with the highest voucher denial rates.

There were lower landlord denial rates in sites that have legal protections against voucher discrimination. In Newark and Washington, D.C., where voucher holders are a protected class under local source-of-income antidiscrimination laws, denial rates were lower compared with sites without such protections. Philadelphia also has a source-of-income antidiscrimination law, but neighboring Bucks County does not.

The challenges encountered finding voucher affordable rental housing in some sites and neighborhoods suggest that voucher holders' housing searches are daunting. The difficulty finding landlords who will accept vouchers, particularly in low-poverty areas, likely increases the cost and duration of voucher housing searches, limits voucher holders' housing and neighborhood options, and increases costs to local PHAs and HUD. With this difficulty in mind, several policy and program changes should be considered to encourage landlord participation and to facilitate voucher holders' searches.

<u>Pursue legal protections for voucher holders.</u>

Although vouchers holders are not a protected class, the program is comprised of households that are protected under the Fair Housing Act and thus outcomes from the HCV program have potential fair housing implications. Among the five study sites, landlord refusal of vouchers is more common in jurisdictions without source-of-income protections. Coupled with other available evidence, this finding suggests that legal protections for voucher holders might improve HCV program outcomes and merit further consideration.

<u>Encourage landlord participation and recruit landlords, particularly in low poverty neighborhoods</u>.

One way to increase landlord participation in the HCV program is to make it more attractive through recruitment strategies and incentive programs. Some PHAs and neighborhood mobility programs that help voucher holders search for housing have liaisons to recruit landlords in opportunity neighborhoods. HUD and PHAs could strengthen financial incentives (or remove perceived disincentives) for landlords to participate.

For instance, PHAs could offer one-time signing bonuses or financial incentives for new entrants or for landlords in low-poverty neighborhoods. Some jurisdictions are piloting initiatives that provide security deposits or insurance against damages or tenants vacating the unit before their lease expires. Other jurisdictions waive permit fees for repairs or improvements or provide landlords access to interest-free loans they can use to rehabilitate their properties.

<u>Set rents to be more competitive and improve program management.</u>

For vouchers to be appealing to private market landlords, they must offer rent payments comparable with the market.

This study did not examine the role of payment standards or Fair Market Rents (FMRs) in the availability of voucher-affordable housing or in landlord denial rates, but it was observed that some sites with higher payment standards had lower rates of landlord denial. Adopting Small Area FMRs or payment standards better aligned with market rents could make the HCV program more appealing to landlords in high-rent markets. In addition to offering competitive rents, improving PHA management could attract more landlords. Critics of the HCV program argue that there are good business reasons landlords do not participate; they include complaints about PHAs that have poor customer service or that increase the cost of renting to voucher holders by taking too long to complete housing quality standards inspections or by not sending rent checks on time. To increase customer satisfaction among landlords and decrease the real or perceived costs of doing business with housing authorities, PHAs could streamline these tasks so that landlords are not financially penalized for participating in the HCV program. Expand search time and provide housing search assistance. Extending search times from 60 days to 120 days would provide more time for voucher holders to identify landlords with units available. This extension is particularly important if voucher holders are searching for housing in opportunity neighborhoods or in tight housing markets where units are harder to find. Voucher holders may also benefit from housing search assistance—a combination of pre and post move counseling, landlord outreach, and financial support for moves.

The findings on the difficulty identifying landlords who accept vouchers— particularly in low-poverty areas—coupled with the evidence base on the importance of living in high-opportunity neighborhoods suggest these services may be an important step toward improving program outcomes and voucher holders' long-term well-being.

Conclusion

The process of finding an available unit, reaching landlords, finding a landlord to accept vouchers, and then meeting with them to view the available housing was extremely difficult. It takes a lot of work to find housing with a voucher. The search requires sifting through numerous advertisements, making numerous calls, and facing frequent rejection. The study reveals that many landlords refuse to accept vouchers. Voucher holders who want to find housing in an opportunity area—perhaps close to high-quality schools, jobs, and transportation— face even more rejection. Even if landlords said they accepted vouchers; they may treat voucher holders differently during apartment showings—standing them up at higher rates than control testers. Policymakers should remember that landlords are not passive actors in the HCV program. Landlords play a critical role in narrowing or widening the choices available to voucher holders in their search for safe, affordable, quality housing.

2016 Fair Housing Action Plan Review

Identified Impediments

The 2016 Fair Housing Action Plan identified six impediments to fair housing choice in the City of Flagstaff:

1. Housing Discrimination. A survey of Flagstaff residents, discussions with industry stakeholders, and fair housing testing data indicate housing discrimination exists.
2. Community Education. The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey and interviews indicate that there is a need for more outreach and education.
3. Minority and Low-income Areas of Concentration. Concentrations of both minorities and low-income households exist in four Census Tracts.
4. Lending Discrimination. Home Mortgage Disclosure Act data indicates that 1) minority loan applicants and female loan applicants experience a disproportionately higher rate of loan denial, and 2) minority loan applicants and loan applicants in low-income and minority-concentration areas are also more likely to receive high-cost loans.
5. Disability Accessibility. Testing data from Southwest Fair Housing Council indicates that housing discrimination on the basis of disability is more likely to be supported. Complaint data from Southwest Fair Housing Council and the US Department of Housing and Urban Development indicate a higher volume of complaints based on disability.

2016-2020 Activities to Address Fair Housing Impediments

Community Development Block Grant Funding

Community Development Block Grant (CDBG) funding supports community development, infrastructure, affordable housing, human services, and other activities. 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. The lingering economic recession and housing crisis resulted in more households needing these services and the City and agencies stepped in to provide a variety of services, many aimed at people at risk of or experiencing homelessness.

Significant progress was also made towards providing economic opportunities and a relatively large number of individuals benefitted from financial and housing counseling and several benefitted from employment training. Moderate progress was made towards enhancing Flagstaff neighborhoods – park improvements and housing rehabilitation were the most notable enhancements; however, the continuing high-cost of housing in Flagstaff presents challenges to acquiring and rehabilitating homes. Moderate progress was also made towards increasing the availability and affordability of housing for owners and renters in large part due to the economic recession and few opportunities to invest in additional housing. The City continued to make progress towards strengthening coordination and delivery or resources, integrating the Flagstaff Public Housing Authority and Housing Sections in one department and maintaining a high level of involvement with the Coconino County Continuum of Care.

Details regarding the historic expenditure of CDBG funding by the City are found in its Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER is produced annually and describes affordable housing and community development resources, methods of distribution, geographic funding objectives and the actions

that were taken during the program year.

Fair Housing Actions from the 2016 Analysis of Impediments to Fair Housing Choice

The CAPER also describes activities that the City has taken to affirmatively further fair housing by listing fair housing impediments and actions taken to overcome them. Specific fair housing activities regularly conducted by the City of Flagstaff include:

- All public meetings, including those related directly to the use and direction of Community Development Block Grant funds, are held in facilities accessible to those with disabilities.
- Advertisements encouraging public input, or announcing public meetings, include TDD numbers.
- Advertisements announcing public meetings incorporate the language: "Persons requiring hearing, visual, language, mobility or other accommodations may contact the City, at 928-213-2752 or TDD (928) 774-5281 to make special accommodations".
- Specific notices for meetings and timelines are sent to a number of organizations within the community, including the Sunnyside Neighborhood Association, Southside Community Association and La Plaza Viejas Association. These organizations represent many of the residents who access services, as they are three of the four target neighborhoods. Most infill and rehabilitation projects occur in these neighborhoods. These neighborhoods are the most ethnically diverse in the City and have higher concentrations of low-income households.
- Specific notices for meetings and input timelines are sent to providers who serve people with disabilities.
- Separate from the City of Flagstaff, the Southwest Fair Housing Council provides Fair Housing and Landlord Tenant information/education to City of Flagstaff residents throughout the program year.
- The City of Flagstaff's Housing Specialist acts as a liaison and point of contact for people with potential fair housing complaints. The City provides fair housing information and referrals.

Actions to address identified impediments are documented in each program year's CAPER. While some actions are one-time actions, the following actions were successfully implemented annually:

1. Adopted a proclamation declaring April to be observed as Fair Housing Month.
2. Semi-annually published fair housing information in local newspapers, utility bills and on the City website.
3. Participated in the Arizona Fair Housing Partnership and sponsored a Fair Housing event in spring of each year.
4. Distributed fair housing referral information and encouraged complainants to contact the Arizona Attorney General's Office, HUD, or the Southwest Fair Housing Council.
5. Ensured that the Fair Housing Logo is displayed on business, cards, and brochures and in program marketing information.
6. Each April distributed a flyer through the City of Flagstaff utility bill announcing April as Fair Housing Month. Included in the flyer information regarding Fair Housing, Fair Housing services, and who to call for more information.
7. Annually sponsored fair housing training for Flagstaff residents, networking with nonprofit, neighborhood-based, faith organizations and education institutions to reach a broad audience, including minority populations, people residing in areas of minority concentration, and people with disabilities. Included information regarding landlord/tenant issues, disability accessibility in training.
8. Through sign-in sheets, tracked the volume of residents, landlords and industry stakeholders participating in community education activities.

9. Continued to display fair housing posters and make fair housing materials available in Flagstaff public facilities and to nonprofit and faith-based organizations.
10. Continually encouraged minority and lower-income households to seek housing counseling from HUD-certified housing counseling agencies. Provided information to housing counseling agencies to assist them in educating minority and lower-income households regarding the range of housing options in Flagstaff, including those outside of minority and low-income concentration areas.
11. Supported agencies in identifying and pursuing federal, state, and private resources that may be targeted to assist households to remain in their homes, particularly households in minority and low-income concentration areas.
12. Continued to work with the Arizona Fair Housing Partnership to discourage predatory lending and other discriminatory practices in the City of Flagstaff.
13. Continually encouraged the development of housing accessible to or adaptable for persons with disabilities in federally-funded projects.
14. Maintained a log of potential fair housing complaints or concerns, including those seemingly related only to landlord-tenant concerns developed in 2012.
15. Inserted a business card with local contact information in the distributed fair housing brochures.
16. Maintained the City's Fair Housing website with links to the Southwest Fair Housing Council and HUD.
17. The Building Official for the City of Flagstaff performed the duties of the ADA Accessibility Specialist for the Community Development Department.

The following actions were identified to address impediments and met with mixed success:

1. The City made efforts to strengthen the relationship with the Arizona Multi-family Housing Association to reach additional landlords and apartment managers (including small landlords) by including the Association in the zoning code rewrite and property maintenance ordinance meetings.
2. The City did not contact the Arizona Attorney General's Office, US Department of Housing and Urban Development or the Southwest Fair Housing Council to track the number of fair housing calls, complaints and actions taken by those agencies.

2021 Impediments to Fair Housing Choice and Plan of Action

Demographic Indicators Summary

- According to the 2015/2019 ACS 78% of the City's population is White, compared with 73% in 2008 and 79% in 2000. The Native American population comprised 8% of the population in 2019, compared with 13% in 2015. The population identifying as another race, including 2 or more races is just 8%, compared with 12% in 2015. Among all races, 19% of the population is Hispanic or Latino, a 1% difference of the population in 2015.
- The City of Flagstaff comprises 51% of the Coconino County population and, with the exception of the Native American population, includes 80% of racial and ethnic minorities in the County. 80% or more of the County's Black/African American and Asian population lives in Flagstaff, as does nearly 70% of the population of another race, including two races.
- Income by family type and race/ethnicity. Compared to the State of Arizona, minority households in Flagstaff experience a proportionately higher median income, yet the median income of minority households in Flagstaff varies: Asian, Black/African American and Native American households are more likely to be extremely low income than are White households; Pacific Islander, Asian and Hispanic households are more likely to be low income than are White households; and Native American and Hispanic households are more likely to be moderate income than are White households.
- Disability and Poverty. The City of Flagstaff's population with disabilities experiences a rate of poverty more than double the population without disabilities – 51.2% compared to 24.5% for the overall population. 1,932 people with disabilities in Flagstaff live below the poverty level.
- Housing problems by race/ethnicity and tenure. Housing cost burden disproportionately impacts minority owners and renters; lower income Black/African American, Asian, and Hispanic owners are more likely than White owners to have housing problems. Housing cost burden is disproportionately high among Black/African American households with income < 30% AMI and Pacific Islander households with income 30% to 50% AMI; many of these households are student households.

Geographic Concentrations Summary

- Low-income concentrations. There are 26 Census Block Groups with a disproportionately high percentage of low and moderate income households. For the purposes of the AI, disproportionately high is defined as at least 10% higher than the City. Considering Census Tracts there are 7 Census Tracts where low-income populations are concentrated – Census Tracts 2, 3, 5, 8, 10, 12 and 15.
- Minority concentrations. There are 18 Census Block Groups in Flagstaff that are areas of minority concentration based on 2010 Census data. Considering Census Tracts there are 5 Census Tracts where minority populations are concentrated – Census Tracts 3, 4, 5, 8, and 11.02. Census Tracts 3, 5 and 8 are also low-income concentration areas.
- Disability concentrations. Areas where the proportion of persons with disabilities is at least 10% higher than citywide are Census Tracts 2 and 4.
- Loan denial and high-cost loan concentrations. Home Mortgage Disclosure Act data suggests a correlation of home purchase loan denial and higher cost loans in LMI and minority concentration tracts.

- Tenure concentrations. There are high concentrations of renters in 14 Census Block Groups; all but one of these Block Groups includes or is adjacent to NAU.

Community Outreach Summary

- Survey respondents who know someone who experienced housing discrimination or believe that housing discrimination is occurring identified the most common types of housing discrimination as 1) refusing or discouraging to rent an apartment or buy a home, or charging more to rent an apartment or buy a home and 2) steering and 3) Discrimination based on disability.
- Over 40% of survey respondents indicated they did not feel very informed about housing discrimination and no interviewees were able to identify more than a few protected classes.
- Survey respondents and interviewees demonstrated confusion over the fair housing complaint process, with most citing the City of Flagstaff as the primary referral source for fair housing complaints. This confusion is a barrier to complainants accessing the fair housing complaint system.
- Both survey respondents and interviewees suggested that affordable housing is a larger issue than fair housing, and fair housing should be incorporated into any affordable housing plan.
- Nearly half of interviewees indicated that fair housing education and training was most needed, and half stated they would attend additional training if offered by the City. However relatively low participation rates by interviewees in prior training opportunities suggests that alternate education and training opportunities would be beneficial to reaching a broader audience.
- While the majority of interviewees agreed that Fair Housing laws are useful, few stated that the laws were easy to follow, suggesting that easy-to-understand materials are essential to increasing awareness and understanding of Fair Housing laws.

Identified Impediments to Fair Housing Choice

1. **Community Education.** The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey, public forum and community interviews indicate that there is a need for continued outreach and education. Outreach to both industry stakeholders and residents is needed to ensure a broad understanding of Fair Housing.
    a. 42% of survey respondents are either not very informed or only somewhat informed about housing discrimination.
    b. 33% of survey respondents do not know where to report a housing discrimination complaint.
    c. While 54% of survey respondents indicated they believe housing discrimination is occurring or likely occurring in Flagstaff and 61% indicated they would report housing discrimination if they encountered it, there were only 13 complaints filed between 2016 and 2020.

2 **Minority and Low-income Areas of Concentration.** Concentrations of both minorities and low-income households exist in four Census Tracts.
    - LMI Concentration = at least 51% of population has income below 80% AMI.
        - Census Tracts 2, 3, 5, 8, 10, 12, and 15.
    - Minority Concentration = proportion of minorities at least 10% higher than the Citywide proportion.

        - Census Tracts 3, 4, 5, 8 and 11.02.
    - Four Census Tracts that are both areas of low income and minority concentration.
        - Census Tract 3, 4, 5, and 8.
    - The City's minority population continues to grow.
        - In 2011, racial and ethnic minorities represented 27% of the population, up from 26% of the population in 2008 and 21% in 2000.
        - Northern Arizona University students represented 22% of the City's minority population in 2011, including 43% of the Black/African American population and 100% of the Pacific Islander population.

3. **Disability Accessibility.** Testing data from Southwest Fair Housing Council indicates that housing discrimination on the basis of disability is more likely to be supported. Complaint data from Southwest Fair Housing Council and the US Department of Housing and Urban Development indicate a higher volume of complaints based on disability.
    i. 11 of 13 fair housing complaints reported by HUD in Flagstaff were regarding disability.
    ii. 14 of 15 complaints reported by SWFHC were regarding disability.
    iii. Majority (14) were rental housing

4. **Housing Choice**. Affordability is an indirect aspect of housing discrimination. The Fair Housing survey indicated a lack of affordable housing leading to a lack of Housing Choice.
    i. While housing choice voucher usage is an option for low-income renters, the program has a long wait-list and many landlords are unwilling to accept vouchers due to existing societal stigmas.
    ii. Community survey results, especially among Flagstaff LMI residents, indicate a lack of affordable housing as well as a shortage of landlords and property management organizations willing to accept Housing Choice Vouchers limiting LMI resident's choice in housing.
    iii. Lack of affordable housing supply for large households, which disproportionately impacts minorities, low-income households, and families with large households
    iv. Lack of affordable housing supply, particularly for low-income special needs households and persons with disabilities.
    v. "Not in My Backyard" Residents in some neighborhoods designate a new development (e.g. shelter, affordable housing, group home) or change in occupancy of an existing development as inappropriate or unwanted for their local area.

2021 Fair Housing Action Plan

2021 FAIR HOUSING ACTION PLAN	
Impediment	**Action Plan**
Impediment #1 - Community Education. The number and nature of fair housing complaints in Flagstaff is low, yet the results of the community survey and interviews and public forum indicate there is a need for more outreach and education. Industry stakeholders are more likely to participate in community education activities and additional effort is essential to reach residents and provide information about the Fair Housing reporting process.	1. Each April, reach out to stakeholders, residents, and the community at large to announce April as Fair Housing Month. Include information regarding Fair Housing, Fair Housing services, and who to call for more information. 2. Annually sponsor fair housing training for Flagstaff residents, networking with landlords and property managers, nonprofit, neighborhood-based, faith organizations and education institutions to reach a broad audience. Include information regarding landlord/tenant issues in training. 3. Through sign-in sheets, track the volume of residents, landlords and industry stakeholders participating in community education activities. 4. Maintain a Fair Housing page on the City of Flagstaff website and include direct links to the HUD Fair Housing website and the Arizona Attorney General Civil Rights Division website. 5. Continue to display fair housing posters and make fair housing materials available in Flagstaff public facilities and to nonprofit and faith-based organizations. 6. Sponsor no less than 3 Fair Housing trainings annually target both housing sector stakeholders and community residents with a focus on: a. Disability accessibility b. Rentals and the use of Criminal Records in housing c. Extended protections under Sex/Gender d. Emotional support animals
Impediment #2. Minority and Low-income Areas of Concentration. Concentrations of minorities and low-income households exist, and the City's minority population continues to grow.	1. Continue to distribute fair housing brochures in both English and Spanish. 2. Continually encourage minority and lower-income households to seek housing counseling from HUD-certified housing counseling agencies. Provide information to housing counseling agencies to assist them in educating minority and lower-income households regarding the range of housing options in Flagstaff, including those outside of minority and low-income concentration areas. 3. Annually sponsor fair housing training for Flagstaff residents, networking with nonprofit, neighborhood-based and faith organizations and education institutions to reach out to minority populations and areas of minority concentration. 4. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration

2021 FAIR HOUSING ACTION PLAN	
Impediment	**Action Plan**
Impediment #3 - Disability Accessibility. The majority of fair housing complaints reported by Southwest Fair Housing Council and the United States Department of Housing and Urban Development were regarding disability. Increased support and awareness are needed to identify and address housing discrimination, including that directed towards accessibility for persons with disabilities.	1. Continually encourage the development of housing accessible to or adaptable for persons with disabilities in federally-funded projects. 2. Annually sponsor fair housing training for Flagstaff residents, networking with nonprofit, neighborhood-based and faith organizations and education institutions to reach out to persons with disabilities. 3. Ensure that education and outreach activities include information regarding housing accessibility and adaptability for persons with disabilities. 4. Prioritize funding for owner and renter occupied housing rehabilitation to provide disabled LMI accessibility adaptations with deferred loans and grants and incentivize rental occupied housing rehabilitation programs for landlords adapting units for accessibility
Impediment #4 – Housing Choice. Affordability is an indirect aspect of housing discrimination. The Fair Housing survey indicated a lack of affordable housing leading to a lack of Housing Choice. While housing choice voucher usage is an option for low-income renters, the program has a long wait-list and many landlords are unwilling to accept vouchers due to existing societal stigmas.	1. Provide education for and consider incentivizing acceptance of HCV among landlords. 2. Continually encourage the development of housing accessible to or adaptable for persons with disabilities in federally-funded projects. 3. Ensure that education and outreach activities include information regarding housing accessibility and adaptability for persons with disabilities. 4. Develop a comprehensive Housing Plan for the City of Flagstaff including information on Fair Housing, Housing Choice, and efforts to increase affordable and accessible housing units 5. Update the City's Incentives for Affordable Housing to encourage developers to provide Affordable and Accessible Units in a variety of locations to decrease area concentration 6. Consider a media campaign to combat NIMBY (Not in My Backyard) attitudes.

Appendix A – Resident Survey

Illegal housing discrimination occurs when one or more of the following occurs based on a person's race, national origin, color, religion, sex, or if they have children or a disability:

A.	B.	C.	D.	E.	F.
Refusing, discouraging or **charging more to rent** an apartment or buy a home.	Discouraging a person from living where he or she wants to live, often by **steering him or her** to another apartment, complex or neighborhood.	Refusing or making it **hard to get a loan** to buy or refinance a house or take out home equity by doing things like charging more money or offering a worse deal than someone should be able to get if he or she shopped around.	Refusing, discouraging or **charging more for home insurance**.	**Discrimination based on disability**: Refusing to make a reasonable accommodation for a person with a disability, refusing to allow a modification to make an apartment more accessible for a person with a disability or lack of accessible units.	Predatory lending: unfair, misleading, **deceptive or fraudulent loan practices**.

1. Have you or someone you know ever encountered one or more forms of housing discrimination described in the blue boxes in your local area?

- ☐ Yes, I have or I know someone who has.
- ☐ I think I may have or I may know someone who has.
- ☐ No, I have not and don't know anyone who has.
- ☐ Don't know
- ☐ Other _____

2. If you believe that you or someone you know encountered housing discrimination in your local area, please write down the letters from the shaded boxes at the beginning of the survey that best describes the type of discrimination. *

3. Do you believe housing discrimination occurs in your local area?

- ☐ Yes
- ☐ Likely
- ☐ Unlikely
- ☐ No

4. If you think housing discrimination is occurring in your local area, what types do you think are most prevalent? Write down the letters from the shaded boxes at the beginning of the survey that best describes the type of discrimination.

5. How well informed are you about housing discrimination?

- ☐ Very informed
- ☐ Somewhat informed
- ☐ Not very informed
- ☐ Not at all informed

6. What would you do if you encountered housing discrimination?

- ☐ Do nothing and seek other housing options
- ☐ Tell the person that you believe they are discriminating
- ☐ Report it
- ☐ Would not know what to do
- ☐ Other _____

7. If you wanted to report housing discrimination, who would you report it to?

8. What do you think should be done to help prevent housing discrimination?

Please tell us about you. Answering these questions is optional

Race/Ethnicity

- ☐ White Anglo
- ☐ Hispanic
- ☐ African American
- ☐ Native American
- ☐ Other _____

Gender

- ☐ Female
- ☐ Male

Family Status

- ☐ Have children in household
- ☐ No children in household

Number of People In Your Household

- ☐ 1
- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5+

Annual Household Income

- ☐ < $25,000
- ☐ $25,000-$49,999
- ☐ $50,000-$74,999
- ☐ $75,000-$100,000
- ☐ $100,000 or more

Do you or a household member have a disability?

- ☐ Yes
- ☐ No

Current Housing

- ☐ Rent
- ☐ Own
- ☐ Other

Employment

- ☐ Public Sector
- ☐ Private Sector
- ☐ Nonprofit Sector
- ☐ Not Employed
- ☐ Other _____

Zip Code

- ☐ 86001
- ☐ 86002
- ☐ 86003
- ☐ 86004
- ☐ 86011

Other _____

Hay discriminación ilegal en la vivienda cuando ocurren uno o más de los siguientes basados en la raza, origen nacional, color, religión o sexo de una persona, o tener hijos o tener una discapacidad:

A.	B.	C.	D.	E.	F.
Rehusar, desanimar o **cobrar más por la renta** de un aparta-mento o la compra de una casa.	Desanimar a una persona a vivir en donde él o ella desea vivir, frecuentemente **guiando a la persona hacia** otro apartamento, complejo o vecindario.	Rehusar o **dificultar la obtención de un préstamo** para comprar o refinanciar una casa o remover plusvalía haciendo cosas como cobrar más dinero u ofrecer un trato peor de lo que una persona podría obtener si él o ella comparara precios.	Rehusar, desanimar o **cobrar más por el seguro de la casa**.	**Discriminación en base a discapacidad**: Rehusar hacer una acomodación razonable, rehusar permiso para una modificación que haga un apartamento más accesible para personas con discapacidad, o falta de unidades accesibles.	Préstamos depreda-dores: **prác-ticas de préstamo injustas, engañosas o fraudu-lentas**.

1. ¿Ha encontrado usted o una persona conocida en su área local una o más formas de discriminación en la vivienda descritas en las casillas sombreadas?

- ☐ Sí, he encontrado o conozco alguien que ha encontrado
- ☐ Creo que podría haber encontrado o podría conocer a alguien que ha encontrado
- ☐ No, no he encontrado ni conozco a nadie que haya encontrado
- ☐ No lo sé
- ☐ Otro _____

2 . **Si usted cree que usted o una persona conocida encontró discriminación en la vivienda en su área local, por favor escriba la(s) letra(s) de las casillas sombreadas al inicio de la encuesta que mejor describa(n) el tipo de discriminación.**

3. ¿Cree usted que la discriminación en la viviendas ocurre en su área local?

- ☐ Sí
- ☐ Es probable
- ☐ No es probable
- ☐ No

4. Si usted cree que ocurre discriminación en la vivienda en su área local, ¿qué tipos cree usted que son más frecuentes? Escriba la(s) letra(s) de las casillas sombreadas al inicio de la encuesta.

5. ¿Está usted bien informado acerca de discriminación en la vivienda?

- ☐ Bien informado
- ☐ Un tanto informado
- ☐ No muy informado
- ☐ No informado para nada

6. ¿Qué haría usted si encontrara discriminación en la vivienda?

- ☐ No hacer nada y buscar otras opciones de vivienda
- ☐ Decirle a la persona que usted cree que están discriminando
- ☐ Reportarlo
- ☐ No sabría qué hacer
- ☐ Otro _____

7. Si usted quisiera reportar discriminación en la vivienda, ¿a quién reportaría?

8. ¿Qué piensa usted que debiera hacerse para ayudar a prevenir la discriminación en la vivienda?

Por favor marque los que se aplican a usted

Raza/Origen étnico

- ☐ Blanco Anglo
- ☐ Hispano
- ☐ Afroamericano
- ☐ Indígena Americano
- ☐ Otro _____

Sexo

- ☐ Femenino
- ☐ Masculino

Estado Familiar

- ☐ Tiene hijos en casa
- ☐ No tiene hijos en casa

Número de personas en la familia 1

- ☐ 2
- ☐ 3
- ☐ 4
- ☐ 5+

Los ingresos anuales de la familia

- ☐ < $25,000
- ☐ $25,000-$49,999
- ☐ $50,000-$74,999
- ☐ $75,000-$100,000
- ☐ $100,000 or more

¿Discapacitado?

- ☐ Sí
- ☐ No

Vivienda

- ☐ Soy propietario de una casa
- ☐ Estoy rentando
- ☐ Otro _____

Tiene empleo en

- ☐ El sector público
- ☐ El sector no lucrativo
- ☐ El sector privado
- ☐ La industria de la vivienda
- ☐ No tiene empleo
- ☐ Otro _____

Código postal

- ☐ 86001
- ☐ 86002
- ☐ 86003
- ☐ 86004
- ☐ 86011
- ☐ Otro _____

Appendix B – Summary of Federal Fair Housing Act and Presidential Executive Orders

The US Department of Justice provides the following summary of the Federal Fair Housing Act, 42 U.S.C. 3601 et seq. The Fair Housing Act prohibits discrimination by direct providers of housing, such as landlords and real estate companies as well as other entities, such as municipalities, banks or other lending institutions and homeowners insurance companies whose discriminatory practices make housing unavailable to persons because of:

- race or color
- religion
- sex
- national origin
- familial status, or
- disability.

In cases involving discrimination in mortgage loans or home improvement loans, the Department may file suit under both the Fair Housing Act and the Equal Credit Opportunity Act. Under the Fair Housing Act, the Department of Justice may bring lawsuits where there is reason to believe that a person or entity is engaged in a "pattern or practice" of discrimination or where a denial of rights to a group of persons raises an issue of general public importance. Where force or threat of force is used to deny or interfere with fair housing rights, the Department of Justice may institute criminal proceedings. The Fair Housing Act also provides procedures for handling individual complaints of discrimination. Individuals who believe that they have been victims of an illegal housing practice may file a complaint with the Department of Housing and Urban Development [HUD] or file their own lawsuit in federal or state court. The Department of Justice brings suits on behalf of individuals based on referrals from HUD.

Discrimination in Housing Based Upon Race or Color

One of the central objectives of the Fair Housing Act, when Congress enacted it in 1968, was to prohibit race discrimination in sales and rentals of housing. Nevertheless, more than 30 years later, race discrimination in housing continues to be a problem. The majority of the Justice Department's pattern or practice cases involve claims of race discrimination. Sometimes, housing providers try to disguise their discrimination by giving false information about availability of housing, either saying that nothing was available or steering homeseekers to certain areas based on race. Individuals who receive such false information or misdirection may have no knowledge that they have been victims of discrimination. The Department of Justice has brought many cases alleging this kind of discrimination based on race or color. In addition, the Department's Fair Housing Testing Program seeks to uncover this kind of hidden discrimination and hold those responsible accountable. Most of the mortgage lending cases brought by the Department under the Fair Housing Act and Equal Credit Opportunity Act alleged discrimination based on race or color. Some of the Department's cases have also alleged that municipalities and other local government entities violated the Fair Housing Act when they denied permits or zoning changes for housing developments, or relegated them to predominantly minority neighborhoods, because the prospective residents were expected to be predominantly African-Americans.

Discrimination in Housing Based Upon Religion

The Fair Housing Act prohibits discrimination in housing based upon religion. This prohibition covers instances of overt discrimination against members of a particular religion as well less direct actions, such as zoning ordinances designed to limit the use of private homes as a places of worship. The number of cases filed since 1968 alleging religious discrimination is small in comparison to some of the other prohibited bases, such as race or national origin. The Act does contain a limited exception that allows non-commercial housing operated by a religious organization to reserve such housing to persons of the same religion.

Discrimination in Housing Based Upon Sex, Including Sexual Harassment

The Fair Housing Act makes it unlawful to discriminate in housing on the basis of sex. In recent years, the Department's focus in this area has been to challenge sexual harassment in housing. Women, particularly those who are poor, and with limited housing options, often have little recourse but to tolerate the humiliation and degradation of sexual harassment or risk having their families and themselves removed from their homes. The Department's enforcement program is aimed at landlords who create an untenable living environment by demanding sexual favors from tenants or by creating a sexually hostile environment for them. In this manner we seek both to obtain relief for tenants who have been treated unfairly by a landlord because of sex and also deter other potential abusers by making it clear that they cannot continue their conduct without facing repercussions. In addition, pricing discrimination in mortgage lending may also adversely affect women, particularly minority women. This type of discrimination is unlawful under both the Fair Housing Act and Equal Credit Opportunity Act.

Discrimination in Housing Based Upon National Origin

The Fair Housing Act prohibits discrimination based upon national origin. Such discrimination can be based either upon the country of an individual's birth or where his or her ancestors originated. Census data indicate that the Hispanic population is the fastest growing segment of our nation's population. The Justice Department has taken enforcement action against municipal governments that have tried to reduce or limit the number of Hispanic families that may live in their communities. We have sued lenders under both the Fair Housing Act and the Equal Credit Opportunity Act when they have imposed more stringent underwriting standards on home loans or made loans on less favorable terms for Hispanic borrowers. The Department has also sued lenders for discrimination against Native Americans. Other areas of the country have experienced an increasing diversity of national origin groups within their populations. This includes new immigrants from Southeastern Asia, such as the Hmong, the former Soviet Union, and other portions of Eastern Europe. We have taken action against private landlords who have discriminated against such individuals.

Discrimination in Housing Based Upon Familial Status

The Fair Housing Act, with some exceptions, prohibits discrimination in housing against families with children under age 18. In addition to prohibiting an outright denial of housing to families with children, the Act also prevents housing providers from imposing any special requirements or conditions on tenants with custody of children. For example, landlords may not locate families with children in any single portion of a complex, place an unreasonable restriction on the total number of persons who may reside in a dwelling, or limit their access to recreational services provided to other tenants. In most instances, the amended Fair Housing Act prohibits a housing provider from refusing to rent or sell to families with children. However, some facilities may be designated as Housing for Older Persons (55 years of age). This type of housing, which meets the standards set forth in the Housing for Older Persons Act of 1995, may operate as "senior" housing. The Department of Housing and Urban Development (HUD) has published regulations and additional guidance detailing these statutory requirements.

Discrimination in Housing Based Upon Disability

The Fair Housing Act prohibits discrimination on the basis of disability in all types of housing transactions. The Act defines persons with a disability to mean those individuals with mental or physical impairments that substantially limit one or more major life activities. The term mental or physical impairment may include conditions such as blindness, hearing impairment, mobility impairment, HIV infection, mental retardation, alcoholism, drug addiction, chronic fatigue, learning disability, head injury, and mental illness. The term major life activity may include seeing, hearing, walking, breathing, performing manual tasks, caring for one's self, learning, speaking, or working. The Fair Housing Act also protects persons who have a record of such impairment or are regarded as having such

impairment. Current users of illegal controlled substances, persons convicted for illegal manufacture or distribution of a controlled substance, sex offenders, and juvenile offenders are not considered disabled under the Fair Housing Act, by virtue of that status. The Fair Housing Act affords no protections to individuals with or without disabilities who present a direct threat to the persons or property of others. Determining whether someone poses such a direct threat must be made on an individualized basis, however, and cannot be based on general assumptions or speculation about the nature of a disability. The Division's enforcement of the Fair Housing Act's protections for persons with disabilities has concentrated on two major areas. One is insuring that zoning and other regulations concerning land use are not employed to hinder the residential choices of these individuals, including unnecessarily restricting communal, or congregate, residential arrangements, such as group homes. The second area is insuring that newly constructed multifamily housing is built in accordance with the Fair Housing Act's accessibility requirements so that it is accessible to and usable by people with disabilities, and, in particular, those who use wheelchairs. There are other federal statutes that prohibit discrimination against individuals with disabilities, including the Americans with Disabilities Act, which is enforced by the Disability Rights Section of the Civil Rights Division.

Discrimination in Housing Based Upon Disability Group Homes

Some individuals with disabilities may live together in congregate living arrangements, often referred to as "group homes." The Fair Housing Act prohibits municipalities and other local government entities from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against individuals with disabilities. The Fair Housing Act makes it unlawful --

- To utilize land use policies or actions that treat groups of persons with disabilities less favorably than groups of non-disabled persons. An example would be an ordinance prohibiting housing for persons with disabilities or a specific type of disability, such as mental illness, from locating in a particular area, while allowing other groups of unrelated individuals to live together in that area.
- To take action against, or deny a permit, for a home because of the disability of individuals who live or would live there. An example would be denying a building permit for a home because it was intended to provide housing for persons with mental retardation.
- To refuse to make reasonable accommodations in land use and zoning policies and procedures where such accommodations may be necessary to afford persons or groups of persons with disabilities an equal opportunity to use and enjoy housing. What constitutes a reasonable accommodation is a case-by-case determination. Not all requested modifications of rules or policies are reasonable. If a requested modification imposes an undue financial or administrative burden on a local government, or if a modification creates a fundamental alteration in a local government's land use and zoning scheme, it is not a "reasonable" accommodation.

There has been a significant amount of litigation concerning the ability of local government to exercise control over group living arrangements, particularly for persons with disabilities. To provide guidance on these issues, the Departments of Justice and Housing and Urban Development issued a Joint Statement on Group Homes, Local Land Use and the Fair Housing Act.

Discrimination in Housing Based Upon Disability -- Accessibility Features for New Construction

The Fair Housing Act defines discrimination in housing against persons with disabilities to include a failure "to design and construct" certain new multi-family dwellings so that they are accessible to and usable by persons with disabilities, and particularly people who use wheelchairs. The Act requires all newly constructed multi-family dwellings of four or more units intended for first occupancy after March 13, 1991 to have certain features: an accessible entrance on an accessible route, accessible common and public use areas, doors sufficiently wide to

accommodate wheelchairs, accessible routes into and through each dwelling, light switches, electrical outlets, and thermostats in accessible location, reinforcements in bathroom walls to accommodate grab bar installations, and usable kitchens and bathrooms configured so that a wheelchair can maneuver about the space.

Developers, builders, owners, and architects responsible for the design or construction of new multi-family housing may be held liable under the Fair Housing Act if their buildings fail to meet these design requirements. The Department of Justice has brought many enforcement actions against those who failed to do so. Most of the cases have been resolved by consent decrees providing a variety of types of relief, including: retrofitting to bring inaccessible features into compliance where feasible and where it is not -- alternatives (monetary funds or other construction requirements) that will provide for making other housing units accessible; training on the accessibility requirements for those involved in the construction process; a mandate that all new housing projects comply with the accessibility requirements, and monetary relief for those injured by the violations. In addition, the Department has sought to promote accessibility through building codes.

Other Federal Laws

- Title VI of the Civil Rights Act of 1964**.** Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.
- Section 504 of the Rehabilitation Act of 1973**.** Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.
- Section 109 of Title I of the Housing and Community Development Act of 1974**.** Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.
- Title II of the Americans with Disabilities Act of 1990. Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.
- Architectural Barriers Act of 1968. The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.
- Age Discrimination Act of 1975. The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- Title IX of the Education Amendments Act of 1972**.** Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

Fair Housing-Related Presidential Executive Orders:

- Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- Executive Order 11246, as amended, bars discrimination in federal employment because of race, color, religion, sex, or national origin.
- Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The Order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.
- Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.
- Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally-assisted and federally conducted programs

and activities.

- Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

Attachment 1 – Arizona Fair Housing Act

41-1491. Definitions

In this article, unless the context otherwise requires:

1. "Aggrieved person" includes any person who either:
(a) Claims to have been injured by a discriminatory housing practice.
(b) Believes that he will be injured by a discriminatory housing practice that is about to occur.
2. "Complainant" means a person, including the attorney general, who files a complaint under section 41-1491.22.
3. "Conciliation" means the attempted resolution of issues raised by a complaint or by the investigation of the complaint through informal negotiations involving the aggrieved person, the respondent and the attorney general.
4. "Conciliation agreement" means a written agreement setting forth the resolution of the issues in conciliation.
5. "Disability" means a mental or physical impairment that substantially limits at least one major life activity, a record of such an impairment or being regarded as having such an impairment. Disability does not include current illegal use of or addiction to any drug or illegal or federally controlled substance. Disability shall be defined and construed as the term is defined and construed by the Americans with disabilities act of 1990 (P.L. 101-336) and the ADA amendments act of 2008 (P.L. 110-325; 122 Stat. 3553).
6. "Discriminatory housing practice" means an act prohibited by sections 41-1491.14 through 41-1491.21.
7. "Dwelling" means either:
(a) Any building, structure or part of a building or structure that is occupied as, or designed or intended for occupancy as, a residence by one or more families.
(b) Any vacant land that is offered for sale or lease for the construction or location of a building, structure or part of a building or structure described by subdivision (a) of this paragraph.
8. "Family" includes a single individual.
9. "Person" means one or more individuals, corporations, partnerships, associations, labor organizations, legal representatives, mutual companies, joint stock companies, trusts, unincorporated organizations, trustees, receivers, fiduciaries, banks, credit unions and financial institutions.
10. "Respondent" means either:
(a) The person accused of a violation of this article in a complaint of a discriminatory housing practice.
(b) Any person identified as an additional or substitute respondent under section 41-1491.25 or an agent of an additional or substitute respondent.
11. "To rent" includes to lease, to sublease, to let or to otherwise grant for a consideration the right to occupy premises not owned by the occupant.

41-1491.01. Discrimination due to familial status

In this article, a discriminatory act is committed because of familial status if the act is committed because the person who is the subject of discrimination is:

1. Pregnant.
2. Domiciled with an individual younger than eighteen years of age in regard to whom the person either:
(a) Is the parent or legal custodian.
(b) Has the written permission of the parent or legal custodian for domicile with that person.
3. In the process of obtaining legal custody of an individual younger than eighteen years of age.

41-1491.02. Exempt sales and rentals

A. Except as provided in subsection B of this section, sections 41-1491.14 through 41-1491.21 do not apply to:
1. The sale or rental of a single family house sold or rented by an owner if:
(a) The owner does not:
(i) Own more than three single family houses at any one time.
(ii) Own any interest in, nor is there owned or reserved on his behalf, under any express or voluntary agreement, title to or any right to any part of the proceeds from the sale or rental of more than three single family houses at any one time.
(b) The house was sold or rented without either:
(i) The use of the sales or rental facilities or services of a real estate broker, agent or salesman licensed under title 32, chapter 20 or the use of an employee or agent of a licensed broker, agent or salesman or the facilities or services of the owner of a dwelling designed or intended for occupancy by five or more families.
(ii) The publication, posting or mailing of a notice, statement or advertisement prohibited by section 41-1491.15.
2. The sale or rental of rooms or units in a dwelling containing living quarters occupied or intended to be occupied by no more than four families living independently of each other if the owner maintains and occupies one of the living quarters as the owner's residence.
B. The exemption in subsection A, paragraph 1 of this section applies to only one sale or rental in a twenty-four month period if the owner was not the most recent resident of the house at the time of the sale or rental.

41-1491.03. Religious organization and private club exemption

A. This article does not prohibit a religious organization, association or society or a nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association or society from:
1. Limiting the sale, rental or occupancy of dwellings that it owns or operates for other than a commercial purpose to persons of the same religion.
2. Giving preference to persons of the same religion, unless membership in the religion is restricted because of race, color or national origin.
B. This article does not prohibit a private club that is not open to the public and that, as an incident to its primary purpose, provides lodging that it owns or operates for other than a commercial purpose from limiting the rental or occupancy of that lodging to its members or from giving preference to its members.

41-1491.04. Housing for older persons exempted; rules; liability; definition

A. The provisions of this article relating to familial status do not apply to housing for older persons.
B. The attorney general may adopt rules setting forth criteria for housing for older persons. The rules adopted for subsection D, paragraph 3 shall require the following factors:
1. That at least eighty per cent of the units are occupied by at least one person fifty-five years of age or older per unit. Rules adopted for verification of occupancy shall provide for the use of reliable surveys and affidavits. These surveys and affidavits are admissible in administrative and judicial proceedings. Rules adopted establishing compliance with this paragraph shall be consistent with federal fair housing regulations.
2. The publication of, and adherence to, policies and procedures that demonstrate an intent by the owner or manager to provide housing for persons fifty-five years of age or older. Rules adopted establishing compliance with this paragraph shall be consistent with federal fair housing regulations.
C. A person shall not be held personally liable for monetary damages under section 41-1491.31 if the

person relied in good faith thatthe housing was exempt from this article because it was housing for older persons as defined under subsection D, paragraph 3 of this section. For the purposes of this subsection a person may only demonstrate good faith reliance on the exemption from the provisions of this article if both:
1. The person has no actual knowledge that the facility or community does not, or will not qualify as housing for older persons as defined under subsection D, paragraph 3 of this section.
2. The facility or community has formally stated in writing that the facility or community is housing for older persons as defined under subsection D, paragraph 3 of this section.
D. In this section, "housing for older persons" means housing that meets any of the following conditions:
1. Is specifically designed and operated to assist elderly persons under a federal or state program.
2. Is intended for, and solely occupied by, persons sixty-two years of age or older.
3. Is intended and operated for occupancy by at least one person fifty-five years of age or older per unit

41-1491.05. Appraisal exemption

This article does not prohibit a person engaged in the business of furnishing appraisals of real property from taking into consideration factors other than race, color, religion, sex, disability, familial status or national origin

41-1491.06. Effect on other law

A. This article does not affect a reasonable local or state restriction on the maximum number of occupants permitted to occupy a dwelling or a restriction relating to health or safety standards.
B. This article does not affect a requirement of nondiscrimination in any other state or federal law.
C. Nothing in this article prohibits cities or towns with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census from enacting ordinances, not later than January 1, 1995, that are substantially equivalent to the provisions of federal law and this article.

41-1491.07. Administration by attorney general The attorney general shall administer this article.

41-1491.08. Rules

The attorney general may adopt interpretive and procedural rules necessary to implement this article.

41-1491.09. Complaints

The attorney general shall receive, investigate, seek to conciliate and act on complaints alleging violations of this article.

41-1491.10. Reports; studies

A. The attorney general shall publish annually a written report recommending legislative or other action

to carry out the purposes of this article. This report shall contain, for the preceding fiscal year, the following information:

1. The number of complaints initiated by the attorney general.
2. The number of complaints filed with the attorney general by aggrieved persons.
3. The number of complaints dismissed by the attorney general.
4. The number of complaints that resulted in conciliation agreements.
5. The number of complaints for which the attorney general found reasonable cause that a discriminatory housing practice occurred or was about to occur.
6. The number of civil actions filed by the attorney general pursuant to section 41-1491.34.

B. The report shall include a description of the relief awarded in civil actions and, without attribution, benefits to complainants agreed to in conciliation agreements. The report shall also include the number of instances in the preceding fiscal year, and the reasons therefore, but without attribution to parties, the number of investigations that were not completed within the time periods provided by section 41-1491.24, subsection B or a determination made pursuant to section 41-1491.29, subsection B.

C. The attorney general may make studies relating to the nature and extent of discriminatory housing practices in this state.

41-1491.11. Cooperation with other entities

The attorney general shall cooperate with federal fair housing agencies and, as appropriate, may provide technical and other assistance to federal, state, local and other public or private entities that are formulating or operating programs to prevent or eliminate discriminatory housing practices. Nothing in this article shall be interpreted as prohibiting a political subdivision of this state from administering fair housing projects or cities or towns with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census from adopting a fair housing ordinance.

41-1491.12. Subpoenas; discovery

The attorney general may issue subpoenas and compel the production of documents and the giving of testimony, as provided by section 41-1403.

41-1491.13. Referral to city or town

A. The attorney general may defer proceedings under this article and refer a complaint to a city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census that has been recognized by the United States department of housing and urban development as having adopted ordinances providing fair housing rights and remedies that are substantially equivalent to those granted under federal law and this article and that has entered into an intergovernmental agreement with the attorney general.

B. For a city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census to be eligible to implement the provisions of this article it shall adopt a fair housing ordinance by January 1, 1995.

C. If the substantial equivalency status is revoked or decertified by the United States department of housing and urban development, the attorney general shall assume sole responsibility for the implementation and enforcement of this article.

41-1491.14. Discrimination in sale or rental

A. A person may not refuse to sell or rent after a bona fide offer has been made or refuse to

negotiate for the sale or rental of or otherwise make unavailable or deny a dwelling to any person because of race, color, religion, sex, familial status or national origin.
B. A person may not discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling, or in providing services or facilities in connection with the sale or rental, because of race, color, religion, sex, familial status or national origin.
C. This section does not prohibit discrimination against a person because the person has been convicted under federal law or the law of any state of the illegal manufacture or distribution of a controlled substance.

41-1491.15. Publication of sales or rentals

A person may not make, print or publish or cause to be made, printed or published any notice, statement or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination based on race, color, religion, sex, disability, familial status or national origin or an intention to make such a preference, limitation or discrimination.

41-1491.16. Inspection of dwelling

A person may not represent to any person because of race, color, religion, sex, disability, familial status or national origin that a dwelling is not available for inspection for sale or rental if the dwelling is available for inspection.

41-1491.17. Entry into neighborhood

A person, for profit, may not induce or attempt to induce a person to sell or rent a dwelling by representations regarding the entry or prospective entry into a neighborhood of a person of a particular race, color, religion, sex, disability, familial status or national origin.

41-1491.18. Prohibition of intimidation

A person may not coerce, intimidate, threaten or interfere with any person in the exercise or enjoyment of, or having exercised or enjoyed, or on account of his having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by this section and sections 41-1491.14, 41-1491.15, 41-1491.16, 41-1491.17, 41-1491.19, 41-1491.20 and 41-1491.21.

41-1491.19. Discrimination due to disability; definitions

A. A person may not discriminate in the sale or rental or otherwise make unavailable or deny a dwelling to any buyer or renter because of a disability of:
1. That buyer or renter.
2. A person residing in or intending to reside in that dwelling after it is sold, rented or made available.
3. A person associated with that buyer or renter.
B. A person may not discriminate against any person in the terms, conditions or privileges of sale or rental of a dwelling or in the provision of services or facilities in connection with the dwelling because of a disability of:
1. That person.
2. A person residing in or intending to reside in that dwelling after it is so sold, rented or made available.

3. A person associated with that person.
C. Nothing in this section requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals or whose tenancy would result in substantial physical damage to the property of others.
D. Compliance with the appropriate requirements of the fair housing accessibility guidelines established by the United States department of housing and urban development satisfies the requirements of subsection E, paragraph 3, subdivision (c).
E. For the purposes of this section, "discrimination" includes:
1. A refusal to permit, at the expense of the disabled person, reasonable modifications of existing premises occupied or to be occupied by the person if the modifications may be necessary to afford the person full enjoyment of the premises, provided that, in the case of a renter, the landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing, to restore the interior of the premises to the condition that existed before the modification, reasonable wear and tear excepted.
2. A refusal to make reasonable accommodations in rules, policies, practices or services if the accommodations may be necessary to afford the person equal opportunity to use and enjoy a dwelling.
3. In connection with the design and construction of covered multifamily dwellings for first occupancy after the date that is thirty months after the date of enactment of the federal fair housing amendments act of 1988 (P.L. 100-430), a failure to design and construct those dwellings in a manner that includes all of the following:
(a) The public use and common use portions of the dwellings are readily accessible to and usable by disabled persons.
(b) All the doors designed to allow passage into and within all premises within the dwellings are sufficiently wide to allow passage by disabled persons in wheelchairs.
(c) All premises within the dwellings contain the following features of adaptive design:
(i) An accessible route into and through the dwelling.
(ii) Light switches, electrical outlets, thermostats and other environmental controls in accessible locations.
(iii) Reinforcements in bathroom walls to allow later installation of grab bars.
(iv) Usable kitchens and bathrooms so that an individual in a wheelchair can maneuver about the space.
F. As used in this section, "covered multifamily dwellings" means buildings consisting of four or more units if the buildings have one or more elevators and ground floor units in other buildings consisting of four or more units.

41-1491.20. Residential real estate related transaction; definition

A. A person whose business includes engaging in residential real estate related transactions may not discriminate against a person in making a real estate related transaction available or in the terms or conditions of a real estate related transaction because of race, color, religion, sex, disability, familial status or national origin.
B. In this section, "residential real estate related transaction" means:
1. Making or purchasing loans or providing other financial assistance either:
(a) To purchase, construct, improve, repair or maintain a dwelling.
(b) To secure residential real estate.
2. Selling, brokering or appraising residential real property.

41-1491.21. Brokerage services

A person may not deny any person access to, or membership or participation in, a multiple listing service, real estate brokers' organization or other service, organization or facility relating to the business

of selling or renting dwellings or may not discriminate against a person in the terms or conditions of access, membership or participation in such an organization, service or facility because of race, color, religion, sex, disability, familial status or national origin.

41-1491.22. Complaints

A. The attorney general shall investigate alleged discriminatory housing practices. The attorney general, on his own initiative, may file such a complaint.
B. A complaint shall be in writing, under oath and in the form prescribed by the attorney general.
C. An aggrieved person may file, not later than one year after an alleged discriminatory housing practice has occurred or terminated, whichever is later, a complaint with the attorney general alleging the discriminatory housing practice.
D. Not later than one year after an alleged discriminatory housing practice has occurred or terminated, whichever is later, the attorney general may file his own complaint.
E. A complaint may be amended at any time.
F. On the filing of a complaint the attorney general shall:
1. Give the aggrieved person notice that the complaint has been received.
2. Advise the aggrieved person of the time limits and choice of forums under this article.
3. Not later than twenty days after the filing of the complaint or the identification of an additional respondent under section 41-1491.25 serve on each respondent:
(a) A notice identifying the alleged discriminatory housing practice and advising the respondent of the procedural rights and obligations of a respondent under this article.
(b) A copy of the original complaint.
G. Notices and other documents required to be served under this article may be served as provided by section 41-1403, subsection B, paragraph 4.

41-1491.23. Answer to complaint

A. Not later than ten days after receipt of the notice and copy under section 41-1491.22, subsection F, paragraph 3, a respondent may file an answer to the complaint.
B. The answer shall be in writing, under oath and in the form prescribed by the attorney general.
C. An answer may be amended at any time.
D. An answer does not inhibit the investigation of a complaint.

41-1491.24. Investigation

A. If the federal government has referred a complaint to the attorney general or has deferred jurisdiction over the subject matter of the complaint to the attorney general, and if the attorney general has accepted the referral or deferral, the attorney general shall promptly investigate the allegations set forth in the complaint.
B. The attorney general shall investigate all complaints and, except as provided by subsection C, shall complete an investigation not later than one hundred days after the date the complaint is filed, or if it is unable to complete the investigation within this period, shall dispose of all proceedings related to the investigation not later than one year after the date the complaint is filed.
C. If the attorney general is unable to complete an investigation within the time periods prescribed by subsection B, the attorney general shall notify the complainant and the respondent in writing of the reasons for the delay.

41-1491.25. Additional or substitute respondent

A. The attorney general may join a person not named in the complaint as an additional or substitute respondent if in the course of the investigation the attorney general determines that the person should be accused of a discriminatory housing practice.
B. In addition to the information required in the notice under section 41-1491.22, subsection F, paragraph 3, the attorney general shall include in a notice to a respondent joined under this section an explanation of the basis for the determination that the person is properly joined as a respondent.

41-1491.26. Conciliation

A. The attorney general shall engage, to the extent feasible, in conciliation, including, if appropriate, mediation, with respect to the complaint.
B. A conciliation agreement is an agreement between a respondent and the complainant and is subject to approval by the attorney general.
C. A conciliation agreement may provide for binding arbitration or another method of dispute resolution. Dispute resolution that results from a conciliation agreement may authorize appropriate relief, including monetary relief.
D. A conciliation agreement shall not be made public unless all parties agree to the disclosure or the attorney general determines that disclosure is necessary to further the purposes of this article.
E. Nothing said or done in the course of conciliation may be made public or used as evidence in a subsequent proceeding under this article without the written consent of the persons concerned.
F. Materials in the investigative file may be disclosed to the parties to the extent reasonably necessary to further the investigation or conciliation discussions. Materials in the investigative file may be disclosed to the complainant for the purpose of deciding whether to file a complaint in court and may be disclosed to the respondent for the purpose of formulating its answer. After a court action has been filed, information derived from the investigation and the final investigation report relating to the investigation shall be subject to discovery.

41-1491.27. Temporary or preliminary relief

If the attorney general concludes at any time after the filing of a complaint that prompt judicial action is necessary to carry out the purposes of this article, the attorney general may file a civil action for appropriate temporary or preliminary relief pending final disposition of the complaint.

41-1491.28. Investigative reports

A. The attorney general shall prepare a final investigative report showing:
1. The names and dates of contacts with witnesses.
2. A summary of correspondence and other contacts with the aggrieved person and the respondent showing the dates of the correspondence and contacts.
3. A summary description of other pertinent records.
4. A summary of witness statements.
5. Answers to interrogatories.
B. A final report under this section may be amended if additional evidence is discovered.

41-1491.29. Reasonable cause determination

A. The attorney general shall determine based on the facts whether reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur.
B. The attorney general shall make the determination under subsection A of this section not later than

one hundred days after the date a complaint is filed unless either:

1. It is impracticable to make the determination.

2. The attorney general has approved a conciliation agreement relating to the complaint.

C. If it is impracticable to make the determination within the time period provided by subsection B of this section, the attorney general shall notify the complainant and respondent in writing of the reasons for the delay.

D. If the attorney general determines that reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur, the attorney general shall attempt for a period of not more than thirty days to effectuate a conciliation agreement. If no conciliation agreement has been reached after thirty days, the attorney general shall file a civil action in superior court, as provided in section 41-1491.34.

E. 41-1491.30. Dismissal of complaint

If the attorney general determines that no reasonable cause exists to believe that a discriminatory housing practice has occurred or is about to occur, the attorney general shall promptly dismiss the complaint and give written notice of the dismissal to the complainant and respondent.

41-1491.31. Civil action

A. An aggrieved person may file a civil action in superior court not later than two years after the occurrence of the termination of an alleged discriminatory housing practice or the breach of a conciliation agreement entered into under this article, whichever occurs last, to obtain appropriate relief with respect to the discriminatory housing practice or breach.

B. The two year period does not include any time elapsed between the filing of any court procedure to enforce an administrative subpoena and is not jurisdictional but is a statute of limitations subject to principles of estoppel, tolling and waiver.

C. An aggrieved person may file an action under this section whether or not a complaint has been filed under section 41-1491.22 and without regard to the status of any complaint filed under section 41-1491.22. The filing of an action under this section does not affect the attorney general's power and duty to investigate and make determinations based on the aggrieved person's administrative complaint.

D. If the attorney general has obtained a conciliation agreement with the consent of an aggrieved person, the aggrieved person may not file an action under this section with respect to the alleged discriminatory housing practice that forms the basis for the complaint except to enforce the terms of the agreement.

E. An aggrieved person may intervene in a civil action filed by the attorney general and based on that person's administrative complaint.

F. The rights granted by 42 United States Code sections 3603, 3604, 3605 and 3606 may be enforced in any civil action brought pursuant to this section.

41-1491.32. Court appointed attorney

On application by a person alleging a discriminatory housing practice or by a person against whom a discriminatory housing practice is alleged, the superior court may appoint an attorney for the person.

41-1491.33. Relief granted

In an action under section 41-1491.31, if the superior court finds that a discriminatory housing practice has occurred or is about to occur, the court may award to the plaintiff:

1. Actual and punitive damages.
2. Reasonable attorney fees.
3. Court costs.
4. A permanent or temporary injunction, temporary restraining order or other order, including an order enjoining the defendant from engaging in the practice or ordering appropriate affirmative action.

41-1491.34. Civil action by attorney general

A. If the attorney general finds cause to believe that a discriminatory housing practice has occurred or is about to occur, and there is no conciliation agreement within thirty days, the attorney general shall immediately file a civil action on behalf of the complainant in superior court against the respondent.
B. If the attorney general finds reasonable cause to believe that a party has breached a conciliation agreement, the attorney general shall file a civil action for enforcement of the agreement.
C. In an action under this section, the court may award on behalf of the complainant actual and punitive damages and may issue a permanent or temporary injunction, temporary restraining order or other order, including an order enjoining the defendant from engaging in the practice or ordering affirmative action, and may award court costs to the attorney general.
D. A person aggrieved by the alleged discriminatory housing practice or damaged by the alleged breach of the conciliation agreement may intervene in a civil action brought under this section.

41-1491.35. Pattern or practice cases

A. The attorney general may file a civil action in superior court for appropriate relief if the attorney general has reasonable cause to believe that either:
1. A person is engaged in a pattern or practice of resistance to the full enjoyment of any right granted by this article.
2. A person has been denied any right granted by this article and that denial raises an issue of general public importance.
B. In an action under this section the court may:
1. Award preventive relief, including a permanent or temporary injunction, restraining order or other order against the person responsible for a violation of this article as necessary to assure the full enjoyment of the rights granted by this article.
2. Award other appropriate relief, including monetary damages, reasonable attorney fees and court costs.
3. To vindicate the public interest, assess a civil penalty against the respondent in an amount that does not exceed:
(a) Fifty thousand dollars for a first violation.
(b) One hundred thousand dollars for a second or subsequent violation.

41-1491.36. Prevailing party; fees and costs

A court in a civil action brought under this article shall award reasonable attorney fees and costs to a prevailing plaintiff, except to the attorney general in an action brought under section 41-1491.33. The court shall not award attorney fees to a prevailing defendant unless the plaintiff's complaint was frivolous, unreasonable or without foundation.

41-1491.37. Superior court enforcement; local fair housing

A. The superior court has jurisdiction to enforce a local fair housing ordinance with provisions

substantially equivalent to the provisions of federal law and this article.

An incorporated city or town with a population of three hundred fifty thousand or more persons according to the 1990 United States decennial census that has a fair housing ordinance may file an action in superior court to enforce

ANNUAL ACTION PLAN

Program Year 2021

July 1, 2021 – June 30, 2022

Mayor

Mayor Paul Deasy

Council

Vice-Mayor Becky Daggett
Councilmember Austin Aslan
Councilmember Adam Shimoni
Councilmember Miranda Sweet
Councilmember Regina Salas
Councilmember Jim McCarthy

City Manager

Greg Clifton

Community Development Director

Dan Folke

Housing Director

Sarah Darr

Year 1 of the 2021-2025 Consolidated Plan

ON REQUEST THIS DOCUMENT CAN BE MADE AVAILABLE IN ALTERNATE FORMATS

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OMB Control No: 2506-0117 (exp. 09/30/2021)

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 2021, the first 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 is $571,367. In addition, the City is utilizing $278,216 in CDBG Program Income and $34,190.17 in de-obligated past years funds in combination with the 2021 Entitlement for a total of $883,773.17 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 2021 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 2021 Annual Action Plan.

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Anticipated Resources

Program	CDBG	Source of Funds	Public-federal
Uses of Funds: Affordable Housing, Public Services, Acquisition, Administration & Planning			
Narrative Description: The City of Flagstaff's 2021 Program Year CDBG allocation total is $571,367. This allocation will be combined with $278,216 in Program Income and $34,190.17 in de-obligated past years funds for a total amount available of $883,773.17.			

Expected Amount Available Year 1				
Annual Allocation: $	**Program Income: $**	**Prior Year Resources: $**	**Total: $**	**Expected Amount Available Remainder of ConPlan: $**
$571,367	$278,216	$39,190.17	$883,773.17	$2,285,468

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

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 2021 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 2019 and 2020 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	Housing Rehabilitation	2021	2022	Affordable Housing	Citywide	Affordable Housing	CDBG $303,665.83	14A	Homeowner Housing Rehabilitated: 8 Household/Housing units
2	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units	2021	2022	Homeless	Citywide	Homelessness	CDBG $345,769.84	14G	Overnight/ Emergency Shelter/ Transitional Housing Beds/Units added: 8 Units
3	Services to Meet Basic Needs	2021	2022	Non-Housing Community Development	Citywide Sunnyside Pine Knoll	Public Services & Economic Opportunities	CDBG $25,000	03T 05A-05T 05Z	Public service activities other than Low-/Moderate-Income Housing Benefit: 50 Persons
4	Workforce Development	2021	2022	Non-Housing Community Development	Citywide	Public Services & Economic Opportunities	CDBG $54,337.50	05H 05Z	Individuals/Businesses assisted: 12 Persons
5	Service and Facility Operating Support, including Outreach Services to Meet Basic Needs	2021	2022	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: 70 Persons

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6	Planning & Administration	2021	2022	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	Citywide	Homelessness Affordable Housing Public Services & Economic Opportunities Revitalization, Public Facilities & Infrastructure	CDBG $125,000.000	20 21A 21B 21C 21D 21E	Other: 1

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Housing Rehabilitation
	Goal Description	Housing Rehabilitation aims to preserve existing affordable housing stock and benefit low- and mode City of Flagstaff. Housing Rehabilitation may include: 1) elimination of health and safety hazards in th accessibility and aging in place; 3) financial stabilization of low- and moderate-income households th repair and utility costs; 4) increased building performance through weatherization and performance revitalization of low income neighborhoods; 6) preservation of the entry level housing stock. Projects include rehabilitation of privately owned, single-unit homes and all delivery costs (including service costs) directly related to carrying out housing rehabilitation activities. Funds will be used to provide grants and/or no interest, deferred payment loans to low-income hous systems (heating, hot water, roofing, electrical) to ensure homes are safe and provide a decent and s
2	Goal Name	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds
	Goal Description	Funds will be used to increase Overnight Emergency Shelter, Transitional and Supportive Housing Be homeless individuals/households. Projects include acquisition, construction, conversion of buildings, or rehabilitation of temporary she the homeless, including victims of domestic violence, dating violence, sexual assault or stalking, disa drug offenders, and parolees.

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3	**Goal Name**	**Services to Meet Basic Needs**
	Goal Description	Public service projects may include Pandemic Response, Homeless/AIDS Patients Programs, Senior S Disabilities, Legal Services, Youth Services, Transportation Services, Substance Abuse Services, Servic Employment Training, Crime Awareness/Prevention, Fair Housing Activities, Tenant/Landlord Couns Services, Mental Health Services, Screen for Lead Poisoning, Subsistence Payments, Food Banks, Etc.
4	**Goal Name**	**Workforce Development**
	Goal Description	Assistance for programs providing workforce development including employment/job training and b services carried out as a public service. Activities include skill development programs, vocational programs, apprenticeship programs, paid i assistance for businesses and/or business counseling for individuals.

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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 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 docu activities, and other eligible expenses.

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Projects

AP-35 Projects – 91.220(d)

Introduction

The strategies listed in this plan address the first-year allocation of the 2021-2025 Consolidated Plan for the City of Flagstaff in Program Year 2021. 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**.**

In the 2021 CDBG process, eight external agency proposals were received. When program income and de-obligated funding is included, the 2021 CDBG allocation is $883,773.17. Eight proposals requesting a total of $1,072,773.17 in CDBG funding were received by the February 22, 2021 deadline. One applicant withdrew their application leaving $897,773.17 in total requests. Recommendations were discussed at a public hearing and City Council Work Session on April 13th, 2021. 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 20th, 2021. The following table identifies approved projects for 2021-2022 Program Year with a budget of $883,773.17.

Projects

#	Project Name
1	Housing Rehabilitation
2	Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units
3	Services to Meet Basic Needs
4	Workforce Development
5	Service & Facility Operating Support
6	Planning and Administration

Table 3 - Project Information

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

For Program Year 2021, 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.

AP-38 Project Summary

Project Summary Information

1	**Project Name**	**Housing Rehabilitation**
	Target Area	Citywide
	Goals Supported	**Housing Rehabilitation**
	Needs Addressed	**Affordable Housing** **Neighborhood Revitalization, Public Facilities & Infrastructure**
	Funding	**CDBG $303,665.83**
	Description	Housing Rehabilitation aims to preserve existing affordable housing stock and benefit low- and moderate-income homeowners in the City of Flagstaff. Housing Rehabilitation may include: 1) elimination of health and safety hazards in the home; 2) facilitation of ADA accessibility and aging in place; 3) financial stabilization of low- and moderate-income households though the reduction of home repair and utility costs; 4) increased building performance through weatherization and performance enhancing measures; 5) revitalization of low income neighborhoods; 6) preservation of the entry level housing stock.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	A total of 8 Low-and Moderate-income Homeowners will be assisted.
	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)	Rehabilitation of privately owned, single-unit homes and all delivery costs (including staff, other direct costs, and service costs) directly related to carrying out housing rehabilitation activities. Funds will be used to provide grants and/or no interest, deferred payment loans to low-income households for repair of critical home systems (e.g., heating, hot water, roofing, electrical) to ensure homes are safe and provide a decent and suitable living environment.
2	**Project Name**	**Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds/Units**
	Target Area	Citywide

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	Goals Supported	**Increase Overnight Emergency Shelter, Transitional and Supportive Housing Beds**
	Needs Addressed	**Homelessness** **Public Services & Economic Opportunities**
	Funding	CDBG: $345,769.84
	Description	Acquire 8 supportive housing beds for chronically homeless individuals.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Supportive housing will be provided for 8 chronically homeless individuals.
	Location Description	2480 E Linda Vista Dr, 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)	Funds will be used to purchase a facility (residential home – 1556 sq ft, 3-bedroom, 1.75-bathroom house) in East Flagstaff to serve as a permanent location.
3	**Project Name**	**Services to Meet Basic Needs**
	Target Area	Citywide Sunnyside Pine Knoll
	Goals Supported	**Services to Meet Basic Needs**
	Needs Addressed	**Public Services & Economic Opportunities**
	Funding	CDBG: $25,000
	Description	Fund afterschool and school break childcare scholarships for low-and moderate-income households.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	50 low- and moderate-income households with children, living in public housing or eligible for SNAP and/or free and reduced lunch will receive quality afterschool and school-break childcare.

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	Location Description	Citywide Sites in Sunnyside and Pine Knoll.
	Planned Activities **Activity Matrix: 05L** 24 CFR 570.201(e) or 42 USC 5305(a)(8) + 24 CFR 570.482(c)(2)	Childcare services Financial Aid and Scholarships for Low- and moderate-income households.
4	**Project Name**	**Workforce Development**
	Target Area	Citywide
	Goals Supported	**Workforce Development**
	Needs Addressed	**Public Services & Economic Opportunities**
	Funding	CDBG: $54,337.50
	Description	Provide free business coaching, technical assistance and mentorship to eligible project participants interested in developing skills in retail sales or to start/operate their own small business microenterprise.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	12 low- and moderate- income business owners assisted.
	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)	Funds will be used for public service operational costs, including salaries and covering licensing and business start up fees for eligible participants.
5	**Project Name**	**Service & Facility Operating Support**
	Target Area	Citywide
	Goals Supported	Service & Facility Operating Support

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	Needs Addressed	**Homelessness** **Public Services & Economic Opportunities**
	Funding	CDBG: $30,000
	Description	Provide youth experiencing homelessness with basic needs and resources.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	70 homeless youth served with basic needs and resources.
	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)	Funds will be used for public service operational costs including salary for a FTE Youth Coach who will work to identify needs related to academics, health, housing, hygiene, employment, and independent living skills as well as develop "host homes" for homeless youth.
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**

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Funding	CDBG: $125,000
Description	Expenses related to administering the program, preparing planning documents and reports, fair housing activities, and other eligible expenses under this category.
Target Date	6/30/2022
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
Planned Activities **Activity Matrix: 20, 21A, 21D, 21H** 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)	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.

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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 has designated four target areas. These target areas encompass many of the areas of low-income and minority concentration and include:

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

All projects in the 2021 Annual Action Plan will occur citywide.

Geographic Distribution

Target Area	Percentage of Funds
Sunnyside	**3%**
La Plaza Vieja	**0**
Southside	**0**
Pine Knoll	**3%**
Citywide	**100**

Table 4 - 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.

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 2021 Program Year, 100% of funds will be expended Citywide and 3% will be utilized for public services in Sunnyside and Pine Knoll.

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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	8
Non-Homeless	8
Special-Needs	0
Total	16

Table 5 - 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	0
Rehab of Existing Units	8
Acquisition of Existing Units	8
Total	16

Table 6 - One Year Goals for Affordable Housing by Support Type

Discussion

Over the coming year a total of 16 households will benefit from PY 2021 CDBG funded projects included in the Annual Action Plan. Rehab of 8 existing units will preserve affordable housing stock and provide critical health, safety and accessibility renovations for LMI households. Public facility acquisition will provide 8 permanent supportive house units for chronically homeless individuals.

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AP-60 Public Housing – 91.220(h)

Introduction

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability.

The public housing units are in good repair as 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.

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 City owns and manages 265 public housing units, of which 100 units are located in Siler Homes and 127 units are located in Brannen Homes. The remaining 38 units are scattered throughout the City. All properties are a part of HUD's Public Housing program and are currently subject to restrictions set forth in Declarations of Trust. Certain other properties owned by the City may be included in the repositioning and redevelopment process.

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 vision is 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. 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.

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: ongoing surveys and formal annual resident input and participation to ensure the public housing environment is appealing and up-to-date; providing maintenance and repair training prior to occupancy; continuing resident education; partnering with the Boys and Girls club and the City Recreation Department to provide free on-site programs; and 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 preforming PHA.

Discussion

The City of Flagstaff Housing Authority provides 265 public housing units, 12 mod-rehab units, 333 Housing Choice Vouchers, 106 Veterans Affairs Supportive Housing Vouchers, 2 Foster Youth Initiative vouchers (with remaining capacity of 23) for homeless youth exiting foster care and 40 Mainstream Vouchers for non-elderly households that contain an adult with a disability.

The Housing Authority develops a 5-year Plan 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 of Flagstaff Housing Authority is seeking a development partner through 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 HUD.

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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 2021 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 2021 Program Year operational dollars will be granted to Catholic Charities for acquisition of a facility that will provide 8 supportive housing units for chronically homeless individuals with a serious mental illness and substance abuse disorder. Additionally, Homeless Youth Connection will receive operational funds to provide services for homeless and unaccompanied youth.

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.

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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

Over the past decade, the City has taken extensive steps to remove barriers and promote affordable housing development, including the development of an Incentive Policy for Affordable Housing (IPAH), adopted in October 2009 and later integrated into the City zoning code. 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 IPAH 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 resource protection.

A current zoning code amendment is being processed that would allow for increased regulatory incentives for developers who deliver 100% affordable projects. This amendment is being proposed separately from a revision of the IPAH and related zoning code incentives, primarily to accommodate the tight external timeline requirements of any current and upcoming Low-Income Housing Tax Credit projects in the City. City staff is currently working on a comprehensive update to the existing IPAH document. Interviews with the development community and housing practitioners will help shape new concepts and revisions, along with guidance from a working group made up of members from the City's Housing and Planning and Zoning Commissions. The intent of this update to the incentive policy is to ensure the incentives offered are not only useful and effective, but that they are flexible enough to be applied under varied market conditions.

In the last couple of years, the City has adopted several zoning code amendments that implement policies and recommendations from the High Occupancy Housing Specific Plan, which was adopted in

2018. The intent of the 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. Recent zoning code amendments included an exemption from a use permit requirement for projects that meet certain affordable housing requirements.

Discussion:

The IPAH incentivizes developments that commit to permanently affordable housing units. When a developer takes advantage of the incentives offered under the IPAH, the affordable units are legally committed to the intended population through occupancy, resale and rent restrictions. The 2021 update to the City's incentive policy may include additional provisions for a wider array of affordable commitments rather than exclusively permanent affordability. The update may also consider methods for determining an "in-lieu" payment option to support affordable housing efforts through the city and its partners; if a specific dollar amount is known by a developer, they may prefer budgeting for that specific dollar amount up front, rather than accept the unknown costs associated with constructing and selling/renting affordable units.

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AP-85 Other Actions – 91.220(k)

Introduction:

In addition to establishing goals related to the use of CDBG funds, the City 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.

Actions planned to foster and maintain affordable housing

In December 2020, Flagstaff City Council declared a Housing Emergency via Resolution 2020-66. The Resolution recognizes the need to make housing a leading priority for the City of Flagstaff as an organization and the community overall. It also calls for a number of efforts to be undertaken, among them, the development of a 10-year housing plan (underway), the creation and implementation of a public outreach campaign to educate the community about the critical role affordable housing plays in a thriving community and combating "Not in My Backyard" opposition to housing and affordable housing.

The City's growing population will require an increased emphasis on housing choices in the future. The region's housing is influenced by:

- Limited supply of land for development;
- Approximately forty percent (40%) of Flagstaff's households are by definition low- to moderate-income (City FY 2016 - 2020 HUD Consolidated Plan);
- Consistent but modest rate of population growth;
- NAU's total enrollment has grown by 16.2 percent in the last five years (Fall 2013 – Fall 2018); and
- Housing needs for the elderly, multigenerational families and downsizing will increase over the next several decades as the Baby Boom generation moves into the retirement years.

Local growing population sectors include the elderly, students, single-parent households, and nonfamily households. These community members need a variety of housing options within proximity to jobs, schools, and services. NAU students currently make up approximately thirty percent (30 %) percent of the local population, and their continued demand for student housing impacts cost and availability of housing in the region, resulting in a higher demand for multi-family housing, or housing affordable for single-incomes or multiple low incomes.

An annual survey conducted by a local non-profit, Housing Solutions of Northern Arizona (HSNA), continues to show rising rates and less availability of rental units within City limits. As of May 2019, the data shows 801 people on waiting lists at income-restricted complexes. Market rate rental averages were measured as follows:

$808 for a room/shared living ..... up 9.5%
$979 for a studio ..... up 7.7%
$1,214 for a one-bedroom ..... up 4%
$1,494 for two-bedroom ..... up 3.7%
$1,819 for a three-bedroom ..... down 2.5%

These actual rents have been well above the HUD Fair Market Rents (FMRs) for several years. The HSNA survey states, "In order to afford an average two-bedroom apartment - without paying more than 30% of income on housing - a household must earn approximately $4,980 monthly, $59,760 annually, or $28.73 hourly (assuming a 40-hr work week and 52 weeks/yr.)." The City is experiencing an immediate need to house hundreds of households at more affordable rates.

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 plans to rehabilitate 6 homes during the coming year and will provide lead-based paint hazard information to an estimated 8 applicants for owner occupied housing rehabilitation assistance.

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

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 2021 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

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Program Specific Requirements

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

Introduction:

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.

Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(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 funding 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.

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Appendix - Alternate/Local Data Sources

1	**Data Source Name** Balance of State Count
	List the name of the organization or individual who originated the data set. Arizona Department of Housing
	Provide a brief summary of the data set. Inventory of Sheltered and Unsheltered Individuals
	What was the purpose for developing this data set? Meet HUD requirements for Continuum of Care / HMIS reporting
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data is collected throughout balance of Arizona, including Coconino County of which Flagstaff is a part
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in Time 2020
	What is the status of the data set (complete, in progress, or planned)? Complete
2	**Data Source Name** Public Housing by Program Type
	List the name of the organization or individual who originated the data set. Flagstaff Public Housing Authority
	Provide a brief summary of the data set. Public Housing by Program Type
	What was the purpose for developing this data set? To provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Data covers the entire City of Flagstaff Public Housing
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? As of December 2015

	What is the status of the data set (complete, in progress, or planned)? Complete
3	**Data Source Name** Characteristics of Public Housing Residents 1
	List the name of the organization or individual who originated the data set. Flagstaff Public Housing Authority
	Provide a brief summary of the data set. Characteristics for Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? As of December 2020
	What is the status of the data set (complete, in progress, or planned)? Complete
4	**Data Source Name** Race of Public Housing Residents
	List the name of the organization or individual who originated the data set. Flagstaff Housing Authority
	Provide a brief summary of the data set. Race of Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Primarily 2011-2015 or 2010 the most recent available Census
	What is the status of the data set (complete, in progress, or planned)? Complete

5	**Data Source Name** Ethnicity of Public Housing Residents
	List the name of the organization or individual who originated the data set. Flagstaff Housing Authority
	Provide a brief summary of the data set. Ethnicity of Public Housing Residents
	What was the purpose for developing this data set? Provide accurate information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? December 2015
	What is the status of the data set (complete, in progress, or planned)? Complete
6	**Data Source Name** Services/Facilities - homeless
	List the name of the organization or individual who originated the data set. City of Flagstaff
	Provide a brief summary of the data set. List of facilities serving people experiencing homelessness by type of facility.
	What was the purpose for developing this data set? Provide information
	How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population? Comprehensive for the City of Flagstaff
	What time period (provide the year, and optionally month, or month and day) is covered by this data set? Point in time as of December 2020
	What is the status of the data set (complete, in progress, or planned)? Complete

9. C.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council

From: Alaxandra Pucciarelli, Current Planning Manager

Date: 04/14/2021

Meeting Date: 04/20/2021

TITLE:

Consideration and Adoption of Ordinance No. 2021-06: An Ordinance of the City Council of the City of Flagstaff, amending the Flagstaff Zoning Map to rezone approximately 11 acres of real property generally located at 151 West High Country Trail, APNs 112-05-001W and 112-05-011 from the Estate Residential (ER) zone to the Medium Density Residential (MR) zone with conditions, providing for severability, authority for clerical corrections, and establishing an effective date.

STAFF RECOMMENDED ACTION:

Staff recommended that the Planning and Zoning Commission forward the Direct to Ordinance Zoning Map Amendment request to the City Council with a recommendation for approval, in accordance with the findings presented in the attached report.

The Planning & Zoning Commission disagreed with staff's recommendation and instead recommends that the City Council, in accordance with the findings, deny the requested Direct to Ordinance Zoning Map Amendment for Aura Flagstaff (PZ-20-00008-01).

Should the Council decide to deny the requested Zoning Map Amendment:

At the April 20, 2021 Council Meeting:
1) Approve a motion to deny the application for Zoning Map Amendment

Should the Council decide to approve the requested Zoning Map Amendment:

At the April 20, 2021 Council Meeting:
1) Read Ordinance No. 2021-06 by title only for the first time
2) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)

At the May 4, 2021 Council Meeting:
3) Read Ordinance No. 2021-06 by title only for the final time
4) City Clerk reads Ordinance No. 2021-06 by title only (if approved above)
5) Adopt Ordinance No. 2021-06

Executive Summary:

Trinsic Acquisition Company LLC has submitted an application for a Direct to Ordinance Zoning Map Amendment to rezone approximately 11 acres located at 151 West High Country Trail from the Estate Residential (ER) zone to the Medium Density Residential (MR) zone for the purpose of a multi-family residential development (Aura Flagstaff). The development site is already located within the Resource Protection Overlay (RPO). The Planning & Zoning Commission held a public hearing on this request on December 9, 2020. The Commission recommended that the City Council deny this request in a 7-0 vote.

Financial Impact:

The Direct to Ordinance Zoning Map Amendment has no financial impact.

Policy Impact:

The Direct to Ordinance Zoning Map Amendment has no policy impact.

Connection to PBB Key Community Priorities/Objectives & Regional Plan:

Priority Based Budget Key Community Priorities and Objectives

Safe & Healthy Community

- Support social services, community partners, and housing opportunities

Sustainable, Innovative Infrastructure

- Facilitate and develop carbon-neutral energy opportunities

Robust Resilient Economy

- Support and strengthen a more robust, diverse, and sustainable economy in ways that reflect community values and provides for affordable housing opportunities

Livable Community

- Create a welcoming community through partnerships, resilient neighborhoods, and civic engagement
- Provide amenities and activities that support a healthy lifestyle
- Actively support attainable and affordable housing through City projects and opportunities with developers

Regional Plan

A complete analysis of the Regional Plan goals and policies can be found in the attached project narrative and Planning & Zoning Commission Staff Report, dated November 24, 2020.

Has There Been Previous Council Decision on This:

There has been no prior Council decisions made in regard to this application.

Options and Alternatives:

The City Council may approve the ordinance, approve the ordinance with modified conditions, or deny the ordinance.

The Planning & Zoning Commission recommends the City Council, in accordance with the findings, deny the requested Direct to Ordinance Zoning Map Amendment for Aura Flagstaff (PZ-20-00008-01).
At the Planning and Zoning Commission meeting, staff had recommended the Planning and Zoning Commission, in accordance with the findings presented in the attached report, forward the Direct to Ordinance Zoning Map Amendment request to the City Council with a recommendation for approval with

the following conditions:

1. The subject property must be developed in accordance with the approved site plan and the conditions of approval dated August 10, 2020. Modifications (other than minor modifications) to the approved site plan will require an amendment to this Direct to Ordinance Zoning Map Amendment request.
2. The two parcels must be combined and the approximately 2-acre portion of parcel 112-05-011 located north of High Country Trail shall remain a part of the parcel to the south.
3. The State archeological database must be updated to reflect the removal of archeological resources on the subject property.
4. All other requirements of the Zoning Code and other City codes, ordinances, and regulations, shall be met by the proposed development.
5. All terms, conditions, and restrictions detailed within the "Aura Development Agreement" must be fully satisfied.
6. In the event the property is rezoned and the Developer fails to obtain final Civil Plan approval within two (2) years of the effective date of the rezoning ordinance, then the City may schedule a public hearing before the City Council for the purpose of causing the zoning on the Property to revert to the former classifications of Rural Residential (RR) and Estate Residential (ER) in accordance with A.R.S. § 9-462.01.

Background/History:

The development site to be rezoned is approximately 11 acres comprised of two contiguous parcels located just west of the intersection of High Country Trail and Lake Mary Road. The property is a portion of the Auza Family Ranch, historically used for livestock herding between Arizona, Colorado, and California, since before Flagstaff was incorporated. The Auza property has been impacted by the construction of Interstate 17 at the north end of the property, the bisection of the property by High Country Trail, and an electrical utility easement for the high voltage electrical transmission lines along the south side of High Country Trail.

The Auzas would like to maintain the existing single-family house constructed in the 1980s and located on the north side of High Country Trail. This Direct to Ordinance Zoning Map amendment proposes to rezone 11 acres, primarily located south of High Country Trail, from Estate Residential (ER) to Medium Density Residential (MR). The electrical utility easement running along the south side of High Country Trail prohibits any structures from being constructed near the street. This pushes the proposed development to the far southern portion of the property, adjacent to the existing single-family residential neighborhood.

This project was originally submitted as PZ-17-00218-02 for a 173-unit multifamily residential development with a 16.11 acre project area that included parcels both north and south of High Country Trail. Concerns were raised by staff regarding the proposed concentration of density, proximity to adjacent single-family homes, and the amount of grading on the site. After much consideration, Staff arrived at a recommendation of denial. The Planning and Zoning Commission heard the case on May 22, 2019, and made a recommendation to the City Council of denial. A recording of this meeting may be reviewed on the City's website: https://flagstaffaz.new.swagit.com/videos/55447
Following the Planning and Zoning Commission hearing, the applicant decided to withdraw the rezoning request. Council did not hear the case.

Since then the applicant has made significant changes to the project including a change in the parcels requested to be rezoned. The current application is a request to rezone only two parcels. One parcel includes some property north of High Country Trail, but the majority of the area (9 out of 11 acres) is located south of the road. The current proposal has decreased density from 173 to 160 units. The applicant has increased the setbacks from the adjacent homes. This has resulted in a significant number of existing trees being saved and dramatically reducing the amount of grading along the south property

line. The current proposal will retain all stormwater on-site in underground vaults, eliminating the need for a deep retention basin in the area set aside as civic space. This improves the quality of the required public civic space.

Key Considerations:

A draft development agreement has been prepared. The primary purpose of this agreement is to set out roles and responsibilities in regard to the following (not limited to):

- Require the property to be maintained as a single parcel
- Construction and maintenance of the FUTS
- Administration of the Affordable Housing units
- Resource Protection easement for the portion of the parcel north of High Country Trail
- Sustainability density bonus requirements

Staff is requiring an easement over the portion of the property located north of High Country Trail to ensure that the required tree resources located on the property are not removed and to prohibit further development, as any additional development rights/density have been utilized on the southern portion of the parcel.

Community Benefits and Considerations:

Community benefits and considerations related to this request are addressed in more detail in the attached Planning & Zoning Staff Report, dated November 24, 2020.

Community Involvement:

Public hearings before the Planning and Zoning Commission and City Council are conducted in conjunction with requests for Direct to Ordinance Zoning Map Amendments. In accordance with State Statute, a notice of the public hearing was provided by placing an ad in the Daily Sun, posting notices on the property, and mailing a notice to all property owners within 1,000 feet (exceeding the minimum of 300 feet) of the site excluding rights-of-way.

The developer held two neighborhood meetings in regard to this case on March 23, 2020, and July 1, 2020. Both meetings were held virtually due to the pandemic. Per the meeting sign-in, approximately thirty-five (35) individuals attended both meetings. Citizen Participation summaries, attached, were prepared in response to the questions, comments and concerns presented. The meetings included a presentation from the developer and a question-and-answer session where questions could be typed into the chat. Comments on the project included the following topics: the area north of the road, open space requirements, traffic impacts, stormwater, views, and tree resources.

Two emails from the public have been received as of the writing of the staff report. The emails are from neighbors opposed to the development. Staff also received a letter from the president of the Ponderosa Trails HOA informing staff that a poll of the property owners was conducted and resulted in 88% of respondents opposing the rezoning, 11% in favor, and 1.5% did not have an opinion either way. Copies of the correspondence are attached.

Attachments:

P&Z Commission Staff Report
Aura - Fence Plan
Aura Staff Presentation
Applications
Area Context Map
Ord. 2021-06
Ex. A Legal Description

Draft DA
Legal Notices
Project Narrative and Regional Plan Analysis
Citizen Participation Plan and Reports
Emails/Letters from Public
01_Site Plans
02_Site Plans and Resource Protection
03_Apartment Bldg Floor Plans
04_Common Bldg Floor Plans
05_Building Elevations
06_Sign and Landscape Plans

PLANNING AND DEVELOPMENT SERVICES REPORT
DIRECT TO ORDINANCE ZONING MAP AMENDMENT

PUBLIC HEARING
PZ-20-00008-01

DATE: November 24, 2020
MEETING DATE: December 9, 2020
REPORT BY: Alaxandra Pucciarelli

REQUEST:
Direct to Ordinance Zoning Map Amendment, by Trinsic Acquisition Company LLC, of approximately 11 acres located at 151 West High Country Trail from the Estate Residential (ER) zone to the Medium Density Residential (MR) zone. The development site is already located within the Resource Protection Overlay (RPO).

STAFF RECOMMENDATION:
Staff recommends the Planning and Zoning Commission, in accordance with the findings presented in this report, forward the Direct to Ordinance Zoning Map Amendment request to the City Council with a recommendation for approval.

PRESENT LAND USE:
The subject property is approximately 11 acres comprised of two contiguous parcels, one of which is bisected by West High Country Trail. The parcels are currently owned by Auza Flagstaff, LLC. The Zoning Code defines a Development Site as "any lot or parcel of land, whether under common ownership or multiple ownership, which constitutes a site on which development is proposed, or exists." The property is a portion of the Auza Family Ranch; however, it is no longer used for ranching activities. The portion of the site north of West High Country Trail currently has a single-family house which encroaches slightly on to the parcel and a number of large existing Ponderosa Pine Trees. It is fenced and is connected to the Auza family's large outdoor seating and cooking area with ramadas, storage facilities, and restroom facilities. The portion of the property south of West High Country Trail is crossed by high voltage electrical transmission lines. South of this, the property is vacant.

PROPOSED LAND USE:
The developer proposes the construction of a multi-family residential development, concentrated on the portion of the site south of High Country Trail and the electrical transmission lines, consisting primarily of market rate apartments. The proposed development consists of four three-story apartment buildings, three two-story apartment buildings, a clubhouse with apartments above, a fitness center, outdoor amenities, and on-site surface parking. The portion of the site north of High Country Trail is proposed to remain as is described under present land use.

NEIGHBORHOOD DEVELOPMENT:
See the attached area context map.

North: Interstate 17; Auza Homestead zoned Rural Residential (RR)
East: Vacant parcel zoned Highway Commercial (HC); The Lodge Apartments zoned High Density Residential (HR)
South: Single Family Homes zoned Single Family Residential (R1)
West: Timber Trails Apartments zoned Medium Density Residential (MR); Single Family Homes zoned Single Family Residential (R1)

I. Project Introduction

A. Background

The development site to be rezoned is approximately 11 acres comprised of two contiguous parcels located just west of the intersection of High Country Trail and Lake Mary Road. The property is a portion of the Auza Family Ranch, historically used for livestock herding between Arizona, Colorado, and California, since before Flagstaff was incorporated. The Auza property has been impacted by the construction of Interstate 17 at the north end of the property, the bisection of the property by High Country Trail, and an electrical utility easement for the high voltage electrical transmission lines along the south side of High Country Trail.

The Auzas would like to maintain the existing single-family house constructed in the 1980's and located on the north side of High Country Trail. This Direct to Ordinance Zoning Map amendment proposes to rezone 11 acres, primarily located south of High Country Trail, from Estate Residential (ER) to Medium Density Residential (MR). The electrical utility easement running along the south side of High Country Trail prohibits any structures from being constructed near the street. This pushes the proposed development to the far southern portion of the property, adjacent to the existing single-family residential neighborhood.

This project was originally submitted as PZ-17-00218-02 for a 173-unit multifamily residential development with a 16.11 acre project area that included parcels both north and south of High Country Trail. Concerns were raised by staff regarding the proposed concentration of density, proximity to adjacent single-family homes, and the amount of grading on the site. After much consideration, Staff arrived at a recommendation of denial. The Planning and Zoning Commission heard the case on May 22, 2019 and made a recommendation to City Council of denial. A recording of this meeting may be reviewed on the City's website: https://flagstaffaz.new.swagit.com/videos/55447
Following the Planning and Zoning Commission hearing, the applicant decided to withdraw the rezoning request. Council did not hear the case.

Since then the applicant has made significant changes to the project including a change in the parcels requested to be rezoned. The current application is a request to rezone only two parcels. One parcel includes some property north of High Country Trail, but the majority of the area (9 out of 11 acres) is located south of the road. The current proposal has decreased density from 173 to 160 units. The applicant has increased the setbacks from the adjacent homes. This has resulted in a significant number of existing trees being saved and dramatically reducing the amount of grading along the south property line. The current proposal will retain all stormwater on site in underground vaults, eliminating the need for a deep retention basin in the area set aside as civic space. This improves the quality of the required public civic space.

B. Proposed Rezoning and Development Plan

The developer, Trinsic Acquisition Company LLC, is requesting rezoning approval to permit the development of an apartment complex consisting of 160 units. The four three-story buildings, three two-story buildings, and the two-story clubhouse will include 160 units. The unit mix includes the following:

UNIT DESCRIPTION	NO. OF UNITS	PERCENTAGE
1 Bed/1 Bath	112	70%
2 Bed/2 Bath	48	30%

The minimum density requirement in the MR zone is 6 units per acre and the maximum density allowed is 9 units per acre (within the RPO). Based on the entire project area (11 acres) 99 units are allowed. With the inclusion of 20% affordable units, Zoning Code Division 10-30.20 allows for a 45% density bonus (refer to Table 10-30.20.050.A). Because the site plan includes 20 units (20%) that qualify as Category 1 of the city's affordable housing program, an additional 45 units are allowed for a total of 144 units. Zoning Code Division 10-30.70 also allows for a 25% density bonus through the utilization of sustainable building practices, allowing for another 25 additional units, for a total of 169 allowed units (refer to Table 10-30.70.030.A). The proposal isfor 160 units.

The project will also include a 5,545 square foot leasing office/clubhouse with 4 apartments on the second floor, a 1,615 square foot fitness center, and a 400 square foot ramada. Site access will be provided from two driveways on West High Country Trail. There are 242 surface parking spaces, including 8 ADA accessible parking spaces. The project will also be required to provide a minimum of 14 exterior bicycle parking spaces. The site plan indicates 3 bike racks (with 5 spaces each) located on the site, for a total of 15 bicycle parking spaces.

The MR zone permits a maximum building height of 35 feet, or 40 feet for buildings with roofs with a pitch of 6:12 and greater. The highest roofline of the proposed buildings will be 40 feet from finished grade with an increased roof pitch.

II. Staff Site Plan Review

On August 10, 2020, the Inter-Department Staff (IDS) approved a new application for Site Plan Review of the proposed development subject to successfully obtaining a Direct to Ordinance Zoning Map Amendment (rezoning). A copy of the application is attached to this report. Should the rezoning be denied, the Site Plan as submitted will no longer be approved.

A. Zoning – City of Flagstaff Zoning Code

If this Direct to Ordinance Zoning Map Amendment request is approved, approximately 11 acres will be rezoned to the Medium Density Residential (MR) zone. Development of the site will be conditioned to the approved site plan and a final development agreement. Any substantial change to the approved site plan would require a new rezoning request and further review and approvals by the Planning and Zoning Commission and City Council. The Site Plan provided includes the overall site layout, open space and civic space areas, resource protection plan, preliminary landscaping, building floor plans and elevations, and site sections.

i. Site Planning Standards

In accordance with Section 10-30.60.030 of the Zoning Code a site analysis was completed in conjunction with the concept plan for this project that examines the topography of the site, solar orientation, existing/native vegetation types, view corridors, climate, subsurface conditions, drainage swales and stream corridor, and the built environment and land use context. Unfortunately, the existing electric utility easement along the south side of High Country Trail does not allow for "building forward" design on the southern portion of the site, a zoning code requirement. Typically, the buildings would be located 10-15 feet from the property line, and parking would be located to the side or behind a building. As the utility easement does not allow buildings to be constructed within it, the easement is utilized as surface parking and the required civic and common open space. The parking, at its closest location to the street, is set back at least 50 feet. The developer proposes to locate the taller buildings towards the center of the site while the lower, two-story buildings are placed closer to the existing single-family homes. The developer has also provided an increased setback along the southern and southwestern edges of the site to help buffer the existing homes from the development and protect the existing trees. The portion of the site north of High Country Trail contains the majority of the required tree resources, approximately 70 of the 130 protected trees and 60% of the tree points.

ii. Resource Protection

There is a Resource Protection Overlay zone on the subject site. The Zoning Code requires 50% of the tree resources to be saved, but the Affordable Housing incentive allows that protection rate to be reduced to 25%. The developer proposes to save 28.28% of the existing tree resources. The developer is locating the majority of the required tree resources on the northern portion of the site (approximately 70 trees, including 9 trees with a DBH over 25 inches for 60% of the total tree points). This area will not allow any public or resident access, and staff is requiring a tree resource easement to be placed over this portion of the property. The southern portion of the development is designed to save 60 existing trees including 2 trees with a DBH over 25 inches.

iii. Open Space & Civic Space

The MR zone requires 15% of the gross lot area to be Common Open Space (Table 10-40-30.030.G). A minimum of 71,943 square feet of open space is required for the proposed residential project. The developer's provided Open Space Plan Preliminary (Sheet A1.12) identifies 79,983 square feet (1.84 acres) of common open space, which is 17% of the site area. Most of the open space (66,160 square feet) is located within the electrical utility easement. The remainder of common open space (13,823 square feet) is located around the leasing office/clubhouse and the play area in the southwest corner of the site. None of the Common Open Space is located to the north of High Country Trail.

Section 10-30.60.060.B.1.b of the Zoning Code requires developments with 50 or more dwelling units to

provide a minimum of 5% of the site as Civic Space. This space must be accessible to the general public. A total of 23,981 square feet of civic space is required for this project. The site plan identifies a total of 29,000 square feet (0.67 acres) of civic space within the residential development. The civic space is located in the electrical utility easement adjacent to the proposed FUTS path and behind the future bus stop. The area is indicated as a meadow landscape/ wildflower garden with a native grass and wildflower seed mix on the landscape plan. There is a stabilized granite trail and two benches. Staff believes that this Civic Space is an amenity and provides a benefit to the community within the constraints of the electrical utility easement.

iv. Pedestrian and Bicycle Circulation Systems

The developer will be removing the existing 5-foot-wide sidewalk along the south side of High Country Trail and replacing it with a 10-foot wide FUTS. While the sidewalk was located directly behind the street curb, the FUTS will be located further from the edge of the street. This 5-foot plus buffer between pedestrians and bicycle riders and the street, will greatly increase pedestrian safety and comfort. The length of FUTS along the developer's frontage does not currently tie into the existing FUTS trails, but rather ties back into the sidewalk. The developer has committed to construct the additional lengths of FUTS (west to South Wild West Trail and east to South Lake Mary Road) if the City is able to obtain the required property rights from the Ponderosa Trails HOA who owns the land. The developer has declined staff's requests to provide sidewalk improvements along their frontage on the north side of High Country Trail.

On the southern portion of the site, the developer has proposed sidewalks connecting the buildings, parking areas, and common amenities.

v. Compatibility and Architectural Design Standards

Compatibility does not mean "the same as" but rather it refers to how well a new development is sensitive to the character of existing development. The Zoning Code breaks down compatibility into three categories: Patterns of Development, Scale, and Continuity.

Patterns of Development include streetscapes, site relationships, signage, and landscape features. Due to the location of the high voltage electrical transmission lines and their easement the buildings are not constructed along the street. Likewise, the street frontage lacks the typically required landscaping since trees are not permitted in the easement.

Scale refers to similar or harmonious proportions, overall height and width, the visual intensity of the development, and the building massing. The development reads as more intense due to the concentration of density. There are three parcels to the northeast which are also zoned MR. The eastern development is two-stories, the center development is one and two-stories, and the development farthest to the west is three-stories. The existing apartment complex to the east (adjacent to the proposed development) is three-stories but is zoned High Density Residential. The proposed development contains buildings visible from the street that are three-stories high and over 100-feet long.

Continuity encompasses patterns of development and scale, but also site development, building forms, texture, materials, details, and colors.

vi. Landscaping

Landscaping plans are not required in conjunction with a Direct to Ordinance Zoning Map Amendment. The developer has provided a conceptual landscaping plan, showing all landscape areas and plant locations. The conceptual plan generally meets the requirements of parking lot landscaping, street buffer landscaping, building foundation, and peripheral buffer landscaping found within Section 10-50.60 of the Zoning Code. Unfortunately, the electrical utility easement does not allow any trees to be planted within it. The required number of trees will be located elsewhere on the site. A final landscape plan will be reviewed at the time of civil plan submittal.

vii. Outdoor Lighting

The subject property is located within Lighting Zone II and is allowed a total of 50,000 lumens per acre. Outdoor lighting plans are not required in conjunction with a Direct to Ordinance Zoning Map Amendment. The developer provided a conceptual outdoor lighting plan. A final lighting plan will be reviewed for compliance at the time of building permit submittal.

viii. Parking

Based on the requirements for market rate units, affordable units, and guest parking, 266 spaces are required. Since the development is located within a quarter mile of a bus stop, the developer has taken a 10% reduction in the number of required spaces resulting in 240 required parking spaces. The proposed development includes 242 surface parking spaces, including 8 ADA accessible parking spaces.

ix. Historic/Cultural Resources

A Cultural Resource Letter Report was completed for the subject property. The report identifies all existing construction on the north side of High Country Trail as modern construction and not historic resources. At least two archeological sites previously identified on the subject properties have been removed. Although the "homestead" may be significant to the Auza family, the property holds limited value to the community since the historically significant sites have been destroyed.

B. Public Systems Impact Analysis

i. Traffic/Right-of-Way Impact

The scope of a Traffic Impact Analysis (TIA) is generally determined by the estimated peak hour trips generated by a development, per the Engineering Standards. The estimated peak hour trips for this development is 42 vehicles/hour in the a.m. and 71 vehicles/hour in the p.m. According to the Standards, a level one analysis was appropriate, requiring the consulting engineer to analyze the intersection of Lake Mary Road and High-Country Trail, as well as the two site access driveways.

CivTech, the engineering consultant for the developer, completed a TIA in June of 2018. Due to the lapse of time, the Analysis was considered no longer valid so a new report was required. CivTech conducted turning movement counts at Lake Mary Rd. and High Country Trail., from 7:00 a.m. to 9:00 a.m. and from 4:00 p.m. to 6:00 p.m. on January 20, 2020. The data was entered into an engineering software program, Synchro 10, to analyze the Level of Service (LOS) under existing conditions (LOS is a measure of the average delay a driver will experience at an intersection, graded on a scale from A – F). Then, the estimated turning movements generated by the development were added to the program to analyze the post development conditions at full build out. The software output revealed that the intersection is currently operating at an overall LOS of B in the a.m. peak hour and a LOS of B in the p.m. peak hour, while no individual movement operated below LOS C. With the trips from the development added, the a.m. peak hour will continue to operate at a LOS of B and the p.m. peak hour will operate at a LOS of B, again with no movement operating below LOS C. The Engineering Standards allow for an intersection to function at or above a LOS of D. When the LOS drops below D, improvements are required to mitigate the conditions back to an acceptable LOS.

Both access driveways were also analyzed with respect to site distance and turn-lane requirements. The easternmost driveway was originally proposed adjacent to the eastern property line, however, staff required that it be moved to the current location, where it meets standards for site distance. The southernmost driveway also meets standards for site distance.

The cross-section of High Country Trail includes a continuous left-turn lane at each of the two driveways. The volume of peak hour right- turns into each of the driveways was below the threshold for requiring

right- turn deceleration lanes.

Transportation Improvements
No off-site traffic improvements will be required.

The existing frontage conditions along High Country Trail include five-foot wide sidewalks at back of curb along both the north and south sides of the street. Current Engineering standards call for a five-foot parkway and a five-foot sidewalk. The developer has refused staff's request for new parkway and sidewalk along the north side of High Country Trail. The existing northern sidewalk will remain in its current condition. The proposed site plan calls for existing sidewalk along the south side of the street to be removed. In its place the developer will construct a new ten-foot wide concrete FUTS trail. The proposed FUTS trail will not connect to the existing FUTS sections west of Wild West Trail or along Lake Mary Road, but will tie back into the existing sidewalks to the west and east of the property.

ii. Water and Wastewater Impact

A Water and Sewer Impact Analysis (WSIA) was completed by the City on June 1, 2018. The proposed development is located within the City of Flagstaff urban growth boundary and can be served by City water and sewer utilities. Currently there is no infrastructure in the ground on-site to support this development, so all on-site sewer and water systems will have to be designed and built. No off-site water or sewer improvements will be required. It is the developer's responsibility to design and construct all on-site and connecting water infrastructure per the City of Flagstaff Engineering Standards.

Water
All public water infrastructure exists in the High Country Trail right-of-way adjacent to this property. There is a 12-inch water main along the property frontage. All appropriate looping and second source requirements can be met. The property lies within the Zone "B" water pressure system limits and meets the minimum pressure requirements stated in the City of Flagstaff Engineering Standards. The developer will be required to provide a looped water system by extending an 8-inch diameter waterline from the existing 12-inch diameter main located in High Country Trail.

Wastewater
To provide sewer services to the project, the developer proposes to connect to an existing 8-inch stub out connected to a manhole which flows through the adjacent properties to the east before heading northeast to the Rio-de-Flag Wastewater Treatment Plant. The developer will provide new on-site sewer service consisting of an 8-inch line that flows east through the property to the manhole on the adjacent property. This will require the developer to get the necessary utility access. The capacity of the existing collection system downstream of this project is adequate to convey the existing and proposed flow rates and maintain the City's requirements.

iii. Stormwater Analysis

The project's overarching drainage concept is to provide peak flow stormwater discharge mitigation (detention), partial stormwater runoff volume mitigation (LID ROCV), improvement to the water quality of site discharges (LID), and retention of the runoff volume increase for the 100-year 24-hour storm. There are no proposed offsite stormwater improvements required with the inclusion of onsite retention for increase runoff volumes.

As part of the rezoning request a Drainage Impact Analysis (DIA) was performed. The drainage impact analysis extended from the project site downstream to the Sinclair Wash. The impact analysis studied the existing High Country Trail Street section, catch basins and storm drains for capacity. Results of the impact analysis show the street has the capacity to handle the 10-year design storm and 100-year flow being

contained within the Right of Way. As such, no offsite improvements within High Country Trail have been proposed.

Development of the site will meet the peak flow mitigation, LID volume mitigation and water quality requirements using sub-surface water storage systems classified as extended detention basins (EDB), which consist of a detention and a retention storage capacity as well as filtration components. Lower portions of the site will provide the water quality requirements through the use of oil and grit separators.

The project will provide the attenuation required to reduce the post development peak runoff to the pre-development rates for the 10-year and 100-year storms. The Water Quality Improvements consisting of sediment capture components will be incorporated with the use of Low Impact Development (LID) Integrated Management Practices (IMPs) including sediment trapping isolator rows within the sub-surface storage systems, and filtration systems located outside of the EDB's.

The increase in volume of stormwater runoff discharged from the site will be mitigated by additional retention volume provided within aforementioned EDB's.

III. Direct to Ordinance Zoning Map Amendment

An application for a Direct to Ordinance Zoning Map Amendment shall be submitted to the Planning Director and shall be reviewed and a recommendation prepared. The Planning Director's recommendation shall be transmitted to the Planning and Zoning Commission in the form of a staff report prior to a scheduled public hearing. The recommendation shall include: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General Plan and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment of Zones) of the Zoning Code; and, whether the amendment should be granted, granted with conditions to mitigate anticipated impacts caused by the proposed development, or denied.

Direct to Ordinance Zoning Map Amendments shall be evaluated based on the following findings:

A. Finding #1:

The proposed amendment must be found to be consistent with and in conformance with the goals and policies of the General Plan and any applicable specific plans. If the application is not consistent with the General Plan, and any other applicable specific plan, the applicable plan must be amended in compliance with the procedures established in Chapter 11-10 of the City Code (Title 11: General Plans and Subdivisions) prior to considering the proposed amendment.

i. General Plan/Flagstaff Regional Plan (FRP 2030) Process and Analysis Summary

When staff performs a Regional Plan (the "Plan") analysis, staff reviews all maps, text, and goals and policies to determine which are the most relevant in relation to the proposed application. The Plan's Future Growth Illustration on Maps 21 and 22 (same map; one is regional scale and one city scale) and the text of the Plan provide supplemental information for the interpretation of goals and policies. In the case of any conflict between the Future Growth Illustration and the Plan's goals and policies, the goals and policies will prevail. The Future Growth Illustration has two types of land use designations: "Area Types" describe the place-making context of Urban, Suburban, Rural, or Employment, and "Place Types" such as activity centers, corridors, and neighborhoods which provide the framework for the density, intensities, and mix of uses within the area types.

Staff has identified that the subject property is designated as Existing Suburban and is not located within an activity center on the Plan's Future Growth Illustration. Suburban areas are intended to have medium to low densities of people, residences, jobs, and activities; the streets and sidewalks vary in pattern; the area is drivable to access homes and jobs, yet walkable by special pedestrian facilities such as FUTS trails; some services and goods are available to the residents; the area may have access to public transportation. The City's desired

Suburban Neighborhood Characteristics include a density of 2-13 units per acre, low-rise apartments (generally accepted as three-story maximum), and open spaces used for passive recreation.

The Regional Plan proposes a maximum density of 13 units per acre in Suburban areas. The overall density of the project is 14.5 units per acre (160 units /11 acres). However, the additional "bonus" units are not counted towards the calculated density, resulting in a calculated density of only 9 units per acre. As discussed, the site has several constraints, including the bisection of the property by both the road and the electrical transmission lines. The effect of these constraints is a concentration of density on the southern portion of the development, resulting in a perceived experience of 17.8 units per acre (160 units /9 acres), exacerbated by the bisection of the project by West High Country Trail.

Staff has identified the following Goals and Policies as most relevant to the current application proposal. This portion of the analysis is subjective in nature because some policies are given a higher weight in the analysis than others.

ii. <u>Applicable General Plan Goals and Policies</u>

As part of its review, staff identified relevant Regional Plan Goals and Policies that could be applied to support or not support the proposed Zoning Map Amendment. These goals and policies are located within the developer's narrative. The following is a discussion of how the project generally meets or conflicts with goals and policies in each chapter.

a. Environmental Planning & Conservation (Air Quality, Climate Change and Adaptation, Dark Skies, Ecosystem Health, Environmentally Sensitive Lands, Natural Quiet, Soils, and Wildlife)

The Regional Plan encourages development to work with the existing land forms. Developments should step down sloped sites and preserve as much natural topography as possible. Policy E&C.9.2 states that construction projects employ strategies to minimize disturbed area, soil compaction, soil erosion and destruction of vegetation. Policy CC.1.1 identifies the goal of preserving the natural character of the region through planning and design to maintain views of significant landmarks, sloping landforms, rock outcroppings, water courses, floodplains, and meadows, and conserve stands of ponderosa pine. The site has considerable topography and the proposed site plan utilizes significant grading, with retaining walls located along the east property line and south of buildings 6 and 7. The proposed retaining wall to the south is shown to be 8-10 feet high with a guard rail at the top. The retaining wall to the east is shown to be 3-almost 7 feet high with a guard rail at the top.

The revised site plan, with its greater setbacks and less severe grading, saves 60 trees on the southern portion of the site. This is a substantial increase in the number of trees which will serve to buffer the existing homes from the proposed development.

b. Water Resources (Water Sources, Water Demand, Stormwater and Watershed Management, and Water Quality)

As shown on Map 21 and referenced in Policy WR.4.3. "Development requiring public utility services will be located within the Urban Growth Boundary," the Property is located within the Urban Growth Boundary. There is existing water infrastructure in High Country Trail and existing sewer adjacent to the site that can support the proposed project. There are no off-site improvements required for sewer or water service. The proposed development complies with the findings of the Drainage Impact Analysis discussed in the Public Systems Impact Analysis section of this report.

c. Efficient Use of Energy Goals and Policies

The Regional Plan Policy E.1.4 promotes cost-effective, energy-efficient technologies and design in all new buildings for residential construction. The project proposes to include several design features that help

increase energy efficiency as listed in the developer's narrative. The majority of these features are required by code and are standard construction practice. Policy E.2.4 encourages small-scale renewable energy production and use on the local level on appropriate residential parcels. The developer states that they will reconsider the inclusion of solar panels after construction if the cost benefit analysis is improved.

The developer has elected to participate in the City's Sustainable Building Program and will meet the requirements for Water Resource Protection, Transportation/Air Quality, Waste Reduction During Construction, and Energy Efficiency. In return, the developer shall receive a 25% density bonus (25 additional dwelling units).

d. Community Character (Scenic Resources and Natural Setting, Heritage Preservation, Community Design, and Arts, Sciences and Education)

Policy CC.1.1 aims to preserve the natural character of the region and includes the preservation of stands of ponderosa pines. The Natural Resource Protection Plan indicates that 28% of the tree resources will be retained. The code requires 50% of the tree resources to be saved, but the Affordable Housing incentive allows that requirement to be reduced to 25%. The majority of the tree resources are located on the portion of the property north of High Country Trail.

Goal CC.3 aims to preserve, restore, enhance, and reflect the design traditions of Flagstaff. Specifically policies CC.3.1 and CC.3.2 discuss the desired design of buildings and their relationship to their context. The developer states that the architectural design was developed to be site specific and complement traditional design characteristics associated with Flagstaff. They feel the design is appropriate for the region and climate, and consistent with surrounding developments. They propose to use materials typical to Flagstaff construction such as cementitious lap siding and stone veneer and a color palette inspired by the surrounding earth and forest.

Policy CC.4.1 states streetscapes are to be context sensitive and transportation systems are to reflect the desired land use while balancing the needs of all modes for traffic safety and construction and maintenance costs. The existing sidewalk along the south side of High Country Trail will be replaced with a FUTS trail. Unlike the existing sidewalks, the FUTS trail is set back from the edge of the street, creating greater safety for pedestrians. The developer has committed to continue the FUTS on either side of their property to tie into the existing FUTS. This offer is dependent on the City acquiring the necessary property rights from the Ponderosa Trails HOA. The developer turned down staff's request to replace the existing sidewalk along the north side of the street for the inclusion of parkways.

The site design is constrained by an existing 80-foot-wide electric utility easement along the south side of High Country Trail. The easement restricts buildings from being located close to the street as required by the Zoning Code. The developer has worked to provide clear pedestrian paths between the buildings and the FUTS trail.

e. Growth Areas & Land Use (Reinvestment, Greenfield, Urban Area, Suburban Area, Rural Area, Employment Area, Special Planning Area, and Activity Centers)

The proposed development is on a vacant infill parcel. The development of the infill parcel includes the required civic space, open space and pedestrian amenities, including the portion of FUTS along the street frontage.

The developer has repeatedly met with residents and property owners. The Citizen Participation Report, required as part of the rezoning application and prepared by the developer, outlines the specific details of these efforts. Policy LU.1.11 calls for collaboration between a developer, residents, and property owners in existing neighborhoods where redevelopment and reinvestment are proposed so that they are included,

engaged, and informed. The developer has modified their proposal in response to concerns of the neighborhood. The developer now proposes to provide a higher quality civic space for the community, and continues to work with city staff and the HOA for Ponderosa Trails to provide a complete connection to the FUTS trail.

Policy LU.1.3 promotes reinvestment at the neighborhood scale to include infill of vacant parcels, redevelopment of underutilized properties, aesthetic improvements to public spaces, remodeling of existing buildings and streetscapes, maintaining selected appropriate open spaces, and programs for the benefit and improvement of the local residents. Staff is supportive of this suburban infill project that proposes multi-family development adjacent to public transit routes and possibly a complete FUTS trail system. The revised design includes additional pedestrian connections on site and natural buffers adjacent to the existing single-family homes. Policy LU.13.9 promotes the use of open space and FUTS trails to provide walking and biking links.

The proposed development will provide the community with 140 additional medium density market rate units (described by the developer as luxury) and 20 affordable housing units limited to individuals who make no more than 80% of the Area Median Income (AMI) of Flagstaff.

f. Transportation (Mobility and Access, Safe and Efficient Multimodal Transportation, Environmental Considerations, Quality Design, Pedestrian Infrastructure, Bicycle Infrastructure, Transit, Automobile, Passenger Rail and Rail Freight, Air Travel, and Public Support for Transportation)

The proposed development will place residents within walking distance of two existing bus routes, will provide for future bus stops on High Country trail, and a FUTS trail. Staff hopes to obtain the necessary property rights necessary for the developer to complete the FUTS. Although the sidewalk on the north side of High Country Trail is not improved to current engineering standards, these pedestrian connections do help promote the use of public transportation and bicycling as stated in Policy T.1.6 "Provide and promote strategies that increase alternate modes of travel and demand for vehicle travel to reduce peak period traffic."

g. Neighborhoods, Housing, and Urban Conservation

Goal NH.3 of the Regional Plan speaks to the desire to make available a variety of housing types at different price points, to provide housing opportunity for all economic sectors. The units proposed for affordable housing will permanently serve residents earning 80% of the area median income or less. For a single individual, that annual income limit is currently $42,150. Flagstaff Housing staff identified one-bedroom units for the proposed development to help fill a need in the community. The development will have 14 one-bedroom units and 6 two-bedroom units designated as affordable units.

The Regional Plan also aims to have compatible infill projects, specifically in Goal NH.6. The developer states that they choose the Medium Density Residential (MR) zoning district in an effort to blend new and existing buildings. Staff agrees that the allowable building height of 35 feet is appropriate given the existing multi-family structures and allowable heights to the south and to the east.

B. <u>Finding #2</u>

To meet the finding the proposed amendment must be determined not to be detrimental to the public interest, health, safety, convenience, or welfare of the City of Flagstaff (the "City"); and will add to the public good as described in the General Plan. Staff does not believe that the proposed project will be detrimental to the public interest, health, safety, convenience, or welfare. Staff also believes that the proposed amendment will add to the public good.

The developer has identified the following Community Benefits and Public Good:

i. The developer will provide the FUTS trail across the frontage of the southern portion of the property and has committed to continuing the FUTS to the east and west of the parcel if the necessary property rights are acquired.
ii. The developer will provide the required civic and open space along the south side of High Country Trail.
iii. The developer will provide 20 units (20% of the allowed number of units) to individuals making 80% of the AMI and 140 market rate units.
iv. The proposed project will participate in the Crime Free Multi-Housing Program.
v. The developer will place a Resource Protection Easement on the acreage north of High Country Trail.

C. Finding #3

To meet the finding the affected site must be determined to be physically suitable in terms of design, location, shape, size, operating characteristics; and the provision of public and emergency vehicle access, public services, and utilities to ensure that the requested zone designation and the proposed or anticipated uses and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

Staff believes that the proposed application meets this finding. The Inter-Division Staff reviewed the application and concluded that the site was suitable for the proposed development. The IDS team based its conclusion on the review of all applicable codes and requirements as well as impact analysis for the site. Any potential impacts were mitigated by the developer and no off-site improvements are required to serve this development.

IV. DEVELOPMENT AGREEMENT

A draft development agreement has been prepared. The primary purpose of this agreement is to set out roles and responsibilities in regard to the following (not limited to):

- Require the property to be maintained as a single parcel
- Construction and maintenance of the FUTS
- Administration of the Affordable Housing units
- Resource Protection easement for the portion of the parcel north of High Country Trail
- Sustainability density bonus requirements

Staff is requiring an easement over the portion of the property located north of High Country Trail to ensure that the required tree resources located on the property are not removed and to prohibit further development, as any additional development rights/density have been utilized on the southern portion of the parcel.

V. CITIZEN PARTICIPATION

Public hearings before the Planning and Zoning Commission and City Council are conducted in conjunction with requests for Direct to Ordinance Zoning Map Amendments. In accordance with State Statute, notice of the public hearing was provided by placing an ad in the Daily Sun, posting notices on the property, and mailing a notice to all property owners within 1,000 feet (exceeding the minimum of 300 feet) of the site excluding rights-of-way.

The developer held two neighborhood meetings in regards to this case on March 23, 2020 and July 1, 2020. Both meetings were held virtually due to the pandemic. Per the meeting sign-in, approximately thirty-five (35) individuals attended both meetings. Citizen Participation summaries, attached, were prepared in response to the questions, comments and concerns presented. The meetings included a presentation from the developer and a question and answer session where questions could be typed into the chat. Comments on the project included the following topics: the area north of the road, open space requirements, traffic impacts, stormwater, views, and tree resources.

Two emails from the public has been received as of the writing of this report. The emails are from neighbors opposed to the development. Staff also received a letter from the president of the Ponderosa Trails HOA informing staff that a poll of the property owners was conducted and resulted in 88% of respondents opposing the rezoning, 11% in favor, and 1.5% did not have an opinion either way. Copies of the correspondence are attached.

RECOMMENDATION:

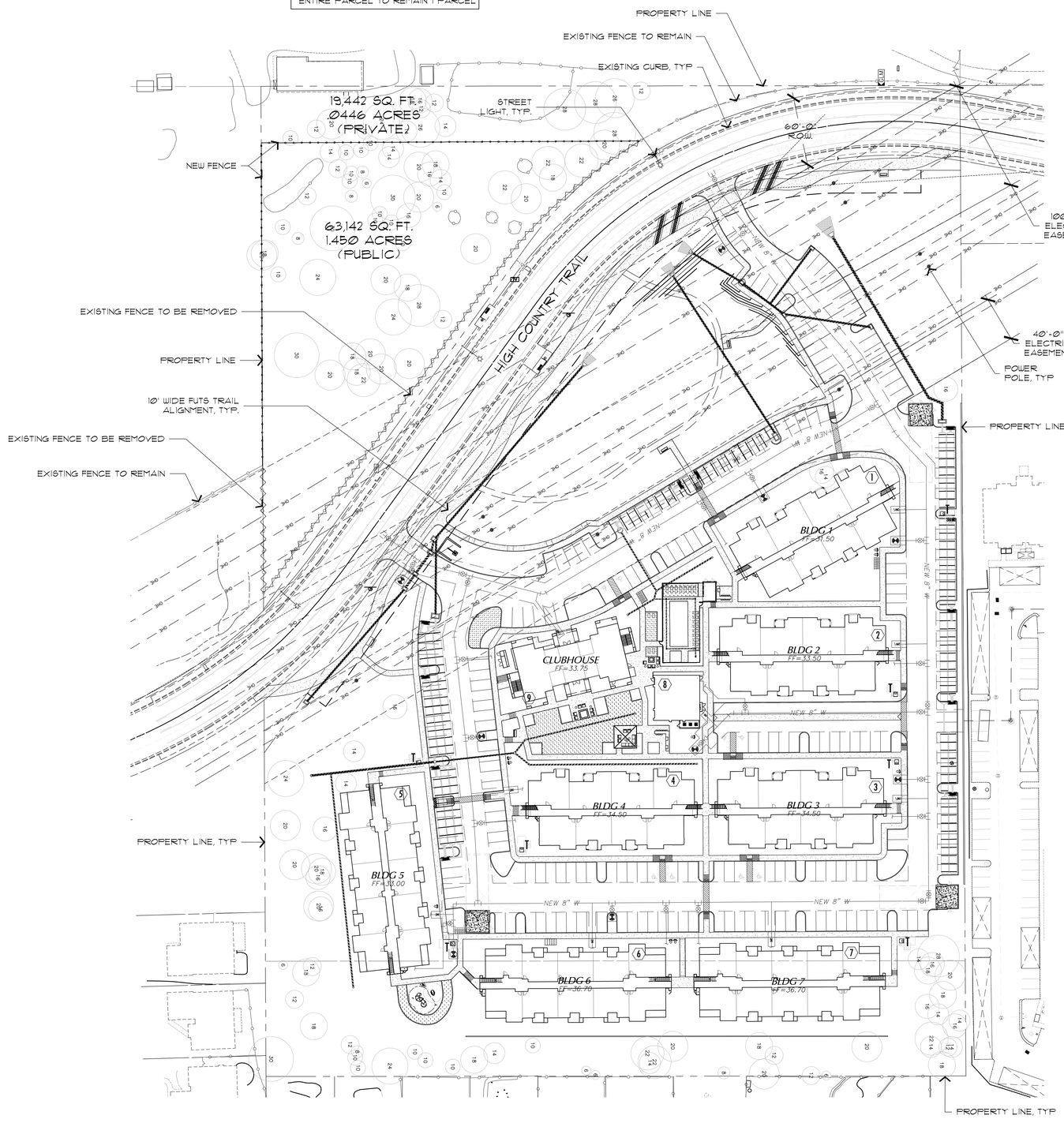
Staff recommends the Planning & Zoning Commission forward the request to the City Council with a recommendation approving PZ-20-00008-01, subject to the following six conditions which will be included into the zoning map amendment ordinance:

1. The subject property must be developed in accordance with the approved site plan and the conditions of approval dated August 10, 2020. Modifications (other than minor modifications) to the approved site plan will require an amendment to this Direct to Ordinance Zoning Map Amendment request.
2. The two parcels must be combined and the approximately 2-acre portion of parcel 112-05-011 located north of High Country Trail shall remain a part of the parcel to the south.
3. The State archeological database must be updated to reflect the removal of archeological resources on the subject property.
4. All other requirements of the Zoning Code and other City codes, ordinances and regulations, shall be met by the proposed development.
5. All terms, conditions, and restrictions detailed within the "Aura Development Agreement" must be fully satisfied.
6. In the event the property is rezoned and the Developer fails to obtain final Civil Plan approval within two (2) years of the effective date of the rezoning ordinance, then the City may schedule a public hearing before the City Council for the purpose of causing the zoning on the Property to revert to the former classifications of Rural Residential (RR) and Estate Residential (ER) in accordance with A.R.S. § 9-462.01.

Attachments:

- Applications
- Area Context Map
- Legal Notice
- Project Narrative and Regional Plan Analysis
- Citizen Participation Plan and Reports
- Emails/letters from the Public
- Approved Site Plan Drawings

ADDITIONAL NOTE
ENTIRE PARCEL TO REMAIN 1 PARCEL



FENCE LAYOUT PLAN
SCALE: 1"=50'-0"

0 25' 50' 100'

NORTH

Call at least two full working days before you begin excavation
ARIZONA 811
Arizona Blue Stake, Inc.
Dial 8-1-1 or 1-800-STAKE-IT (782-5348)
In Maricopa County: (602)263-1100

COLLABORATIVE DESIGN STUDIO

Collaborative V
Design Studio Inc.
7116 East 1st Ave.,
Suite 103
Scottsdale, Arizona
85251
Office: 480-347-0590
Fax: 480-656-6012

Registered Landscape Architect
CERTIFICATE NO.
46497
MATTHEW PAUL
DRAGER
ARIZONA, U.S.A.
4.19.2021

EXPIRES 06 / 30 / 2022

LANDSCAPE IMPROVEMENTS
AURA FLAGSTAFF

151 W. High Country Trail Flagstaff, Arizona 86001

PRELIMINARY
NOT FOR CONSTRUCTION

DESIGNED BY: PV/SH
DRAWN BY: SH
CHECKED BY: PV / MD
DATE: AUGUST 21, 2018
REVISIONS: CITY COMMENTS JANUARY 24, 2019
CITY COMMENTS FEBRUARY 19, 2019
CITY COMMENTS JANUARY 7, 2020
CITY COMMENTS APRIL 20, 2020
FENCE LAYOUT PLAN APRIL 19, 2021

AURA FLAGSTAFF
SITE PLAN SUBMITTAL

FENCE LAYOUT PLAN

FENCE-1

1 of 1

Aura Flagstaff

Direct to Ordinance

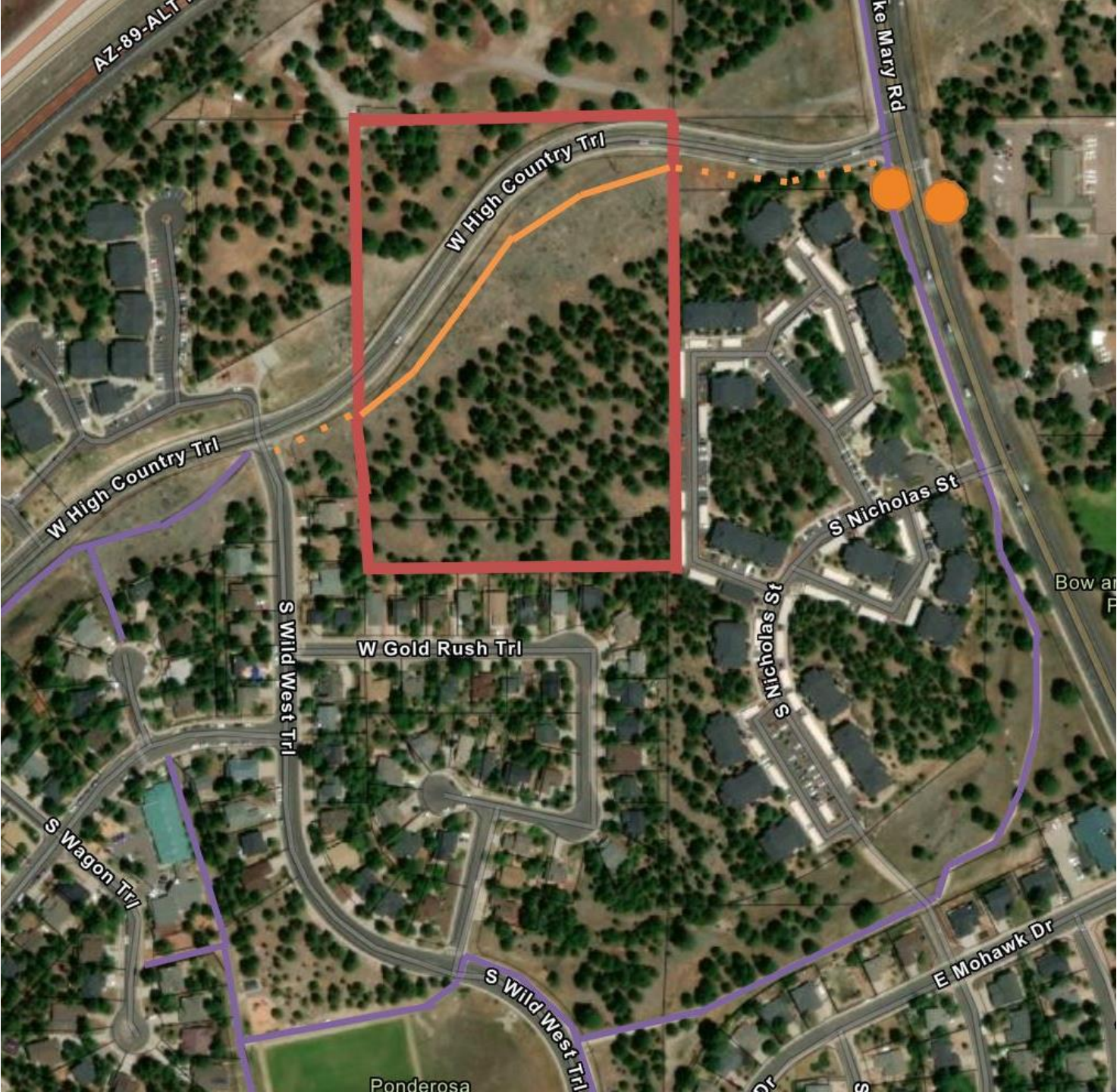
Zoning Map Amendment

Alaxandra Pucciarelli

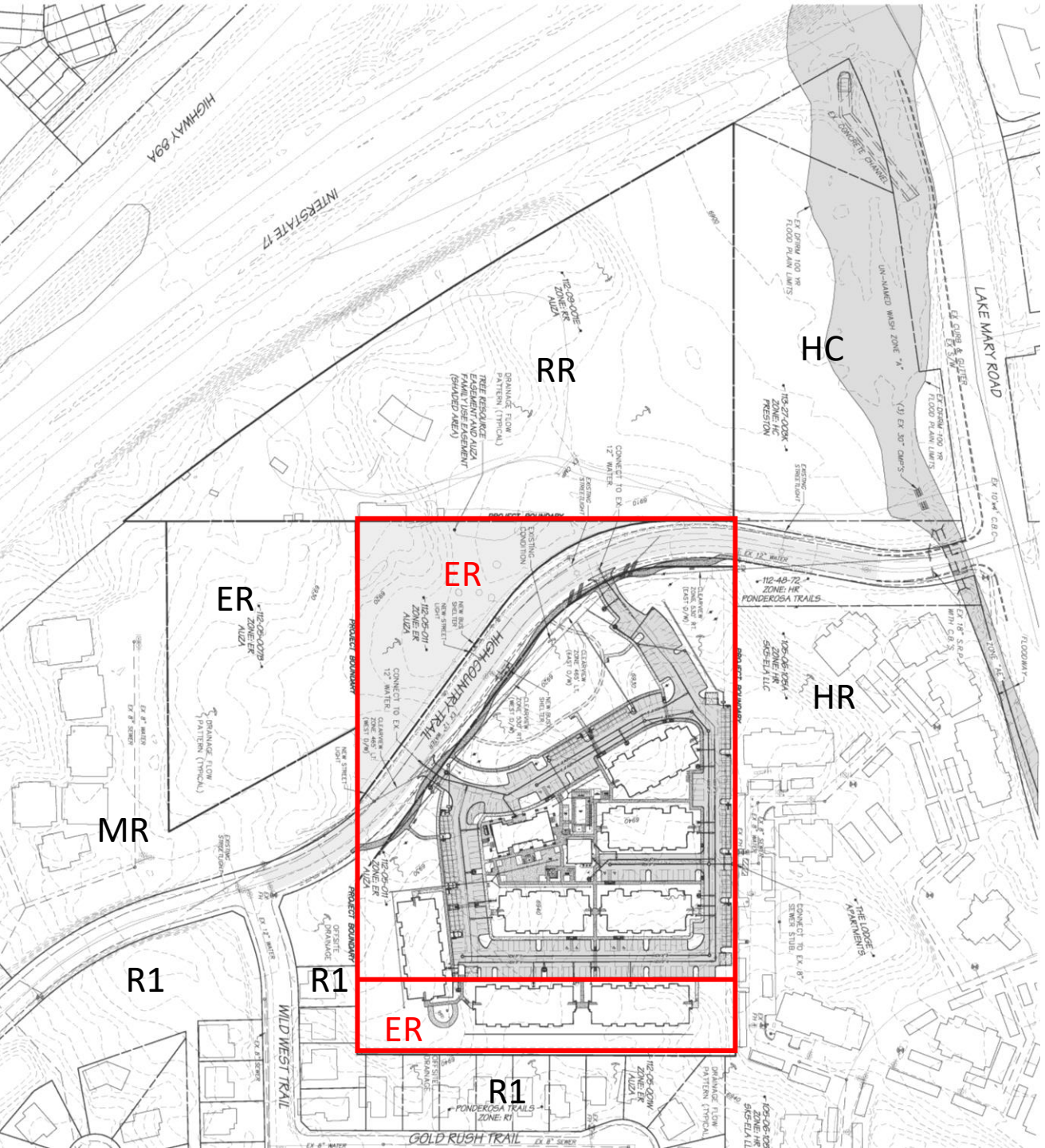
Planning Development Manager

TEAM FLAGSTAFF

WE MAKE THE CITY BETTER



Area Context Map



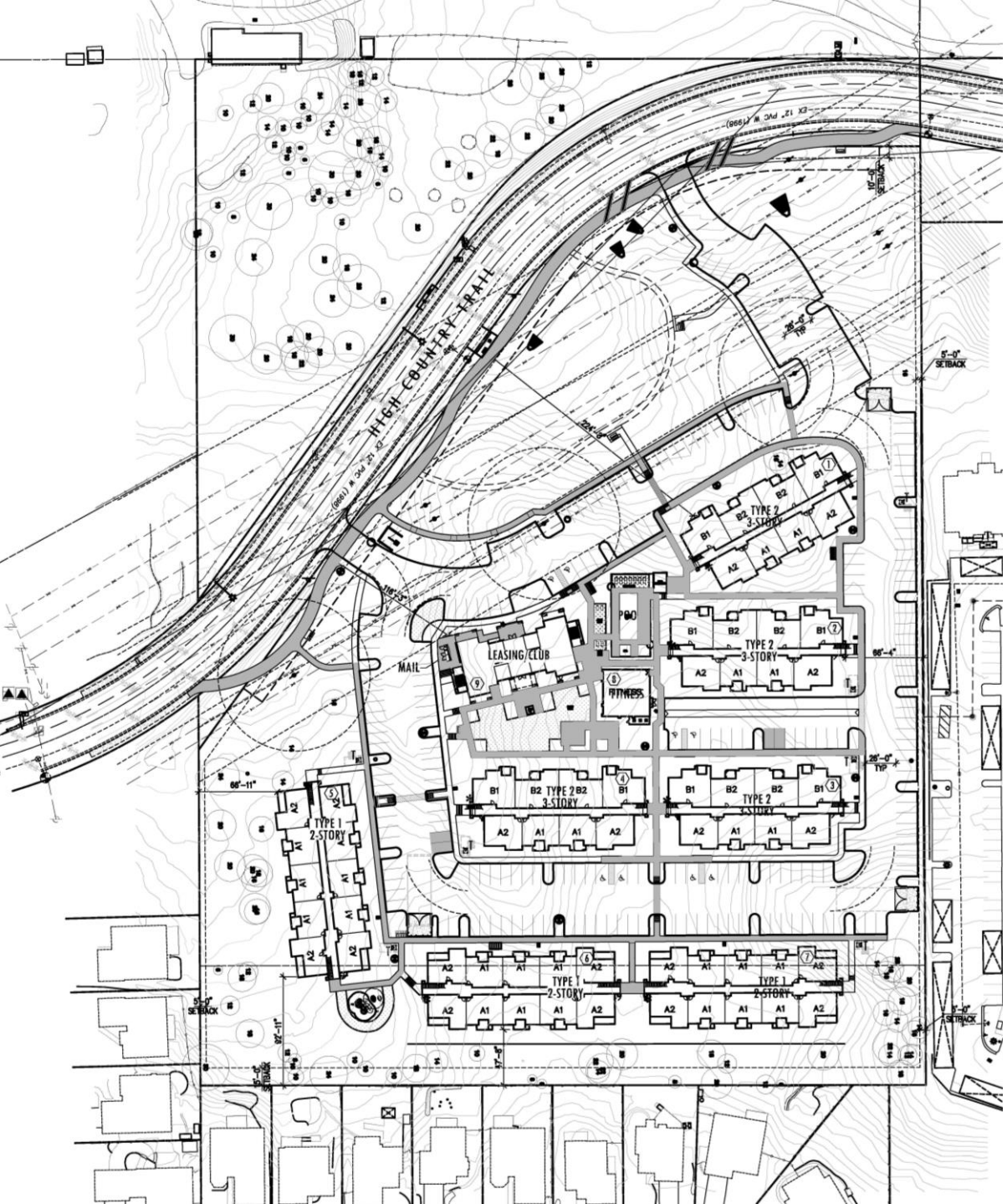
Project Area

Existing Conditions

- 2 Parcels
- 11 Acres
- ER zone with RPO

Proposed

- 1 Parcel
- MR zone with RPO



Proposed Density

- MR zone allows 6-9 units per acre in RPO
- 11 acres x 9 = 99 units
- 99 x 20% = 20 affordable units
- 99 x 45% density bonus = 45 additional units
- 99 x 25% sustainability bonus = 25 additional units
- 169 allowed units
- 160 proposed units

Incentives

Affordable Housing Incentives

- Provides 20% affordable units (20 units)

- Receives 45% density bonus (45 units)
- Receives reduction in forest resource protection
- Receives reduction in required number of parking spaces

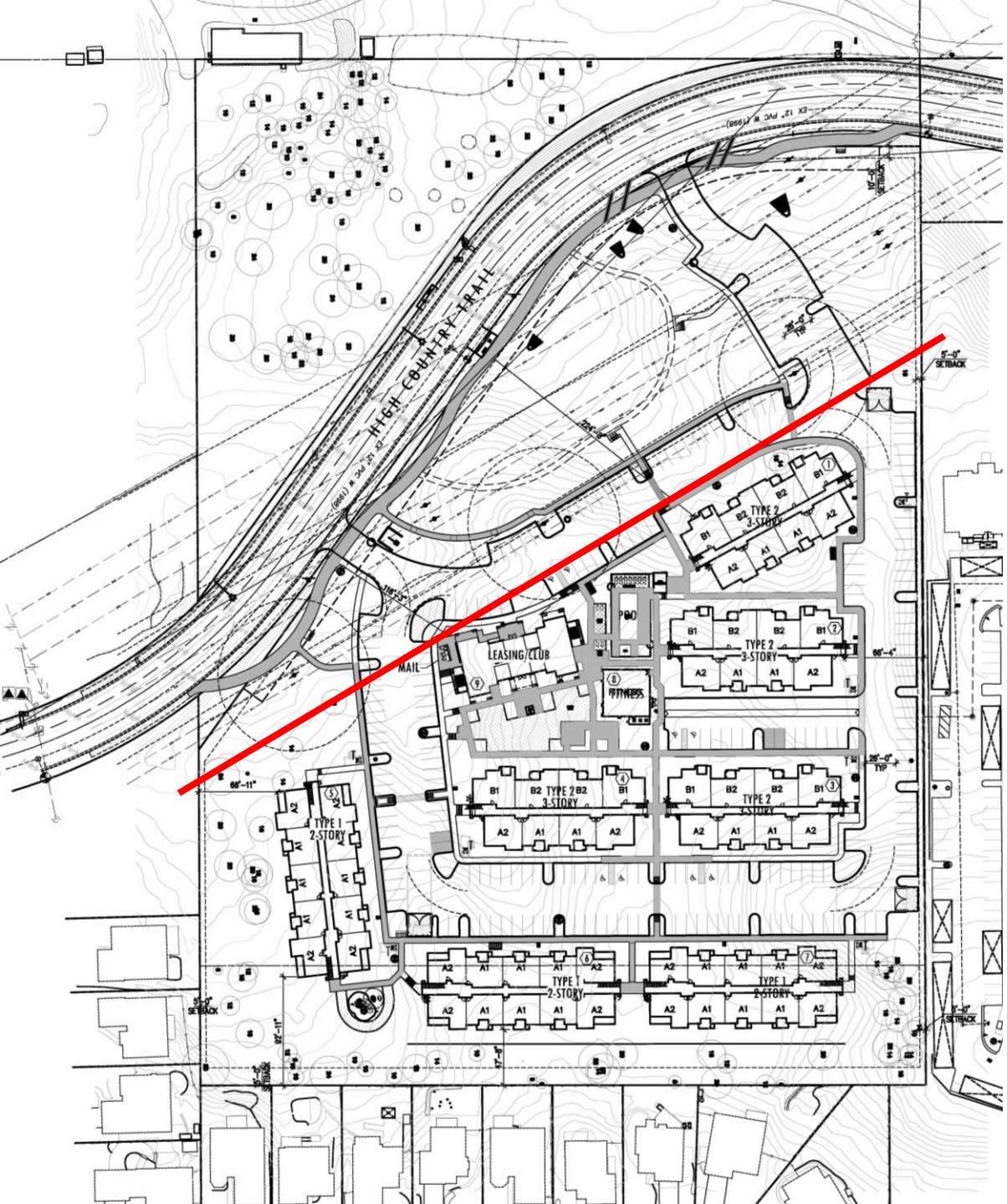
Incentives

Residential Sustainable Building Incentives

Minimum Standards:

- Water Resource Protection: Landscape design shall not include an oasis zone
- Transportation/Air Quality: Located within ¼ mile of a bus stop or a FUTS trail
- Waste Reduction During Construction: Plan for recycling of paper, cardboard, plastics, and metals; and lumber scraps
- Energy Efficiency: 100% of units meeting HERS 50 standard

Receives 25% density bonus (25 units)



Site Layout

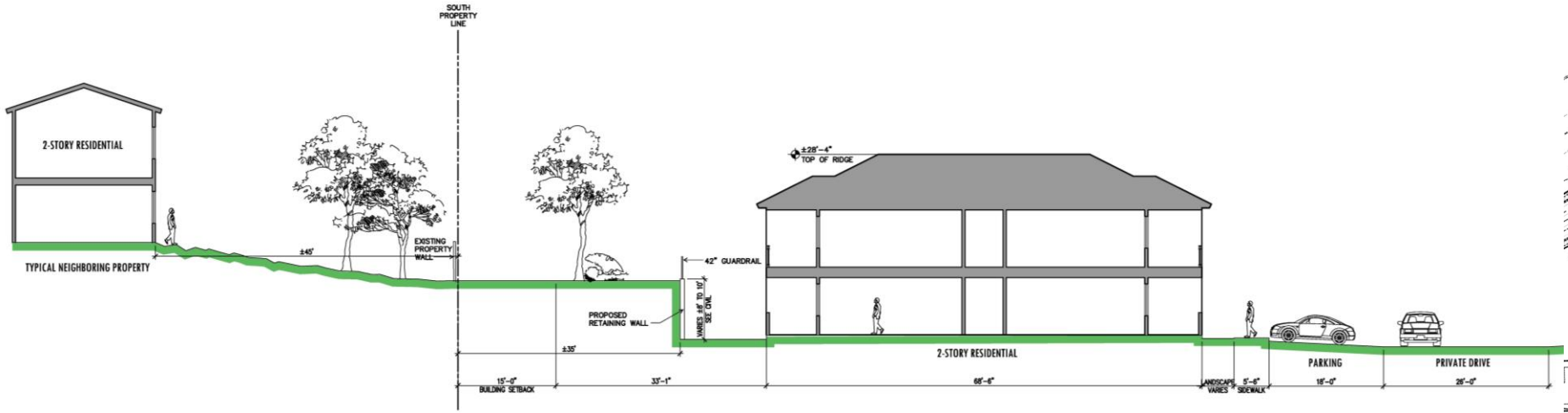
- Electrical Utility Easement
  - Prohibits buildings and trees
- 2 and 3-story apartment bldgs

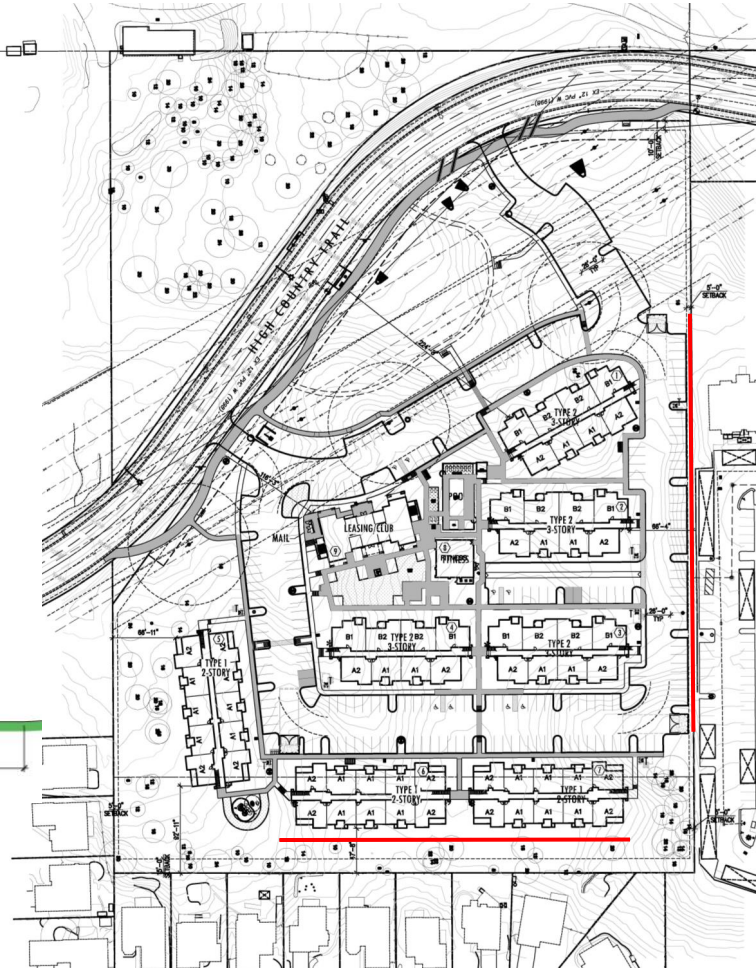
Unit Type	Number	Percentage
1 Bed/1 Bath	112	70%
2 Bed/2 Bath	48	30%

Site Design

Site Retaining Walls

- 10 feet high max. at south wall
- 7 feet high max. at east wall

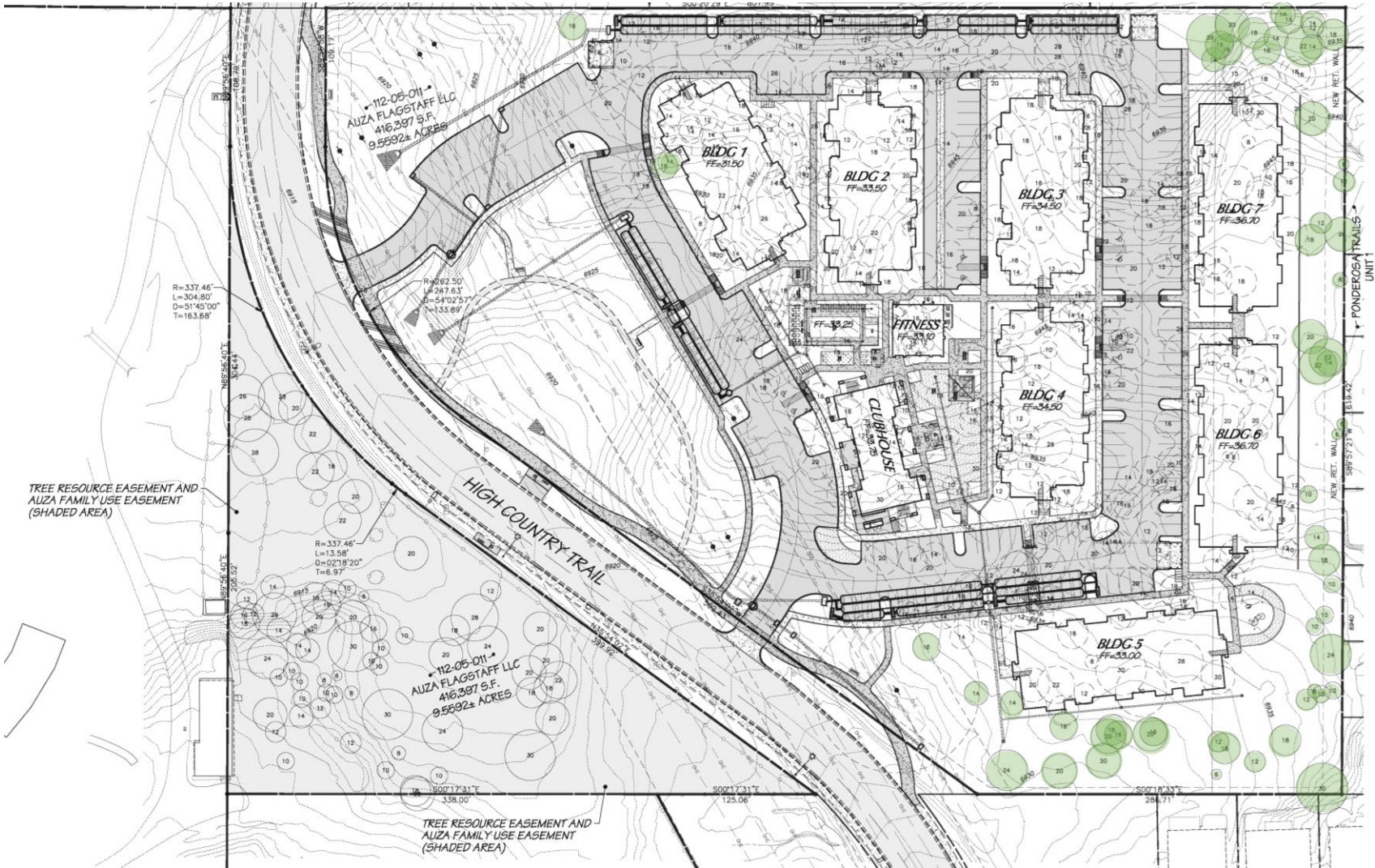




Resource Protection

Resource Protection Overlay

- Proposed design saves 28% of tree canopy
  - 70 trees saved on north portion (60% of saved tree resources)
  - 60 trees saved on south portion



Common Open Space & Civic Space

Civic Space (accessible to public)

- Provides 5% (29,000 sq ft)
  - Located in electrical utility easement
  - Meadow landscape/wildflower garden
  - Stabilized granite trail and 2 benches

Common Open Space (tenants)

- Provides 17% (79,983 sq ft)
  - 83% (66,160 sq ft) located in easement
  - 17% (13,823 sq ft) located around leasing office/clubhouse and play area
  - None located north of High Country Trail

Development Agreement

Purpose of the agreement:

- Require the property to be maintained as a single parcel
- Construction and maintenance of the FUTS
- Administration of the Affordable Housing units
- Resource Protection easement for the portion of the parcel north of High Country Trail
- Sustainability density bonus requirements

Findings

Finding #1: Conformance with the General Plan

- Existing Suburban Area
- Bonus units not counted toward Density
- Greater setback at south
  - Less grading of site
  - More existing trees saved

Findings

Finding #2: Community Benefits and Public Good

- FUTS along frontage, and connections to east and west
- Required Civic and Open Space
- 20 Affordable Units, 140 Market Rate units
- Crime Free Multi-Housing Program
- Resource Protection Easement on northern portion of parcel

Findings

Finding #3: Site is Physically Suitable

- Meets applicable codes and requirements
  - Site Plan Submittal was approved on August 10, 2020, subject to Direct to Ordinance Zoning Map Amendment

- Mitigates any impacts determined by impact analyses
  - Traffic Impact Analysis (TIA) completed
  - Water and Sewer Impact Analysis (WISA) completed
  - Drainage Impact Analysis (DIA) completed
  - No off-site improvements required

Recommendation

Staff recommends the Commission forward the request to City Council with a recommendation of approval in accordance with the findings and subject to the following conditions:

1) The subject property must be developed in accordance with the approved site plan and the conditions of approval dated August 10, 2020. Modifications (other than minor modifications) to the approved site plan will require an amendment to this Direct to Ordinance Zoning Map Amendment request.

2) The two parcels must be combined and the approximately 2-acre portion of parcel 112-05-011 located north of High Country Trail shall remain a part of the parcel to the south.

3) The State archeological database must be updated to reflect the removal of archeological resources on the subject property.

4) All other requirements of the Zoning Code and other City codes, ordinances and regulations, shall be met by the proposed development.

Recommendation

Conditions continued:

5) All terms, conditions, and restrictions detailed within the “Aura Development Agreement” must be fully satisfied.

6) In the event the property is rezoned and the Developer fails to obtain final Civil Plan approval within two (2) years of the effective date of the rezoning ordinance, then the City may schedule a public hearing before the City Council for the purpose of causing the zoning on the Property to revert to the former classification Estate Residential (ER) in accordance with A.R.S. § 9-462.01.

City of Flagstaff Community Development Division

211 W. Aspen Ave P: (928) 213-2618
Flagstaff, AZ 86001 F: (928) 213-2609
www.flagstaff.az.gov

Date Received (City Use)	**Application for Concept/Site Plan Review**		File Number (City Use)
Site Address 151 W. High Country Trail	**Project Name** Aura Flagstaff		**Parcel Number** 112-05-011 & 112-05-001W
Property Owner(s) Auza Flagstaff LLC	**Title**	**Phone**	**Email**
Mailing Address 3378 S. 16th Avenue			**City, State, Zip** Yuma, AZ 85365
Applicant(s) Trinsic Acquisition Company LLC Todd Gosselink	**Title** Managing Director	**Phone** 480-448-0985	**Email** TGosselink@trinsicres.com
Mailing Address 4040 E. Camelback Road Suite 160			**City, State, Zip** Phoenix, AZ 85018
Project Representative Withey Morris, PLC / Jason Morris	**Title**	**Phone** 602-230-0600	**Email** Jason@witheymorris.com
Mailing Address 2525 E. Arizona Biltmore Circle Ste. A-212			**City, State, Zip** Phoenix, AZ 85016

Requested Review:	☐ **Concept**	☑ **Site Plan**

Proposed Use(s) Medium Density Multi-Family Residential	**Existing Use** Vacant	**Subdivision, Tract & Lot Number**

Zoning District Estate Residential (ER)	**Regional Plan Land Use Category** Suburban Existing	**Flood Zone**	**Size of Site (Acres)** 11.0

Property Information:	☐ Yes ☑ No Located in an existing Local/National Historic District? (Name:_____) ☐ Yes ☐ No Existing structures are over 50 years old at the time of application? ☑ Yes ☐ No Subject property is undeveloped land?

Surrounding Land Uses: (i.e. Res, Commercial, Ind.)	**North:** Single-Family Residential	**South:** Single-Family Residential	**East:** Highway Density Residential & Commercial	**West:** Single-Family & Medium Density Residential

Proposed Use:	**Number of Units**	**# of Affordable Units**	**# of acres per use**	**Building Square Feet**
Duplex:				
Multi-Family:	160	32	11	73,368
Commercial: Office				
Commercial: Retail				
Commercial: Restaurant				
Commercial: Service				
Commercial: Other				
Industrial:				
Institutional:				
Other:				

Please complete and submit: the *"Concept Plan and Site Plan Application"*; the *"Application and Information Checklist"*; required number of plans and information; and fees. **Concept Plan fees are $420. Site Plan fees are $2,550 for projects less than an acre; $1,062 plus $1,553 per acre for sites greater than one acre.** New application deadlines are every other Tuesday by **11:00 a.m.** (See schedule for dates). **Incomplete submittals will not be scheduled.**

Property Owner Signature	**Date:**	**Applicant Signature** T Gosselink	**Date:** 1/8/20

For City Use

Staff Assignments	**Planner:**	**Engineer:**	**Public Works/Utilities:**	**Fire:**	**Stormwater**

Action:

City of Flagstaff

Community Development Division

211 W. Aspen Ave
Flagstaff, AZ 86001
www.flagstaff.az.gov
P: (928) 213-2618
F: (928) 213-2609

PREZ/PGM

Date Received	**Application for Zoning Map Amendment and/or Minor Regional Plan Amendment**	File Number

Property Owner(s) Auza Flagstaff LLC	**Title**	**Phone**	**Email**
Mailing Address 3378 S. 16th Avenue			**City, State, Zip** Yuma, AZ 85365
Applicant(s) Trinsic Acquisition Company LLC Todd Gosselink	**Title** Managing Director	**Phone** 480-448-0985	**Email** TGosselink@trinsicres.com
Mailing Address 4040 E. Camelback Road Suite 160			**City, State, Zip** Phoenix, AZ 85018
Project Representative) Withey Morris, PLC / Jason Morris	**Title**	**Phone** 602-230-0600	**Email** Jason@witheymorris.com
Mailing Address 2525 E. Arizona Biltmore Circle Ste. A-212			**City, State, Zip** Phoenix, AZ 85016

Requested Review ☑ Zoning Map Amendment ☐ Minor Regional Plan Amendment ☐ Continued

Site Address 151 W. High Country Trail	**Parcel Number(s)** 112-05-011 & 112-05-001W	**Subdivision, Tract & Lot Number**
Existing Zoning District Estate Residential (ER)	**Proposed Zoning District:** Medium-Density Residential (MR)	**Existing Regional Plan Land Use Category** Suburban Existing
Existing Use Vacant	**Proposed Use** Multi-Family Residential	

Property Information:
☐ Yes ☑ No Located in an existing Local/National Historic District? (Name:_____)
☐ Yes ☐ No Existing structures are over 50 years old at the time of application?
☑ Yes ☐ No Subject property is undeveloped land?

Requested Urban Growth Boundary Change (If Applicable)	**Proposed Regional Plan Land Use Category**

Property Owner Signature(required)	**Date:**	**Applicant Signature** T Bonelli	**Date:** 1/8/20

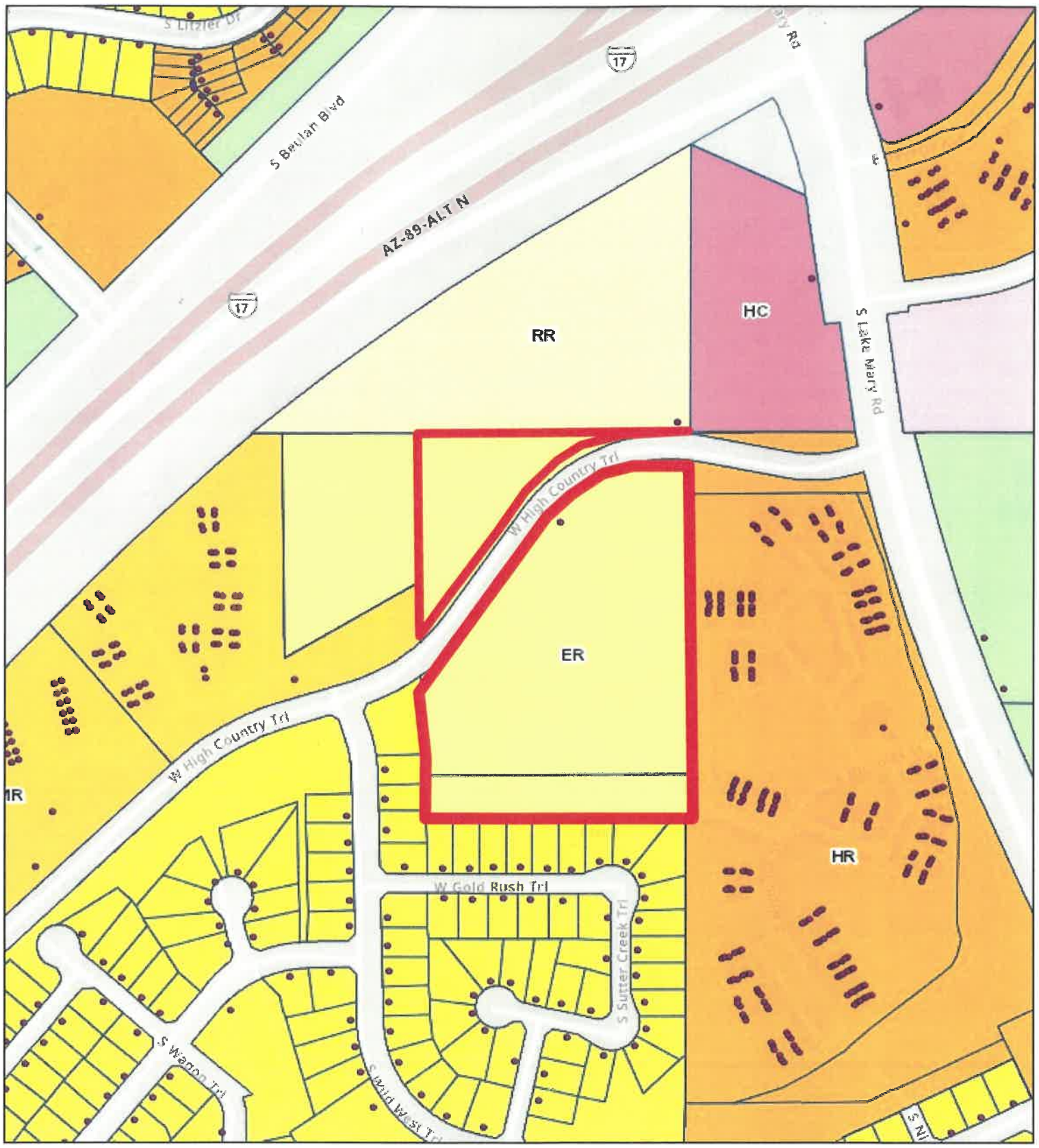
For City Use

Date Filed:	**File Number(s):**		**Type of Zoning Map Amendment:** ☐ Small scale ☐ Medium scale ☐ Large scale ☐ Multi-phase scale
P & Z Hearing Date:	**Publication and Posting Date:**		
Council Hearing Date:	**Publication and Posting Date:**		
Fee Receipt Number:	**Amount:**	**Date:**	

Action by Planning and Zoning Commission:	**Action by City Council:**
☐ Approved	☐ Approved
☐ Denied	☐ Denied
☐ Continued	☐ Continued

Staff Assignments	Planning	Engineering	Fire	Public Works/Utilities	Stormwater

Zoning Map



151 W. High Country Trail – Flagstaff, AZ

N

ORDINANCE NO. 2021-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FLAGSTAFF, AMENDING THE FLAGSTAFF ZONING MAP TO REZONE APPROXIMATELY 11 ACRES OF REAL PROPERTY LOCATED AT 151 WEST HIGH COUNTRY TRAIL, APN 112-05-001W and 112-05-011, FROM THE ESTATE RESIDENTIAL (ER) ZONE TO THE MEDIUM DENSITY RESIDENTIAL (MR) ZONE WITH CONDITIONS; PROVIDING FOR SEVERABILITY; AUTHORITY FOR CLERICAL CORRECTIONS; AND ESTABLISHING AN EFFECTIVE DATE

RECITALS:

WHEREAS, Trinsic Acquisition Company LLC (the "Applicant"), has applied for a Direct to Ordinance Zoning Map Amendment to rezone approximately 11 acres of real property located within the City of Flagstaff, a legal description of which is provided in "**Exhibit A**" attached hereto and incorporated by this reference ("the Property") from the Estate Residential (ER) zone to the Medium Density Residential (MR) zone for purposes of developing a multi-family residential development with a maximum of 160 dwelling units; 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, the Applicant conducted neighborhood meetings on March 23, 2020 and July 1, 2020, 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 proposed Direct to Ordinance Zoning Map Amendment application, following proper notice and a hearing on December 9, 2020, and has recommended denial of the requested Zoning Map Amendment application; 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, City staff has recommended approval of the Direct to Ordinance Zoning Map Amendment application, subject to certain conditions, 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 Current Planning Division staff and all attachments to those reports, the Applicant's application, the narrative provided by the Applicant, and all statements made by the Applicant and its representatives or agents during the presentation to Council, and the Council finds that the proposed Direct to Ordinance 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 Estate Residential (ER) zone to Medium Density Residential (MR) zone as set forth in Exhibit A, attached hereto and incorporated by reference.

SECTION 6. The Zoning Map Amendment is conditioned on compliance with the Development Agreement between the City of Flagstaff and the Applicant, approved by the City Council through Resolution No. 2021-12 on April 20, 2021 and that should that Development Agreement not be approved and executed this Ordinance becomes null and void.

SECTION 7. The Zoning Map Amendment is further conditioned upon the Applicant's satisfaction of the following conditions proposed by the City staff:

CONDITIONS:

1. The subject property must be developed in accordance with the approved site plan and the conditions of approval dated August 10, 2020. Modifications (other than minor modifications) to the approved site plan will require an amendment to this Direct to Ordinance Zoning Map Amendment request.

2. The two parcels must be combined and the approximately 2-acre portion of parcel 112-05-011 located north of High Country Trail shall remain a part of the parcel to the south.

3. The State archeological database must be updated to reflect the removal of archeological resources on the subject property.

4. All other requirements of the Zoning Code and other City codes, ordinances, and regulations, shall be met by the proposed development.

5. All terms, conditions, and restrictions detailed within the "Aura Development Agreement" must be fully satisfied.

6. In the event the property is rezoned and the Developer fails to obtain final Civil Plan approval within two (2) years of the effective date of the rezoning ordinance, then the City may schedule a public hearing before the City Council for the purpose of causing the zoning on the Property to revert to the former classification of Estate Residential (ER) in accordance with A.R.S. § 9-462.01.

SECTION 8. 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 9. 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 10. Effective Date

This ordinance shall become effective thirty (30) days following adoption by the City Council.

PASSED AND ADOPTED by the City Council of the City of Flagstaff this 4th day of May, 2021.

_____
MAYOR

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY

Exhibits:
Legal Description

ASSESSOR PARCEL NUMBER
112-05-011
LEGAL DESCRIPTION
INSTRUMENT 3654325
9.5592 ACRES

Official Records of Coconino County 3654325
Patty Hansen - Recorder 02/19/2013 04:07 PM Pgs: 5
GADARIAN & CACY SW $13.00

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:
GADARIAN & CACY, P.L.L.C.
2200 East River Road, Suite 123
Tucson, Arizona 85718

Recording Data:

MAIL TAX STATEMENTS TO:

Auza Flagstaff, L.L.C.
3378 S. 16th Avenue
Yuma, Arizona 85365

CORRECTION TO DEED

THIS DEED IS BEING RE-RECORDED FOR PURPOSES OF CORRECTING THE LEGAL DESCRIPTION AND TO REFLECT CORRECT DATES. DEEDS WERE EXECUTED BEFORE THE CREATION OF AUZA FLAGSTAFF, L.L.C.

This Correction to Deed is intended to apply to real estate located known as Tax Code Parcel No. 112-05-011.

EXEMPT UNDER A.R.S. SECTION 11-1134 B 2.

Dated: February 15, 2013

Gregory V Gadarian
Attorney for Martin R. Auza, Sr., as Manager of Auza Flagstaff, L.L.C.

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 15th day of February, 2013, by Gregory V. Gadarian, attorney for Martin R. Auza, Sr., as Manager of Auza Flagstaff, L.L.C.

CAROL COTA
Notary Public - Arizona
Pima County
My Commission Expires
March 14, 2014

Notary Public

Official Records of Coconino County 3649146
Candace Owens - Recorder 12/20/2012 03:38 PM Pgs: 3
GADARIAN & CACY SW $13.00

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Yuma, Arizona 85365

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, we

Martin Auza and Shirley Auza, Trustees of the Auza Living Trust, created on September 21, 1992

hereby convey to

AUZA FLAGSTAFF, L.L.C., an Arizona limited liability company,

all right, title, or interest we have in the real property located in Coconino County, Arizona, described as follows:

See Exhibit "A" attached hereto and incorporated herein by this reference.

This Deed is intended to convey the real estate known as Tax Code Parcel No. 112-05-011.

The legal description herein is taken from that certain instrument recorded September 25, 1992 on Docket 1508 at Page 458 and is intended to be identical to the legal description contained in that instrument.

Subject to: current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record or otherwise.

Grantors warrant title as against all of Grantors' acts and no other acts and subject to all taxes, conditions, covenants, restrictions, reservations, easements, encumbrances and matters of record.

The Affidavit and fee required under A.R.S. § 11-1132 and 1133 do not apply to this transfer because the transfer is exempt under A.R.S. § 11-1134 B 8

The beneficiaries of the Auza Living Trust created on September 21, 1992 are:

Martin and Shirley Auza
3378 South 16th Ave.
Yuma, Arizona 85365

DATED: November 30, 2012.

Auza Living Trust

Martin Auza, Trustee

Shirley Auza, Trustee

STATE OF ARIZONA)
)ss.
County of Pima)

The foregoing instrument was acknowledged before me this 30th day of November, 2012, by Martin Auza and Shirley Auza.

OFFICIAL SEAL
DEBORAH M HACKSTADT
Notary Public - State of Arizona
PIMA COUNTY
My Comm. Expires July 20, 2014

Notary Public

J:\M-Clients\Auza, Martin & Shirley\Auza, Martin & Shirley - AZ LLC\1451_Deed- 112-05-011 to LLC.WPD

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The beneficiaries of the Auza Living Trust created on September 21, 1992 are:

Martin and Shirley Auza
3378 South 16th Ave.
Yuma, Arizona 85365

DATED: December 14, 2012.

Auza Living Trust

Martin Auza, Trustee

Shirley Auza, Trustee

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 14th day of December, 2012, by Martin Auza and Shirley Auza.

OFFICIAL SEAL
DEBORAH M HACKSTADT
Notary Public - State of Arizona
PIMA COUNTY
My Comm. Expires July 20, 2014

Deborah M. Hackstadt
Notary Public

J:\TM-Clients\Auza, Martin & Shirley\Auza, Martin & Shirley - AZ LLC\1451_Deed- 112-05-011 to LLC WPD

EXHIBIT "A"

The following described real property situated in Coconino County, Arizona:

The North 774.45 feet of the East 618.74 feet of Section 32, Township 21 North, Range 7 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona.

Less: 1.45 AC 1623/406.

ASSESSOR PARCEL NUMBER
112-05-001W
LEGAL DESCRIPTION
PARCEL 1 OF
INSTRUMENT 3654328
1.4511 ACRES

Official Records of Coconino County 3654328
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This Correction to Deed is intended to apply to real estate located known as Tax Code Parcel No. 112-05-007B and 112-05-001W.

EXEMPT UNDER A.R.S. SECTION 11-1134 B 2.

Dated: February 15, 2013

Gregory V. Gadarian
Attorney for Martin R. Auza, Sr., as Manager of Auza Flagstaff, L.L.C.

STATE OF ARIZONA)
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CAROL COTA
Notary Public - Arizona
Pima County
My Commission Expires
March 14, 2014

Notary Public

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SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, we

Martin Auza and Shirley Auza, Trustees of the Auza Living Trust, created on September 21, 1992

hereby convey to

AUZA FLAGSTAFF, L.L.C., an Arizona limited liability company,

all right, title, or interest we have in the real property located in Coconino County, Arizona, described as follows:

See Exhibit "A" attached hereto and incorporated herein by this reference.

This Deed is intended to convey the real estate known as Tax Code Parcel No. 112-05-007B and 112-05-001W.

The legal description herein is taken from that certain instrument recorded September 25, 1992 on Docket 1508 at Page 461 and is intended to be identical to the legal description contained in that instrument.

Subject to: current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of record or otherwise.

Grantors warrant title as against all of Grantors' acts and no other acts and subject to all taxes, conditions, covenants, restrictions, reservations, easements, encumbrances and matters of record.

The Affidavit and fee required under A.R.S. § 11-1132 and 1133 do not apply to this transfer because the transfer is exempt under A.R.S. § 11-1134 B 8

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DEBORAH M HACKSTADT
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PIMA COUNTY
My Comm. Expires July 20, 2014

Deborah M. Hackstadt
Notary Public

Grantors warrant title as against all of Grantors' acts and no other acts and subject to all taxes, conditions, covenants, restrictions, reservations, easements, encumbrances and matters of record.

The Affidavit and fee required under A.R.S. § 11-1132 and 1133 do not apply to this transfer because the transfer is exempt under A.R.S. § 11-1134 B 8

The beneficiaries of the Auza Living Trust created on September 21, 1992 are:

Martin and Shirley Auza
3378 South 16th Ave.
Yuma, Arizona 85365

DATED: December 14, 2012.

Auza Living Trust

Martin Auza, Trustee

Shirley Auza, Trustee

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 14th day of December, 2012, by Martin Auza and Shirley Auza.

OFFICIAL SEAL
DEBORAH M HACKSTADT
Notary Public - State of Arizona
PIMA COUNTY
My Comm. Expires July 20, 2014

Deborah M. Hackstadt
Notary Public

EXHIBIT "A"

Parcel 1:

A parcel of ground lying in the Northeast quarter of Section 32, Township 21 North, Range 7 East, Gila & Salt River Base and Meridian, Coconino County, Arizona, described as follows:

Commencing at a 1965 B.L.M. Brass Cap Monument at the Northeast corner of Section 32;

thence South 00° 20' 29" East (Basis of Bearings), a distance of 774.90 feet (Record 774.45 feet) to a found and accepted ½ inch rebar at the TRUE POINT OF BEGINNING from which a found 1965 B.L.M. Brass Cap at the East quarter corner of Section 32 lies South 00° 18' 01" East, a distance of 1872.63 feet;

thence South 00° 18' 01" East, a distance of 102.10 feet to a set 5/8 inch rebar with plastic cap stamped "SEC RLS 13015";

thence South 89° 57' 11" West, a distance of 619.43 feet to a set 5/8 inch rebar with a plastic cap stamped "SEC RLS 13015';

thence North 00° 17' 28" West, a distance of 102.10 feet to a found and accepted ½ inch rebar;

thence North 89° 57' 12" East, a distance of 619.42 feet (Record 618.74 feet) to the TRUE POINT OF BEGINNING.

Parcel 2:

A parcel of ground lying in Section 32, Township 21 North, Range 7 East, Gila & Salt River Base and Meridian, Coconino County, Arizona, described as follows:

COMMENCING at a found 1965 B.L.M. Brass Cap Monument at the Northeast corner of Section 32, and the Northwest corner of Section 33, from which a found 1965 B.L.M. Brass Cap Monument at the North quarter corner of Section 33 bears North 89° 44' 00" East (Record per B.L.M., plat and Basis of Bearings for this description);

thence along the North line of Section 32, South 89° 56' 58" West, a distance of 618.74 feet to the TRUE POINT OF BEGINNING from which a found 1965 B.L.M. Brass Cap Monument at the North quarter corner section of Section 32, bears South 89° 56' 58" West, a distance of 2024.11 feet and also from which a found ½ inch rebar bears South 01° 29' 55" East, a distance 5.88 feet;

thence leaving said North line South 00° 17' 28" East, a distance of 338.00 feet from which, a found ½ inch rebar bears South 00° 17' 28" East, a distance of 436.86 feet;

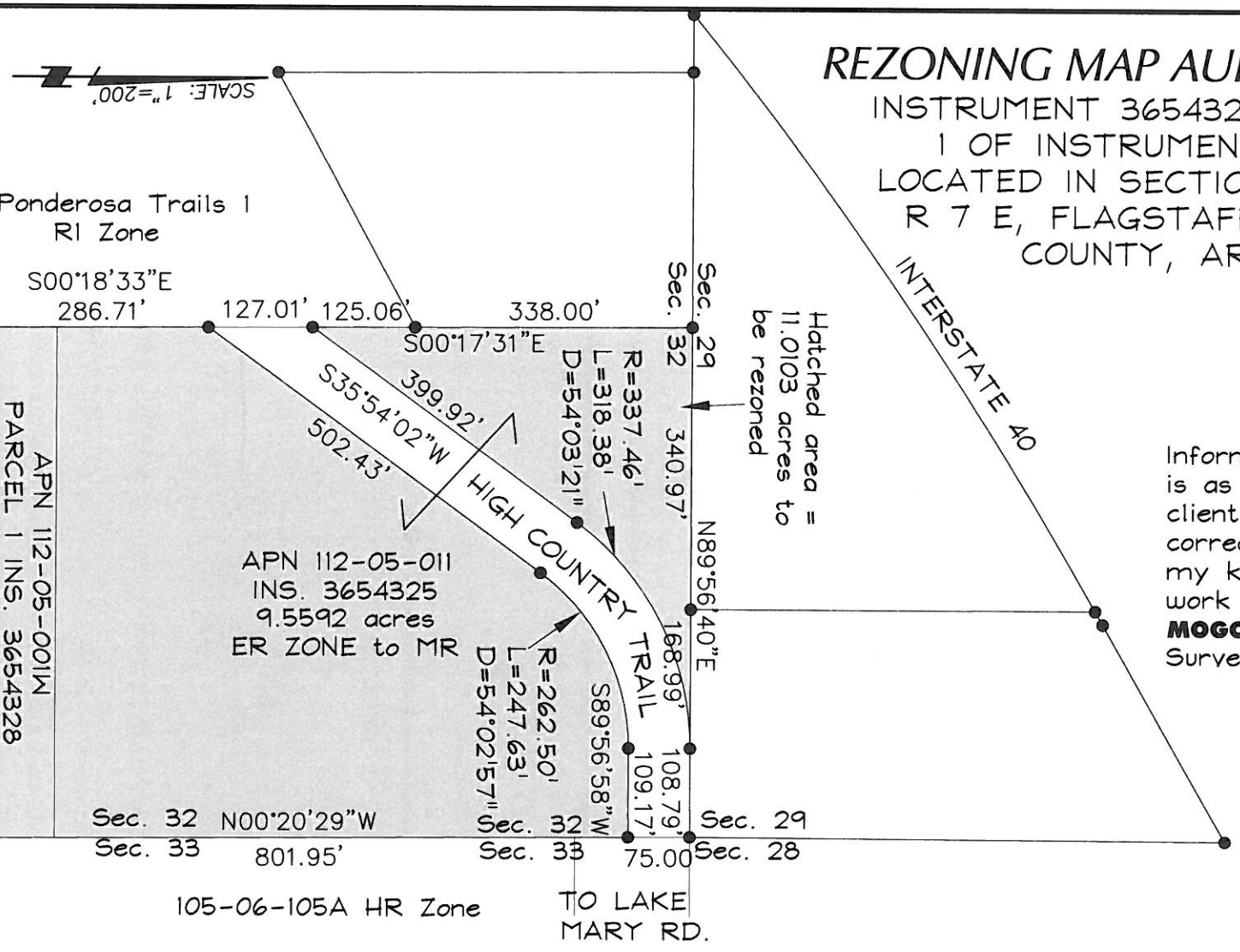
thence South 61°18' 42" West, a distance of 351.78 feet;

thence north 00° 17' 28" West, a distance of 506.60 feet to the North line of Section 32;

thence along said North line, North 89° 56' 58" East, a distance of 309.45 feet to the TRUE POINT OF BEGINNING.

REZONING MAP AURA FLAGSTAFF

INSTRUMENT 3654325 and PARCEL 1 OF INSTRUMENT 3654328, LOCATED IN SECTION 32, T 21 N, R 7 E, FLAGSTAFF, COCONINO COUNTY, ARIZONA



Information shown hereon is as provided by the client and is true and correct to the best of my knowledge. No field work was performed by **MOGOLLON** Engineering & Surveying, Inc.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
23950
KENT V.
HOTSENPILLER
Date Signed 1/30/20
ARIZONA U.S.A.

Expires on 3/31/__

HORIZONTAL SCALE: 1"=200'
VERTICAL SCALE:
DESIGNED/DRAWN BY:
PROJECT NO. 17259
DATE: 1/30/20

Mogollon Inc
ENGINEERING & SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Az. 86001
Phone: 928-214-0214 • Mogollan99@aol.com

EXHIBIT B
REZONING MAP
AURA FLAGSTAFF

WHEN RECORDED RETURN TO:

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

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is made as of the ___ day of _____, 2020, by and between the CITY OF FLAGSTAFF, ARIZONA, an Arizona municipal corporation (the "**City**") and AUZA FLAGSTAFF, LLC (the "Owner") AND TRINSIC ACQUISITION COMPANY, LLC, a Delaware limited liability company (the "**Developer"**). The City and the Developer are sometimes referred to in this Agreement collectively as the "**Parties**," or individually as a "**Party**."

RECITALS

A. AUZA FLAGSTAFF, LLC (the "Owner") owns that certain real property located west of the intersection of Lake Mary Road and High Country Trail in Flagstaff, Arizona, which consists of approximately 11 acres and is more particularly described on **Exhibit A** (the "**Property**").

B. It is the desire and current intention of the Developer to develop a 160-unit multi-family residential community on the south side of the Property (the "**Project**").

C. It is the desire and current intention of the Owner that upon approval by City Council of the rezoning of the Property as described in **Section 2** below, the Developer will acquire the Property, on which the 160-unit multi-family residential community will be constructed. The Developer is under contract with the Owner to purchase the Property upon which the Project will be constructed, and is authorized to make the commitments described herein.

D. Arizona Revised Statutes Section 9-500.05 allows a municipality and a landowner or any other person having an interest in real property located in the municipality to enter into a development agreement pertaining to any matter relating to the development of such real property, including applicable land use rules, regulation and official policies, permitted land uses, density and intensity of land use, phasing of the development and duration of the development agreement, and development fees.

E. The Parties desire to enter into this Agreement in order, among other things, to facilitate development of the Property by providing for and establishing the community character of the Property, the type of land uses and the location, density, and intensity of such land uses, designating twenty (20) units for affordable rental housing, and other matters relating to the development of the Property as depicted in the preliminary site plan for the Project (the "**Site Plan**"), a copy of which is attached as **Exhibit B** and incorporated by reference in this Agreement.

F. The City believes that the development of the Property pursuant to this Agreement would provide certain benefits to the City, and the Developer believes that the development of the Property pursuant to this Agreement would be beneficial and advantageous to the Developer.

AGREEMENT

Now, therefore, in consideration of the foregoing recitals and representations and the mutual promises contained in this Agreement, the Parties agree as follows:

1. **Recitals**. The recitals above, A through F are incorporated into this Agreement.

2. **Implementation of the Concept Plan through the Rezoning.** The Developer has submitted an application for a direct to ordinance zoning map amendment to rezone the Property from Estate Residential (ER) to Medium Density Residential (MR) in accordance with the Site Plan. The Developer acknowledges that the City Council has absolute discretion to approve or disapprove the proposed zoning. The Parties acknowledge that certain conditions (the "Rezoning Conditions") will be approved separately in connection with the rezoning. In the event a conflict exists between the language set forth in one or more of the Rezoning Conditions and the terms of this Agreement, the Rezoning Conditions shall govern.

3. **Division and Combination of Parcels.** Following the zoning map amendment approval, the Developer will acquire the Property and file a lot combination with the City to combine the parcels that are subject to the zoning map amendment into one parcel. The final configuration of the parcels within the Property is shown in **Exhibit C**. The Property must be maintained as a single parcel as depicted in Exhibit D; this parcel cannot be split for the life of the Project. This paragraph survives the termination of this Agreement.

4. **Development Standards.** Unless otherwise modified by this Agreement, the development of the Property shall be governed by the City's ordinances, rules, guidelines, and policies controlling permitted uses of the Property, 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 as well as any Rezoning Conditions and requirements set forth in this Agreement; provided, however, that Developer shall obtain certificate of occupancy for the multi-family housing development described in **Section 5** below within five (5) years following the effective date of this Agreement. The Developer's failure to obtain certificate of occupancy for the entirety of the multi-family housing development within five (5) years of the effective date of the rezoning ordinance shall entitle the City, in its sole discretion, to conduct a public hearing for the purpose of reverting the Medium Density Residential (MR) zoning on the Property to its former zoning classification of Estate Residential (ER), in accordance with Arizona Revised Statutes § 9-462.01. Regardless of the time of development, current City Engineering Standards, Building Code, Fire Code, and other Code provisions, regulations, rules, and guidelines will apply to the Project.

4.1 Unit Count: The Project shall be limited to a maximum of 160 dwelling units.

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5. **Project Description.** The Project contemplated by this Agreement shall consist of a multi-family housing development consisting of one-hundred sixty (160) rental units on the 9-acre southern portion of the Property as set forth in the Site Plan attached hereto as Exhibit C, which include one hundred and twelve (112) one-bedroom units and forty-eight (48) two-bedroom units. Twenty (20) rental units will be permanently affordable and subject to the Affordability Plan, which is described in **Section 11** below. The Developer may request subsequent amendments to the Site Plan in accordance with the Flagstaff Zoning Code. Notwithstanding the forgoing, the unit mix may be modified no more than ten percent (10%) without City Council approval.

5.1 Pickleball Court: The Developer agrees to construct a 20' x 44' concrete pad for public recreational use within the Project's public open space area adjacent to High Country Trail.

5.2 Electric Vehicle Charging: The Developer shall install one (1) dual port electric vehicle charging station and pre-wire the necessary conduit and junction boxes for two (2) additional dual port electric vehicle charging stations prior to obtaining a Certificate of Occupancy for the Project from the City of Flagstaff

5.3 Recycling: The Developer agrees to provide recycling collection services at all solid waste enclosures within the Project.

5.4 Bicycle Storage and Amenities: The Developer agrees to provide a minimum of three (3) indoor bicycle storage spaces within the Project clubhouse building and a bike repair station with tools and vending for typical bike repair components. Additionally, Developer agrees to provide covered bicycle parking for five (5) of the outdoor bicycle parking spaces within the Project.

6. **Standards.** All public works facilities and infrastructure which Developer is required to construct pursuant to the provisions of this Agreement, and which, upon completion will be dedicated to the City, shall be designed and constructed to State and City standards.

7. **Construction of Public and Private Improvements.**

7.1 Developer shall, at its own expense, construct or cause to be constructed all public and private improvements as required by the City's code or ordinances and in accordance with approved specifications. Following construction of the described public improvements, and dedication of the same to the City, the City shall assume, at its expense, and in accordance with City policies, the maintenance and repair of all public improvements to be constructed, with the exception of the FUTS trail extension on the Property as described below in **Section 8.3**.

7.2 The Developer shall meet all City of Flagstaff storm water, pre vs post retention, peak flow mitigation, Low Impact Development, and rainwater

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harvesting requirements per the approved drainage report and site plan, and as shown on the approved civil construction plan.

7.3 Per the Aura Flagstaff Public Water & Sewer Impact Analysis prepared by the City of Flagstaff dated June 1, 2018, no off-site infrastructure improvements are required other than to serve the Project.

7.4 Developer shall extend the FUTS trail in accordance with all applicable City standards for trail width, paving, drainage, lighting, landscaping, and all other necessary requirements, through a portion of the Property, as generally depicted on the Site Plan. FUTS access pathways shall not be gated or otherwise obstructed and shall be open to the general public at all times. Developer shall be responsible for all maintenance and snow removal operations of the portion of the FUTS trail extension on the Property.

7.5 Per the Traffic Impact Statement ("TIS") for the Project prepared by CivTech, Inc. dated February 3, 2020 and submitted to the City of Flagstaff, traffic from the completed Project will have a minimal effect on existing conditions in the surrounding area and no mitigation measures are warranted or recommended. The Developer will work with the City to design and implement the recommendations in the TIS and in a manner that meets City Codes and guidelines.

8. **Dedication of Public Easements.** Public utility and drainage easements must be identified on the construction plans and dedicated prior to the issuance of building permits. Dimensions for these easements must be in accordance with City requirements.

8.1 As part of the development of the Property and to facilitate the expansion of FUTS, the Developer agrees to dedicate a twenty (20) foot wide FUTS easement (the "Easement") to the City and to construct the trail system in the configurations and dimensions depicted in the Site Plan as part of the public improvements. The Developer shall dedicate the FUTS easement to the City concurrently with the approval of the civil plan set for the Project. The Developer agrees that the construction of the trail system will coincide with the development of the Property.

8.2 In order to preserve the required forest resources, including those described below in **Section 10**, the Developer agrees to dedicate a resource protection easement for the approximate 1.93 acres of the Property on the north side of High Country Trail as identified in the Post Development Resources plan attached as **Exhibit D**.

9. **Resource Protection.** The Parties acknowledge and agree that resource protection provisions set forth in the City's Zoning Code are applicable to the entire Property. The Developer understands that it shall maintain twenty-five percent (25%) of the existing forest resources in their

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natural state. See **Section 14.3** below regarding the reduction in required forest resource preservation on the Property from fifty percent (50%) to twenty-five percent (25%).

10. **Open Space North of High Country Trail.** The Developer shall provide 1.45 acres of contiguous public open space adjacent to the north side High Country Trail as shown in **Exhibit E**. The public open space area shall be maintained as a pedestrian-only passive recreation area and shall be open to the public. The remaining 0.55 acres shall remain private open space not open to the public also as shown in **Exhibit E**. The public open space and private open space areas shall be separated by fence or equivalent permanent barrier. With the exception of the fence and the existing residential structure, no other structures may be built or placed within the entirety of the 2.0-acre area north of High Country Trail shown in **Exhibit E.**

11. **Affordable Housing.** Developer agrees to provide an affordable housing contribution of twenty (20) percent of the number of units allowed before the density bonus is applied, or twenty (20) of ninety-nine (99) allowable dwelling units. Developer shall provide for the long-term management of these units for households earning up to eighty percent (80%) of the Area Median Income (AMI) as defined by the US Department of Housing and Urban Development (HUD), or its successors, for thirty (30) years after the units are placed into service. Developer will comply with the affordable housing requirements set forth in the Affordability Plan attached as **Exhibit G**, attached hereto and incorporated by reference. The Affordability Plan may be modified only with the express written consent of the City of Flagstaff Housing Director.

Developer's property manager shall not discriminate against an applicant's source of income, and will accept HUD Housing Choice Vouchers and Veterans Affairs Supportive Housing ("VASH") Vouchers. No limits will be set on the number of vouchers accepted at the Project. Standards for applicant income shall be waived for voucher holders, as the rent affordability is reviewed and determined by the Flagstaff Housing Authority. Applicants that already possess a voucher will be placed in a market rate unit. Property management shall allow a tenant to break the lease on an affordable unit without penalty if awarded a Housing Choice Voucher or VASH Voucher, at which time the tenant may sign a new 12-month lease for market rate rent.

The provisions of **Section 11** shall survive the termination of this Agreement.

12. **Sustainable Building Program Density Bonus.** In order to meet the applicable density bonus criteria in Zoning Code Section 10-30.70.030 the Developer commits to meeting the Home Energy Rating System (HERS) 50 standard for all units, which entitles the developer to 25 bonus units. However, in the event that City of Flagstaff adopts an equivalent density bonus for all-electric residential units by October 31, 2021, Developer shall provide all-electric residential units instead of meeting the HERS 50 standard for all units in the development. Accordingly, the development will meet the minimum sustainable building standards outlined in Section 10.30.70.040 of the Zoning Code:

12.1 Water Resource Protection: The landscape design for the development shall not include an oasis zone (hydrozone 1) as otherwise permitted in Section 10-50.60.050(C), Oasis Allowance, and Section 10-50.60.060, Hydrozones.

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12.2 Transportation/Air Quality: The development site is located within at least one-quarter mile of a bus stop; and, the development is located within at least one-quarter mile of a FUTS trail or connected to it; and, residential electrical systems are designed for electric vehicle charging.

12.3 Waste Reduction During Construction: A plan for the recycling or reuse of all paper, cardboard, plastics, and metals; and, a plan for the recycling or reuse of all lumber scraps so that they are diverted from the landfill

12.4 Energy Efficiency: If the Developer applies the HERS rating system to receive the density bonuses allowed under Section 10-30.70.030, Density Bonus, shall obtain independent third-party verification that the minimum HERS rating has been achieved to the satisfaction of the Director and the Building Official before the density bonus is applied.

13. **Crime Free Multi-Housing Program.** Following completion of construction of the Project, the Developer shall work with City of Flagstaff to join and participate in the City of Flagstaff Crime Free Multi-Housing Program.

14. **Incentives.** In recognition of the Developer's agreement to set aside twenty (20) units for affordable rental housing purposes and utilize the City's sustainable building bonus, the City has approved the following incentives for the Project:

14.1 A density bonus of forty-five (45) units has been applied in accordance with Zoning Code Section 10-30.20.040(B)(2).

14.2 A density bonus of twenty-five (25) units has been applied in accordance with Zoning Code Section 10-30.70.030.

14.3 A fifty percent (50%) reduction in the forest resource protection requirement per Zoning Code Table 10-30.20.040.B.

14.4 A reduction of 16 required parking spaces per Zoning Code Table 10-50.80.040.A.

15. **Notices.** Unless otherwise specifically provided in this Agreement, all notices, demands, or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery or as of the third business day after mailing by United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows:

To City:

City Manager
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, Arizona 86001

To Developer:

Todd Gosselink
Trinsic Acquisition Company
4040 E. Camelback Road Suite 222
Phoenix, AZ 85018

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Copy To:

City Attorney
City of Flagstaff
211 W. Aspen Avenue
Flagstaff, AZ 86001

16. **Default and Remedies.**

16.1 Events Constituting Default. A party hereunder shall be deemed to be in default under this Agreement if such party breaches any obligation required to be performed by the respective party hereunder within any time period required for such performance and such breach or default continues for a period of thirty (30) days after written notice thereof from the party not in default hereunder.

16.2. Dispute Resolution. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before the commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to commercial property development. Each party agrees to bear its own costs in mediation. The Parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This section does not constitute a waiver of a Party's right to 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. The results of the mediation shall be nonbinding on the parties and any party shall be free to initiate litigation upon the conclusion of mediation.

16.3. Developer's Remedies. In the event that the City is in default under this Agreement and fails to cure any such default within the time period required therefore as set forth in Section 8.1 above, then, in that event, in addition to all other legal and equitable remedies which the Developer may have, the Developer may terminate this Agreement by written notice delivered to the City.

16.4 City's Remedies. In the event that the Developer is in default under this Agreement, and the Developer thereafter fails to cure any such default within the time period described in Section 16.1 above, then, in that event, in addition to all other legal and equitable remedies which the City may have, the City may terminate this Agreement by written notice delivered to the Developer.

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16.5 Development Rights in the Event of Termination. Upon the termination of this Agreement as provided herein, the Developer shall have no further rights to develop the Property pursuant to this Agreement.

16.6 Liability and Indemnification. Developer shall indemnify, protect, defend and hold harmless the City, its Council members, officers, employees, and agents for, from and against any and all claims, demands, losses, damages, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, including, without limitation, reasonable attorney's fees and costs of defense arising, directly or indirectly, in whole or in part, out of the performance of this Agreement by City or Developer, or nonperformance of this Agreement by the Developer.

16. General Provisions

17.1 Amendment. This Agreement may be amended at any time by written amendment executed by all Parties, which amendment shall be recorded in the official records of Coconino County, Arizona within ten (10) days following its execution.

17.2 Applicable Law. This Agreement shall be construed under and in accordance with the laws of the State of Arizona.

17.3 Assignment. All of the provisions of this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the Parties, pursuant to A.R.S. § 9-500.05(D). In addition, Developer's rights and obligations may only be transferred or assigned to a person or entity that has acquired the Property and only by a written instrument recorded in the official records of Coconino County, Arizona expressly assigning such rights and obligations. Any such transfer or assignment shall not be valid as to the City until written notice has been sent to the City in accordance with **Section 15** of this Agreement. All rights and obligations of the Developer under this Agreement shall constitute covenants running with the land and shall be binding on all of the Developer's successors and assigns.

17.4 Attorney's Fees and Costs. If legal action by any Party is brought because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and court costs.

17.5 Authority. The person executing this Agreement on behalf of Developer warrants and represents that they have the authority to execute this Agreement on behalf of Developer, and that the execution of this Agreement has been approved by all required actions on the part of such Parties, and that this Agreement is fully binding on such Parties.

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

17.7 Consistent with General Plan. This Agreement ensures that all development on the Property shall be consistent with the City's General Plan recommendation for the Property as required by A.R.S. § 9-500.05(B).

17.8 Construction of Agreement. This Agreement has been arrived at by negotiation and shall not be construed against any Party to it or against the Party who prepared the last draft.

17.9 Counterparts. This Agreement may be executed by the Parties in two (2) counterparts, which counterparts shall be construed as a single document and have the same effect as if all of the Parties had executed the same instrument.

17.10 Covenants Run with the Land. The covenants and agreements contained in this Agreement are mutual covenants and also constitute conditions to the subsequent or concurrent performance of the Party benefitted thereby. All covenants shall be covenants running with the land, and shall bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

17.11 Effective Date and Term. This Agreement shall be effective (the "**Effective Date**") upon execution by the parties hereto and recordation in accordance with A.R.S. § 9-500.05 (as amended). The term of this Agreement shall extend from the Effective Date of this Agreement and shall automatically terminate thirty years from such date. Notwithstanding the termination date of this Agreement, Developer has the obligation to provide the affordable units for a term of thirty (30) years from the date the affordable units are placed into service.

17.12 Entire Agreement. This Agreement constitutes the entire agreement among the Parties and shall not be changed or added to except in the manner provided in **Section 17.1**. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, other than those specifically incorporated in this Agreement, are superseded by this Agreement. The parties acknowledge and agree that this Agreement is to be read and interpreted with the ordinance approving the zoning map amendment.

17.13 Exhibits. All exhibits attached are incorporated by reference as though fully set forth in this Agreement.

17.14 Further Acts. Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

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17.15 Jurisdiction and Venue. Any action at law or in equity arising under this Agreement or brought by a Party for the purpose of enforcing, construing, or determining the validity of any provision of this Agreement shall be filed and tried in the Superior Court of the County of Coconino, State of Arizona, and the Parties waive all provisions of law providing for the filing, removal, or change of venue to any other court. This **Section 17.15** shall survive termination of this Agreement.

17.16 Modification. No modification of this Agreement shall be deemed effective unless in writing and signed by the Parties, and any waiver granted shall not be deemed effective except for the instance and circumstances particularly specified in a written waiver executed by the Party against whom enforcement of the waiver is sought.

17.17 No Partnership; No Agency. It is specifically understood and agreed by and among the Parties that the development of the Project on the Property is a private development, that no Party 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. The Parties acknowledge and agree that this Agreement does not create a partnership, joint venture, or similar entity, and that no such partnership, joint venture, or similar entity has been created by the City and the Developer.

17.18 No Obligation to Develop Property. Except as specifically set forth in this Agreement, there shall be no obligation for the Developer to construct the Project.

17.19 No Third Party Beneficiaries. No person or entity other than a Party to this Agreement or legal representative, successor in interest, or assign of such party shall be entitled to rely on this Agreement or the performance of any Party; this Agreement is not made for the benefit of any person or entity not a Party; and no such person or entity shall be entitled to assert any claim arising out of, or in connection with, this Agreement.

17.20 Proposition 207 Waiver. Developer hereby waives and fully releases any and all financial loss, injury, claims, and causes of action that the Developer 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 Number 2020-21 regarding the Property. This waiver constitutes a complete release of any and all claims and causes of action that may arise or may be asserted under the Act with regard to the subject Property. Developer 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

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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 City's existing land use laws, including Ordinance Number 2020-21, upon the Property.

17.22 Recordation of Agreement. In accordance with A.R.S. § 9-500.05(D), this Agreement shall be recorded in its entirety in the official records of the Coconino County Recorder, State of Arizona no later than ten (10) days from the date of its execution.

17.23 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect construction or interpretation of this Agreement.

17.24 Compliance with All Laws. Developer will comply with all applicable Federal, State, and County laws, as well as with all applicable City ordinances, regulations, and policies.

17.25 Time is of the Essence. For the purposes of enforcing the provisions of this Agreement, time is of the essence.

17.26 Waiver. No waiver by any Party to this Agreement of a breach of any of the terms, covenants, conditions of this Agreement shall be construed or be held to be a waiver of any succeeding or proceeding breach of the same or any other term, covenant, or condition of this Agreement.

[Signatures on Following Pages]

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DEVELOPER

_____, a(n)
_____

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by _____, as _____ of _____, a(n) _____ _____, on behalf of the Company.

_____
Notary Public

My Commission Expires:

_____

OWNER

_____, a(n)
_____

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2021, by _____, as _____ of _____, a(n) _____ _____, on behalf of the Company.

_____
Notary Public

My Commission Expires:

_____

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CITY

CITY OF FLAGSTAFF, an Arizona municipal corporation

By: _____
_____, Mayor

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

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STATE OF ARIZONA)
) ss.
County of_____)

The foregoing instrument was acknowledged before me this _____ day of_____ _____, 2021, by_____, the Mayor of the City of Flagstaff, an Arizona municipal corporation.

_____
Notary Public

My Commission Expires:

_____

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Flagstaff City Council will hold a Public Hearing on Tuesday, April 6, 2021, at 3:00 p.m. to consider the following:

A. Explanation of Matters to be considered:

1. A proposed amendment to the official City of Flagstaff zoning map to rezone 11 acres from Estate Residential (ER) to Medium Density Residential (MR) for the purpose of multi-family residential development.

The site currently consists of land owned by Auza Family LLC at 151 West High Country Trail.

B. General Description of the Affected Area:
Approximately 11 acres, Coconino County Assessor's Parcel Number 112-05-001W and 112-05-011 located in a portion the SE ¼ of Section 29, and a portion the NE ¼ of Section 32, Township 21 North, Range 7 East, G&S.R.M. Located at 151 West High Country Trail, City of Flagstaff, Coconino County, Arizona.

City Council meetings are currently being held virtually. For instructions on the virtual meetings visit the following link:

https://www.flagstaff.az.gov/328/Meeting-Protocols-Information

Contact the Planning Development Manager listed for maps and information regarding the proposed amendment.

The meeting will also be live streamed on the city's website:

https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings

PROPOSED ZONING MAP AMENDMENT
From Estate Residential (ER) to Medium Density Residential (MR) for the purpose of multi-family residential development

ADDRESS: 151 West High Country Trail
APN: 112-05-001W and 112-05-011
ACRES: Approximately 11 Acres
City of Flagstaff
Coconino County

FOR FURTHER INFORMATION CONTACT
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Publish: March 13, 2021

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Flagstaff Planning and Zoning Commission will hold a Public Hearing on Wednesday, December 9, 2020, at 4:00 p.m. to consider the following:

A. Explanation of Matters to be considered:

1. A proposed amendment to the official City of Flagstaff zoning map to rezone 11 acres from Estate Residential (ER) to Medium Density Residential (MR) for the purpose of multi-family residential development.

The site currently consists of land owned by Auza Family LLC at 151 West High Country Trail.

B. General Description of the Affected Area:
Approximately 11 acres, Coconino County Assessor's Parcel Number 112-05-001W and 112-05-011 located in a portion the SE ¼ of Section 29, and a portion the NE ¼ of Section 32, Township 21 North, Range 7 East, G&S.R.M. Located at 151 West High Country Trail, City of Flagstaff, Coconino County, Arizona.

Planning and Zoning Commission meetings are currently being held virtually. For instructions on the virtual meetings visit the following link:

https://www.flagstaff.az.gov/2845/Planning-Zoning-Commission

Contact the Planning Development Manager listed for maps and information regarding the proposed amendment. The Council hearing for this item has not been scheduled at this time.

The meeting will also be live streamed on the city's website:

https://www.flagstaff.az.gov/1461/Streaming-City-Council-Meetings

PROPOSED ZONING MAP AMENDMENT
From Estate Residential (ER) to Medium Density Residential (MR) for the purpose of multi-family residential development

ADDRESS: 151 West High Country Trail
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Publish: November 21, 2020

Zoning Map Amendment Application Narrative
Case No. PZ-20-00008-01
PZ-17-00218-02

West of the Southwest Corner of High Country Trail and Lake Mary Road

Approximately 11 acres
Assessor Parcel Nos. 112-05-001W and 112-05-011

1st Submittal: December 26, 2018
2nd Submittal: February 21, 2019
3rd Submittal: March 21, 2019
4th Submittal: May 1, 2019
5th Submittal: May 13, 2019
6th Submittal: January 9, 2020
7th Submittal: May 18, 2020
8th Submittal: July 14, 2020

Prepared By:
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Flagstaff, Arizona 86001
928.214.0214

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Zoning Map Amendment Narrative Report

A request for MR Zoning to allow Multi-family Uses
Approximately 11 Acres
Located West of the Southwest Corner of High Country Trail and Lake Mary Road

A. Executive Summary

This project narrative and the proposed multifamily residential development it describes are the result of significant input feedback from the surrounding neighborhoods, city staff, and Flagstaff's public hearing bodies. This project was originally submitted as PZ-17-00218-02 for a 173-unit multifamily residential development with a 16.11-acre project area that included parcels both north and south of High Country Trail west of Lake Mary Road. During the process, concerns were raised regarding density, proximity to adjacent single-family homes, the amount of earthmoving needed to execute the project, and drainage.

In response to these concerns, the applicant has made significant changes to the project, including but not limited to:

- Decrease in density from 173 to 160 units.
- 25% decrease in number of bedrooms from 265 to 208 due to change in unit mix.
- Tripled setbacks adjacent to single-family to south and west.
- Reduced site area to 11 acres – no longer rezoning Auza homestead.
- Removed carriage buildings on south side of project and decreased height adjacent to single-family homes to the south.
    - Eliminates need for tiered retaining wall system and dramatically reduces cut and fill on south side of the site.
- Retaining all stormwater on site – won't feed into culvert system.
    - Eliminates the deep retention basin along High Country Trail – now usable, flat civic open space.
    - Eliminates the need to disturb High Country Trail for drainage purposes alleviating traffic disruption during construction.

The project proposal described herein is the product of more than two years of engagement and discourse with neighbors, staff, Planning & Zoning Commission, and City Council. The resulting proposal is a better development for both the surrounding community and the City of Flagstaff as a whole.

B. Property Location & Background

The subject property (the "**Property**") is approximately 11 acres comprised of two parcels located west of the corner of High Country Trail and Lake Mary Road, Flagstaff, Arizona, as shown in the Aerial Maps at **Tab 1**. The Property includes the parcels identified as APNs 112-05-011 and 112-05-001W**.** The Property is a portion of the Auza Family Ranch, historically used for livestock herding between Arizona, Colorado, and California, starting in the years before Flagstaff was incorporated. The Auza family has one of the longest standing

independent sheep ranching operations in the western United States. The Auzas purchased the property prior to Arizona's statehood, and although their homestead sits on the property, they no longer use the parcels in this application for ranching activities. Historical aerials at **Tab 2** depict the homestead and how the area has been developed around the Property in 1980 and 1997. It was not until after 1997 that the adjacent neighborhoods began to develop.

The Property is currently zoned ER (Estate Residential) as shown on the Zoning Map at **Tab 3**. The Regional Plan designation for the Property is Suburban – Existing, as shown on the Regional Plan Map at **Tab 4**.

The Auzas maintain the homestead north of High Country Trail as a home for family gatherings to commemorate their legacy as sheepherders in Arizona. The Auza family began sheepherding in Arizona shortly after the turn of the 20th Century. Frank Auza Sr., a second-generation Arizona sheepherder born in Spain, grew up on the Auza family homestead in Flagstaff. He was the founder of Auza Sheep Company, now known as the Martin Auza Sheep Co., and a lifetime member of the Sheriff's Posse in Flagstaff.

The Auzas continue sheepherding operations in Yuma and Williams, Arizona. For the summer months, they move ewes from Yuma to Williams to graze in the mountains on flowers, brush and mountain grasses. In the fall, the ewes are moved back to Yuma to start the cycle over again.

Part of the sheepherding journey between northern and southern Arizona includes the crossing of the Verde River. In 1943, Frank Auza helped construct a suspension bridge, known as the Verde River Sheep Bridge, which was crossed by 12,000 sheep, four times per year over the span of 44 years. The bridge was placed on the National Register of Historic Places in 1978 before it was closed in 1987. In 1989, the U.S. Forest Service constructed a replica bridge for use by hikers; the west suspension tower remains today.

The U.S. Forest Service has continued to document the sheepherding history in Arizona by recording aborglyphs carved in Aspen trees throughout northern Arizona, by members of the Auza family, among others, dating as far back as the 1880s (source: Washington Post. Tree Carvings in Northern Arizona Have Many Stories to Tell. April 22, 2000). Frank Auza's children, grandchildren and great grandchildren continue to operate the family sheepherding business and keep their family legacy alive on their homestead in Flagstaff – the land directly north of the proposed development site.

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Figure 2 – Copyright: Arizona Historical Society/Flagstaff, Frank Auza Collection, 1927-1948. Firebranding sheep at Frank Auza's sheep ranch, 1936.

Figure 1 - Source: wherefoodcomesfrom.com. Sheep grazing on the Auza family homestead

Figure 4 - Source: Library of Congress. Frank Auza at Verde River Suspension Bridge

Figure 3 - Source: bridgemeister.com. Replica suspension bridge at Verde River.

Figure 5 - Source: USDA website. Aspen carving by sheepherder.

C. Purpose of Request

The owner of the Property, Auza Flagstaff, LLC, the Auza family (the "**Owner**"), and the developer of the Property, Trinsic Acquisition Company LLC (the "Applicant") request to rezone the Property from Estate Residential (ER) to Medium Density Residential (MR) to permit the development of a high-quality market rate multi-family residential community. The historic taking of the Auza Family Ranch land has limited development options on the Property; those takings include the construction of Interstate 17 at the north end of the Property and, particularly, the bisection of the Property by High Country Trail and an electrical utility easement for the high voltage transmission lines along the south side of High Country Trail. Despite these development limitations, the Applicant and the Owner have worked diligently to create a development plan that meets the Zoning Code requirements for the MR zoning district and Resource Protection overlay and, most importantly, is sensitive to and compatible with adjacent uses. This proposal also includes affordable housing units to help the City of Flagstaff narrow the housing deficit for households that cannot afford market-priced rental or for-sale housing.

Changes imposed on the site through land takings have impacted the Property for many years. These include the following:

1. The construction of Highway 89A, now Interstate 17, in the middle of the 20th Century, across the northern portion of the Auza Homestead.

2. The 80-foot wide electrical easement traversing the entire site from east to west no later than 1962.

3. The construction of High Country Trail, bisecting the Property, between 1997 and 2002 to support the development of Ponderosa Trails community, followed by the Summit community and Timber Trails.

These changes to the Auza Homestead have placed restrictions on the property that have significantly limited development options available to the Auzas on their overall site. The proposed development provides an option that allows the Auzas to maintain their primary homestead, despite the land takings over the years.

D. Description of Proposal

This zoning map amendment application is a proposal to develop multi-family residences on the south side of the High Country Trial, as depicted in the Site Plan included with this application.

Trinsic develops high-quality, amenity-rich multi-family residential properties. Their custom design approach to each residential community is site specific and driven by natural features and local architectural character. Trinsic uses "best in class" planning and construction practices, emphasizing high-end finishes, distinctive design elements and a full complement of amenities. Trinsic's team, which has well over 50 years of combined experience in the industry, has developed numerous communities in the southwest and northwest areas of the country.

The proposed multi-family community, branded as Aura Flagstaff, will be highly amenitized and offer larger units than most other multi-family communities. The proposed site plan takes into consideration the 7% average slope of the Property south of High Country Trail. There are approximately 5 acres of the Property that are within a utility easement adjacent to High Country Trail that will remain undeveloped but will contain

civic and common open space amenities and landscaping. Due to a reconfiguration of the on-site retention, this area will no longer be a retention basin for the site. Instead, it will be a flat, park-like area to be enjoyed by the greater community.

This application includes a Natural Resources Survey and Protection Plan and the Applicant intends to develop within the limitations of the Plan to meet the City's Zoning Code provisions. A Materials Management Plan is included with this application to clearly outline solid waste and recycling to be provided on site. The Applicant is an industry leader in promoting waste diversion programs at each of its communities, where in most jurisdictions, providing recycling for multi-family uses is not a requirement.

The development proposal includes two and three-story buildings, and a mix of 70% one-bedroom and 30% two-bedroom units. The proposed 160 multi-family units and amenity/office building total 73,368 square feet; 15.30% lot coverage. The open space area for the Property totals approximately 108,983 square feet and 23% of the site. The common open space, available to multi-family residential tenants, is provided exclusively south of High Country Trail and totals 79,983 square feet and 17% of the Property. Additionally, the civic open space provided is 29,000 square feet and 6% of the Property, located adjacent to High Country Trail.

The site plan includes units equal to 20% of the allowable base density that qualify as Category 1 of the City of Flagstaff Affordability Program. The density for the project was calculated using a 45% density bonus based on the inclusion of these units. The site plan also utilizes a 25% density bonus through the utilization of sustainable building practices and materials, allowing for an additional 25 units and an overall total of 169 residential units. Aura Flagstaff is proposing the development of 160 units – 9 units below the maximum allowable density.

The site plan proposes a setback of 116' 3" from the north property line, 47' 8" from the south property line, 66' 4" from the east property line, and approximately 66' 11" from the west property line – all of which exceed the Zoning Code requirements. The site plan utilizes the enhanced setback along south property line in conjunction with the natural slope and grade of the terrain to maximize privacy for the single-family residences to the south and the west.

The site is buffered by mature pine trees and a setback from High Country Trail of 116' 3" to 224' 8". This proposal should not have any detrimental impact on neighboring properties as Zoning Code provisions for setbacks will be met, with buildings lower than permitted adjacent to property lines, and a substantial number of pine trees will be preserved throughout the Property. The tree resources on the approximate 1.9 acres north of High Country Trail will be protected with a Resource Protection Easement. The applicant will utilize the affordable housing incentive to reduce the tree resource protection from 50% to 25%. The applicant will also dedicate an easement for the benefit of the Auza Family to allow the existing minor encroachment of the Auza Family residence across the north property line of the portion of the Property north of High Country Trail.

As noted in the Executive Summary, the proposed site plan was the subject of a substantial redesign and reconfiguration, resulting from input and feedback received from the community, staff, and during the public hearing process. The proposed site plan reduces the project area and residential density (with a greater reduction in the overall number of bedrooms), increases the number of affordable housing units, incorporates sustainable building techniques, triples the setbacks and removes the carriage buildings adjacent to single-family homes, reduces the overall acreage of the application, reduces earthwork

disturbance and lowers retaining requirements, and retains all storm water on site eliminating the need for a steep retention basin in the Common Open Space and Civic space, and eliminates the need to disturb High Country Trail.

DEVELOPMENT STANDARDS – REQUIRED/PROVIDED

Standard	MR Zoning District Standard	Proposed with Development Plan
Setback		
Front (min.)	10' – 2nd Floor and Below 15' – Above 2nd Floor	116' 3"
Side Yard (min.)	5'	66' 4" (East) 66' 11" (West)
Rear Yard (min.)	15'	47' 8"
Height (max.)	35 feet 40 feet with a 6:12 pitched roof	40 feet with a 6:12 pitched roof
Coverage (max.)	40%	15.3%
Density: Gross (units/acre)	6 du/ac (Min.) 9 du/ac (Max.)	14.54 du/ac (with affordable housing and sustainability bonus incentives)
Parking Spaces	240 spaces (266 minus 10% reduction for bus service area)	242 spaces
Open Space (% of Gross Lot Area)	Civic (5%): .55 Acres / 23,981 square feet Common (15%): 1.65 Acres / 71,943 square feet	Civic (6%): .67 Acres / 29,000 square feet Common (17%): 1.84 Acres / 79,983 square feet

E. Relationship of Property to Surrounding Area

The Property is west of Lake Mary Road, bisected by High Country Trail and just south of Interstate 17. The Property is adjacent to a multi-family use and undeveloped commercial land to the east; single family

residential uses to the south; and multi-family and single-family residential uses to the west. The zoning in the area is shown on the Zoning Context exhibit included with this application.

The adjacent property zoning is as follows:

North: Interstate 17 and Rural Residential (RR)
East: High Density Residential (HR), Highway Commercial (HC), Rural Residential (RR)
South: Single Family Residential (R1)
West: Single Family Residential (R1) and Medium Density Residential (MR)

The Regional Plan map designation for the Property is Suburban – Existing. The proposed development is consistent with the Regional Plan Suburban Neighborhood Characteristics for open space, density range, natural resources and type of residential. As designed, Aura Flagstaff is compatible with the surrounding neighborhoods, which consist of other high-density, medium-density and single-family residential developments, and commercially zoned property.

F. Community Outreach

During the original rezoning case, PZ-17-00218-02 the Applicant conducted extensive outreach to the community over a two-year period, which resulted in the significant changes to the development plan outlined in the Executive Summary above. The following provides an overview of the community engagement and submittal process in the original case.

Type	Date
Original Zoning Case PZ-17-00218-02	
Voluntary letter sent to neighborhood informing them of proposed development	1/16/2018
Individual meetings with homeowners on Goldrush Trail	2/5/2018
Concept Submittal 1 to the City	2/6/2018
Additional meetings with homeowners on Goldrush Trail	2/22/2018
Concept Submittal 2	5/3/2018
Completion of Cultural Resource Report	5/24/2018
Concept Submittal 3 – included reduction from 197 to 173 units to increase open space	6/28/2018
Preparation of Traffic Impact Statement for proposed development for formal site plan submittal	6/29/2018
Formal Site Plan Submittal	8/20/2018

Hold first formal neighborhood meeting for larger surrounding community	10/18/2018
Attend & discuss proposed development at Ponderosa Trails Annual HOA Meeting	10/24/2018
Site Plan Submission 2	12/13/2018
Formal Rezoning Application Submittal	12/26/2018
Attend and present to Ponderosa Trails HOA Board solutions to items previously raised by community including improved line of site from adjacent properties by lowering buildings through site grading, reduction in density, increase in open space, and driveway realignments to improve safety of driveways.	1/17/2019
Site Plan Submission 3	1/24/2019
Site Plan Submission 4	2/21/2019
Hold second neighborhood meeting for larger community with staff's approval	3/4/2019
Site Plan Submission 5	3/14/2019
Planning & Zoning Commission Public Hearing	5/22/2019
Site Plan Submission 6	11/4/2019

New Zoning Case PZ-20-00008-01

Site Plan Submission 7	1/9/2020
Formal Rezoning Application Submittal	1/9/2020
Letters mailed for first formal neighborhood meeting	3/13/2020
Hold first formal virtual neighborhood meeting	3/23/2020
Site Plan Submission 8	5/18/2020
Letters mailed for second formal virtual neighborhood meeting	6/19/2020
Hold second formal virtual neighborhood meeting	7/1/2020

G. Regional Plan Analysis

The Regional Plan map designation for the Property is Suburban – Existing. The proposed development is consistent with the Regional Plan Suburban Neighborhood Characteristics for open space, density range (up to 13 units per acre), natural resources and type of residential. As designed, Aura Flagstaff is compatible with the surrounding neighborhoods, which consist of high-density, medium-density and single-family residential developments and commercially zoned property.

The Regional Plan's existing Land Supply Analysis states that "[o]nly 12 percent of the land in the planning area is privately held. Given this small amount of land, determining how to encourage development patterns that fulfill the community vision (Regional Plan) is a significant task." This proposal for multi-family development is on 11 acres of privately held land and has been designed to support the goals and objectives of the community vision for Flagstaff.

The Land Supply Analysis of the Regional Plan also evaluates vacant land within city limits that is available for development based on current zoning. The Regional Plan then projects demand by land use under the current zoning for 2010-2020 and 2030-2050. Within city limits, the projected demand for multi-family development is a total of 225 acres by 2050, and under this land use, the Plan identifies a deficit of 46 acres of available land to be developed. The proposed project fulfills 11 acres of this deficit.

Growth is limited in Flagstaff not only by geography and land ownership, but by design, through careful City planning over the last 25 years. As such, the City has adopted a policy of promoting "compact development" that is focused on the areas within the City's boundaries to prevent sprawl and encourage smart planning. The proposed development is respectful of Flagstaff's scale, character, and design traditions and achieves many of the tenets of compact development including: connected access for pedestrians, bicyclists, and transit; medium densities in appropriate contexts; provision of a range housing options including multi-family housing options with shared amenities; and support of open space goals. While the city center is often a focus of compact development, the Regional Plan contemplates suburban development as appropriate in areas outside the city center as follows:

> *Support for the concept of more compact growth does not, and has not, precluded new suburban development from occurring away from the center of the City, such as the Ponderosa Trails subdivision.*

Rezoning the Property to permit the development of the proposed multi-family residential development, with affordable units, contributes to the Environmental Planning and Conservation, Water Resources, Energy, Community Character, Land Use, Transportation Neighborhoods, Housing, & Urban Conservation goals and policies of the Regional Plan as discussed below.

Goal E&C.6. Protect, restore and improve ecosystem health and maintain native plant and animal community diversity across all land ownerships in the Flagstaff region.

- ***Policy E&C.6.8. Disturbed areas for improvements and landscaping for new developments shall emphasize the use of native, drought-tolerant or edible species appropriate to the area.***

  All plants selected for the proposed palette are native or naturalized based on Section 3.030: City of Flagstaff Landscape Plant List. Additionally, most of the plants have low water needs based on the same section, with none of the plants requiring high water needs.

- ***Policy E&C.9.2. Construction projects employ strategies to minimize disturbed area, soil compaction, soil erosion, and destruction of vegetation.***

  This site plan was developed to minimize the disturbance of trees and natural grades on a site with

significant natural topography. The building layout and orientation are designed to protect the buildings during heavy rain and snowstorms and to provide a balance between the gradation of the site in specific areas and to minimize site cuts.

Most significantly, the current iteration of this site plan removes the carriage buildings previously proposed in close proximity to the south property line. This change allows for significantly enhanced setbacks adjacent to the single-family homes to the south, substantially reduces the need for cuts into the natural terrain and preserves more of the natural topography on site. Preserving more of the natural terrain south of the site also reduces the number of retaining walls – rather than a system of tiered retaining walls requiring substantial disturbance to the natural topography, only a single split-face CMU retaining wall is necessary

Approximately 6.5 acres will remain undisturbed and just over 28% of the tree points existing today will be preserved. This includes a .58-acre area at the southwest corner of the site and 1.93 acres north of High Country Trail.

Goal WR.4. Logically enhance and extend the City's public water, wastewater, and reclaimed water services including their treatment, distribution, and collection systems in both urbanized and newly developed areas of the City to provide an efficient delivery of services.

- ***Policy WR.4.3. Development requiring public utility services will be located within the Urban Growth Boundary.***

  A Water and Sewer Impact Analysis has been completed by the City of Flagstaff for this site in response to an application made and paid for by the Applicant. The city concluded that services will be provided to the site. Given that it is within the Urban Growth Area, the water and sewer utilities needed to serve the site meet this policy.

Goal E.1. Increase energy efficiency

- ***Policy E.1.4. Promote cost-effective, energy-efficient technologies and design in all new and retrofit buildings for residential, commercial, and industrial projects.***

  The Applicant incorporates sustainability features in all of their projects they develop. This project will include many design features that help increase energy efficiency.

  - Low E insulated glass
  - High efficiency HVAC – 15 SEER units
  - LED lighting throughout
  - Low voltage LED landscape lighting
  - Recycle program for residents and office/common areas
  - Low flow water fixtures
  - Energy Star appliances
  - Individual unit water meters to track usage

- Energy efficient pool pump and filtration equipment
- Unit separation assemblies with STC 55 or greater for enhanced sound separation and energy retention
- An irrigation design that employs low flow drip irrigation to maximize efficiency, and a smart controller with weather sensing technology
- Applicant will participate in the City of Flagstaff's Sustainable Building Program which will require apartment units to achieve a HERS rating of 50 or better.

Goal CC.1. Reflect and respect the region's natural setting and dramatic views in the built environment.

- ***Policy CC.1.1. Preserve the natural character of the region through planning and design to maintain views of significant landmarks, sloping landforms, rock outcroppings, water courses, floodplains, and meadows, and conserve stands of ponderosa pine.***

  The natural resources plan (the "Plan") for the project outlines 28.28% of trees to be retained, exceeding the minimum requirement. A portion of those trees are along the north side of High Country Trail, preserving views from the street., with additional new trees being planted along the south side of High Country Trail and throughout the multi-family project. A significant open space area at the southwest corner of the site will also preserve tree resources, adjacent to single-family residential to the south, in addition to those preserved throughout the site, as depicted on the Plan.

Goal CC.3. Preserve, restore, enhance, and reflect the design traditions of Flagstaff in all public and private development efforts.

- ***Policy CC.3.2. Maintain and enhance existing buildings and blend well-designed new buildings into existing neighborhoods.***

  The architectural design for Aura Flagstaff was developed to be site specific and complement traditional design characteristics associated with Flagstaff. The design is appropriate for the region and climate, and consistent with surrounding developments. Design inspiration for the development was drawn from surrounding existing buildings such as The Lodge Luxury Apartments, Timber Trails Apartments, Sandstone Highlands Apartments, and adjacent single family homes in the Ponderosa Trails subdivision. The use of cementitious lap siding (hardy plank), stone, recessed windows, covered stairways, and limited use of stucco on surrounding buildings helped steer the development's exterior material selections. The earth and forest inspired color palette will blend seamlessly into the preserved Ponderosa Pine trees on the site.

Goal CC.4. Design and develop all projects to be contextually sensitive, to enhance a positive image and identity for the region.

- ***Policy CC.4.1. Design streetscapes to be context sensitive and transportation systems to reflect the desired land use while balancing the needs of all modes for traffic safety and construction and maintenance costs.***

  The existing sidewalk at back of curb, along the south side of High Country Trail will be replaced with

a FUTS trail that meanders adjacent to the project. The FUTS trail will be setback from 5- to 7-feet from the property line, providing a larger buffer between the street and pedestrians. This setback provides greater safety for pedestrians. Additionally, the applicant will extend the FUTS trail beyond its property lines to connect to the trail's existing termination points east and west of the site with the permission of the Ponderosa Trails HOA. The applicant has requested approval from the Ponderosa Trails HOA to improve the portions of the proposed FUTS trail on the HOA's property at the applicant's sole cost. The request is still under consideration by the HOA.

The north side of High Country Trail will retain on site tree resources and preserve the streetscape as it exists. The setback along the south side of High County Trail, adjacent to the multi-family development is appropriate for the land use given the existence of an 80-foot electric utility easement and is sensitive to the surrounding uses and topography. Additionally, the design of both driveways city and AASHTO guidelines, accounting for the curvature of High Country Trail to maintaining traffic safety.

- ***Policy CC.4.4. Design streets and parking lots to balance automobile facilities, recognize human-scale and pedestrian needs, and accentuate the surrounding environment.***

  The site design is constrained by an existing 80-foot electric utility easement along the south side of High Country Trail. This condition limits where the buildings can be located and their connectivity with the street. The site design is further complicated by a U.S. Department of Housing and Urban Development Department ("HUD") requirement which restricts buildings from being located within the fall radius of the utility poles erected on site. Absent the utility easement and infrastructure, the Aura Flagstaff setbacks from the street are consistent with the Medium-Density Residential development to the immediate west. The site design provides clear pedestrian paths between each of the buildings and to the FUTS trail along High Country Trail. To help balance the impacts of the large utility easement, the area directly south of the FUTS trail will be civic open space landscaped with native grasses and wildflowers.

Goal LU.1. Invest in existing neighborhoods and activity centers for the purpose of developing complete, and connected places.

- ***Policy LU.1.3. Promote reinvestment at the neighborhood scale to include infill of vacant parcels, redevelopment of underutilized properties, aesthetic improvements to public spaces, remodeling of existing buildings and streetscapes, maintaining selected appropriate open space, and programs for the benefit and improvement of the local residents.***

  The proposed development is on a vacant infill parcel that currently provides no public benefit to the established neighborhoods adjacent to the site. The development of this infill parcel with civic open space and pedestrian amenities, including the extension of the FUTS path along the south side of High Country Trail. In addition to completing the FUTS path within the bounds of the Property on the south side of High Country Trail, the applicant will extend and connect the trail to its existing termination points east and west of the Property with the approval and permission of the Ponderosa Trails HOA. Further, the extension of the FUTS path, as a part of the Flagstaff pedestrian and bicycle network, will provide safer connectivity to employment and services accessible from the Mountain Line bus stop at the intersection of High Country Trail and Lake Mary Road and the two new Mountain

Line bus stops on the north and south sides of High Country Trail for which the applicant will provide concrete bus pads.

- ***Policy LU.1.11. Ensure that there is collaboration between a developer, residents, and property owners in existing neighborhoods where redevelopment and reinvestment is proposed so that they are included, engaged, and informed.***

  During the zoning map amendment process, the Applicant has and will continue to engage residents and property owners through public notices for hearings and neighborhood meetings. Information will be provided and input received from neighbors and neighborhood groups and incorporated into the project design. A citizen participation plan, prepared as part of the application, outlines the specific details of these efforts.

Goal LU.5. Encourage compact development principles to achieve efficiencies and open space preservation.

- ***Policy LU.5.2. Promote infill development over peripheral expansion to conserve environmental resources, spur economic investments, and reduce the cost of providing infrastructure and services.***

  The proposed project is within the Urban Growth Boundary and serviceable with existing city utilities and road infrastructure.

Goal LU.6. Provide for a mix of land uses.

- ***Policy LU.6.4. Provide appropriate recreational and cultural amenities to meet the needs of residents.***

  The proposed development will construct the planned extension of the FUTS along the south side of High Country Trail toward Lake Mary Road. In addition to constructing the portion of the FUTS along the portion of High Country Trail within the bounds of the Property, the applicant will construct and extend the FUTS to connect to its existing termination points west and east of the Property with the permission and approval of the Ponderosa Trails HOA. This extension will construct a portion of the planned pedestrian and bicycle network in Flagstaff.

Goal LU.13. Increase the variety of housing options and expand opportunities for employment and neighborhood shopping within all suburban neighborhoods.

- ***Policy LU.13.4. Plan suburban development to include a variety of housing options.***

  The area surrounding the Property has been developed with a variety of housing options including high-density, medium-density and single-family residential. Aura Flagstaff will provide additional medium-density market rate and affordable housing options. The limitations of the Urban Growth Area and the need for compact development support this proposal for additional medium density residential development in this area.

- ***Policy LU.13.9. Use open space and FUTS trails to provide walking and biking links from residential uses to employment, shopping, schools, parks, and neighborhoods.***

The FUTS trail that exists to the west of the proposed development is planned to be extended east to connect the established neighborhoods west of Lake Mary Road to the intersection at High Country Trail, where pedestrians and bicycles are able to access employment and services with public transit. The proposed development includes the construction of the FUTS trail extension for beyond merely the width of the Property, extending to connect to its existing termination points east and west of the site subject to the permission and approval of the Ponderosa Trails HOA.

Goal T.1. Improve mobility and access throughout the region.

- ***Policy T.1.6. Provide and promote strategies that increase alternate modes of travel and demand for vehicular travel to reduce peak period traffic.***

  The proposed development will place residents within walking distance of two bus routes and a FUTS path. The applicant is coordinating with the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) to improve the Mountain Line bus route along High Country Trail. Per NAIPTA's request, the applicant will pour concrete pads for new bus stops on both the north and south sides of High Country Trail to provide more convenient and efficient access to public transit.

Goal T.2. Improve transportation safety and efficiency for all modes.

- ***Policy T.2.1. Design infrastructure to provide safe and efficient movement of vehicles, pedestrians, bicycles, and pedestrians.***

  The site design provides clear pedestrian paths between each of the buildings and to the FUTS trail along High Country Trail. Pedestrian pathways will be striped where there are no sidewalks across parking drive aisles to provide clearly marked and safe crossing areas for pedestrians and to alert vehicles to the potential presence of pedestrians crossing. Many sidewalks are provided between buildings and leading to the clubhouse and leasing area which are isolated from drive aisles and parking areas.

Goal T.5. Increase the availability and use of pedestrian infrastructure, including FUTS, as a critical element of a safe and livable community.

- ***Policy T.5.4. Design streets with continuous pedestrian infrastructure of sufficient width to provide safe, accessible use and opportunities for shelter.***

  The existing sidewalks on the south side of High Country Trail, along with the new FUTS path that will constructed to extend beyond the width of the Property and connect to its existing termination points east and west of the site, are accessible from the proposed development and adjacent neighborhoods. This pedestrian infrastructure provides safe, accessible paths from Lake Mary Road into the neighborhood.

Goal T.6. Provide for bicycling as a safe and efficient means of transportation and recreation.

- ***Policy T.6.2. Establish and maintain a comprehensive, consistent, and highly connected system of bikeways and FUTS trails.***

As discussed above, the proposed development will extend the FUTS trail as identified by the Flagstaff Urban Trails System map. This extension will bring the "High Country Trail" to full connectivity between the "Bow and Arrow Trail" to the east and the "Ponderosa Trail" to the west. The "Ponderosa Trail" leads to recreational trails at Fort Tuthill. The "Bow and Arrow Trail" connects to other trails that lead to Northern Arizona University.

Goal NH.3. Make available a variety of housing types at different price points, to provide housing opportunity 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.***

  The units proposed for affordable housing will permanently serve residents earning 80% of the area median income or less. For a single individual, that annual income limit is $42,800 as of HUD guidance in 2019

  Flagstaff Housing staff identified one-bedroom units for the proposed development to help fill a need in the community. There is a great demand for affordable rental housing in Flagstaff. When included in a development with market rate units, affordable housing units become a possibility with the current costs of development and demand for developable land in Flagstaff.

- ***Policy NH.6.1. Promote quality redevelopment and infill projects that are contextual with surrounding neighborhoods. When planning for redevelopment, the needs of existing residents should be addressed as early as possible in the development process.***

  The MR zoning district was chosen instead of HR in the effort to blend new and existing buildings. The allowable building height of 35' (40' with a pitched roof) is appropriate given the existing multi-family structures and allowable heights to the south. The Applicant will conduct neighborhood meeting(s) to introduce the approved site plan and architectural renderings of their proposed multi-family project. When both parties arrive at a final design, the developer will present the plan to Council at a public hearing.

The project conflicts with the following Goal and Policy.

Goal E.2. Expand production and use of renewable energy.

- ***Policy E.2.4. Encourage small-scale renewable energy production and use on the local level on appropriate residential, commercial, and industrial parcels.***

  The client has incorporated small-scale renewable energy production into prior projects and continues to assess projects on a case by case basis. This project was assessed by the client as an opportunity to include small-scale energy production. There are certain restrictions on this development that make the introduction of solar difficult if not impossible. The required preservation of trees limits the opportunity for ground mounted solar arrays in undisturbed areas. Additionally, the APS easement occupying approximately 2.5 acres on the south end of High Country Trail prohibits vertical improvement in an area that could otherwise be considered for renewable energy production.

The applicant sees great value in meeting the policies and goals outlined by the Regional Plan and has made an effort to incorporate this policy but is unable to provide renewable energy for this project at this time. The Applicant will revisit and consider retrofitting the site to meet this policy after construction if the cost benefit analysis is improved at a later date. The applicant has elected to participate in the City of Flagstaff's Sustainable Building Program and will meet requirements associated with Water Resource Protection, Transportation/Air Quality, Waste Reduction During Construction, and Energy Efficiency.

H. Location, Accessibility & Site Circulation

As noted above, the Property is located west of the southwest corner of Lake Mary Road, a minor arterial, and High Country Trail, a major collector. A northbound Interstate 17 off ramp is located to the northeast of the Property. Access to the Property is solely from High Country Trail, along the north boundary of the proposed multi-family development.

The anticipated traffic pattern would be to the east to access Lake Mary Road and the rest of the Flagstaff roadway network. There would be a limited number of westbound vehicles given the termination of High Country Trail/Pulliam Drive at the airport. Access to the property will be from two 30-foot driveway entrances on High Country Trail, the main entrance approximately 124 feet from the western property line and the secondary entrance approximately 199 feet from the eastern property line. The driveways are approximately 440 feet apart, exceeding the code requirements for driveway spacing. There is no vehicular access to the Property from its west, north or east sides. The main community entrance is aligned with the rental office and community amenity area. The main drive aisle serving the community will circulate around a majority of the residential units with additional individual drive aisles serving each building. Surface parking is provided for residents and guests throughout the site.

The Applicant has worked with CivTech, a registered traffic engineer, to prepare a traffic statement ("TIS") for the proposed project which has been submitted to the city. The TIS concludes the following:

- The trip generations revealed that the proposed development could generate a total of 644 trips per day with 42 trips (19 in/23 out) generated during the AM peak hour and 71 trips (37 in/34 out) generated during the PM peak hour.
- The results of the intersection capacity analysis that all study intersections are expected to operate with acceptable levels of service (LOS C or better). The intersection of Lake Mary Road and High Country Trail should continue to operate at overall LOS B or better; therefore, no mitigation measures are warranted or recommended.
- Since not more than three (3) right turns per hour are expected at either site driveway during either peak hour, per the City of Flagstaff's Engineering Design Standards Section 13-10-010 (Streets), eastbound right-turn lanes are not warranted on High Country Trail approaching either of the two proposed site accesses.

- Two of the existing three turn lanes at the intersection of Lake Mary Road and High Country Trail provide sufficient storage using the AASHTO method. The eastbound left turn movement from High Country Trail onto Lake Mary Road could require additional storage capacity. Drivers could use the existing CTWLTL on the approach as additional storage. If the CTWLTL on High Country Trail is re-

striped to extend the existing left turn lane, CivTech recommends that it not be striped to provide more than 300 feet of storage, a typical maximum turn lane length.

- Sufficient sight distances to and from Access B appear to be available. In the first submittal of this statement, CivTech recommended the relocation of Access A. On the current site plan, not only has the driveway been relocated slightly, CivTech understands that the development will eliminate much of the sloping terrain that was of primary concern, allowing adequate sight visibility to be provided. Thus, CivTech concludes that the final, engineered location of the driveway established by the civil engineer provides the required sight distances.
- CivTech recommends that sight visibility triangles at the site driveway be provided per AASHTO guidelines. In addition, within designated sight visibility triangles, landscaping should be maintained at a maximum of two (2) feet in height. Tree branches lower than seven (7) feet should be trimmed and maintained to meet current acceptable landscape requirements.

The Applicant and its traffic engineer will work with the city to design and implement the recommendations in the TIS and in a manner that meets City Codes and guidelines. To address the traffic engineer's conclusion regarding required sight visibility triangles to meet AASHTO guidelines, the eastern driveway was modified during the site plan review process and reviewed by city staff to ensure it meets standards.

The Property is ideally located for the proposed residential development given the proximity to Northern Arizona University and other Flagstaff employers. Additionally, the eastern driveway is approximately 600 feet from the Mountain Line Route 4 and 14 bus stops at Lake Mary Road and High Country Trail, providing convenient access to public transportation for community residents.

I. Analysis of Public Good

As proposed, Aura Flagstaff helps achieve many of the Regional Plan's goals and policies. The proposed development provides additional market rate and affordable rental housing on a long vacant infill parcel that will add civic open space and extend the FUTS network. Aura Flagstaff will also participate in the City of Flagstaff Crime Free Multi-Housing Program which will be implemented at the time of construction, by working with the Police Department to train community management and ensure best practices for crime free housing are standard protocol for the management and operation of the Property. Additionally, the resource protection easement to be placed on the acreage north if High Country Trail, ensures the historical significance of the Auza family homestead and its natural resources are preserved on land that could otherwise be redeveloped and the tree resources and open space diminished along this portion of High Country Trail. The development will participate in both the City of Flagstaff's Affordable Housing Program and Sustainable Building Program. Aura Flagstaff enhances the public good, and does not threaten public health, safety, or convenience in a major way.

J. Public Utilities Analysis

There is no existing infrastructure for water and sewer on-site. The on-site sewer and water will be designed and built for this Project. The Water and Sewer Impact Analysis, completed by the City on June 1, 2018, indicates adequate Fire Hydrant pressure and sewer system capacity for the proposed infrastructure. No off-site infrastructure improvements other than to serve the intent of this Site Plan are required of this development. All proposed infrastructure will be constructed to City of Flagstaff and A.D.E.Q. Standards. Dry utilities will utilize the City Trench Engineering Detail 09-01-032.

K. Community Benefit

This proposal includes the extension and completion of the "Ponderosa Trail" FUTS trail along High Country Trail, the addition of civic open space along the south side of High Country Trail and 20 permanent affordable residential units to benefit the Flagstaff area. While a majority of the residential units under this proposal will be market rate, (20% of the maximum base density) will be affordable to those at or below 80% of the area median income (AMI), which the local housing market is not offering currently. The Applicant has worked with City staff to identify the greatest need in the community for the type of affordable units. City staff has identified the following types of units for Aura Flagstaff to help fill a void in the community and serve the public.

Unit Mix

Unit Size	Designated for Program	Total in Project
One bedroom	14	112
Two bedroom	6	48

The addition of the Aura Flagstaff affordable units will help fulfill the much-needed permanent affordable housing needs of families and individuals in Flagstaff.

Further, this project is a part of the U.S. Department of Housing and Urban Development ("HUD") 221d4 program which is a loan program for multi-family developments that targets projects with rental units to serve mid-income tenants. A project under this program must be located in an area that is shown to have excess demand for housing to be approved. HUD has completed research on the Flagstaff market and the rental housing demand, which as of 2016, when the latest report was published, had not been met. The developer of this project has been required to produce their own market analysis to clearly demonstrate the need for the proposed development to be qualified for this HUD funding program. This project clearly demonstrates the benefit to the community through new housing options identified by the Federal Government as necessary.

L. Bonus Incentives

As noted above, the applicant will be utilizing both affordable housing and sustainable building bonuses as follows:

- Affordable Housing Density Bonus: The applicant is providing 20 affordable housing units in the project (20% of the maximum base density) to utilize the 45% density bonus permitted by Section 10-30.20.040 of the Zoning Code.
- Affordable Housing Parking Reduction: Section 10-50.80.040 of the Zoning Code allows for a reduction in typical parking requirements for affordable housing units. As indicated on the site plan parking table, the applicant is providing 1.0 spaces per one-bedroom unit and 1.5 spaces per two-bedroom unit in conformance with Table 10-50.80.040.A. In total, the applicant is allocating a total of 23 parking spaces for the affordable housing units – 14 spaces for 14 one-bedroom units and 9 spaces for 6 two-bedroom units.
- Affordable Housing Tree Resource Protection Reduction: By providing 20 units with permanent affordability and utilizing sustainable building incentives, the applicant is reducing its required forest resource protection from 50% to 25% per Table 10-30.20.040.B in the Zoning Code.

- Sustainable Building Density Bonus: Pursuant to Section 10-30.70.030 of the Zoning Code, seventy five percent (75%) of the applicant's units will meet a HERS 50 standard to utilize the corresponding 20% density bonus of 20 units. Accordingly, the development will meet the minimum sustainable building standards outlined in Section 10.30.70.040 of the Zoning Code:
    - Water Resource Protection:
        - The landscape design for the development shall not include an oasis zone (hydrozone 1) as otherwise permitted in Section 10-50.60.050(C), Oasis Allowance, and Section 10-50.60.060, Hydrozones.
    - Transportation/Air Quality: All 3 will be implemented
        - The development site is located within at least one-quarter mile of a bus stop; or
        - The development is located within at least one-quarter mile of a FUTS trail or connected to it; or
        - Residential electrical systems are designed for electric vehicle charging.
    - Waste Reduction During Construction
        - A plan for the recycling or reuse of all paper, cardboard, plastics, and metals;
        - A plan for the recycling or reuse of all lumber scraps so that they are diverted from the landfill
    - Energy Efficiency:
        - An applicant applying the HERS rating system to receive the density bonuses allowed under Section 10-30.70.030, Density Bonus, shall obtain independent third-party verification that the minimum HERS rating has been achieved before the density bonus is applied, to the satisfaction of the Director and the Building Official.

M. Conclusion

This proposal brings a quality project to Flagstaff that provides amenities to the public, and most importantly, helps meet the ongoing critical housing needs of the greater community. The application is consistent with the goals and policies of the Regional Plan and addresses the need for additional market rate and affordable rental housing units identified by the city and HUD. The Applicant requests approval of this zoning amendment application. This rezoning will allow a reasonable opportunity to develop the Property for its highest and best use.

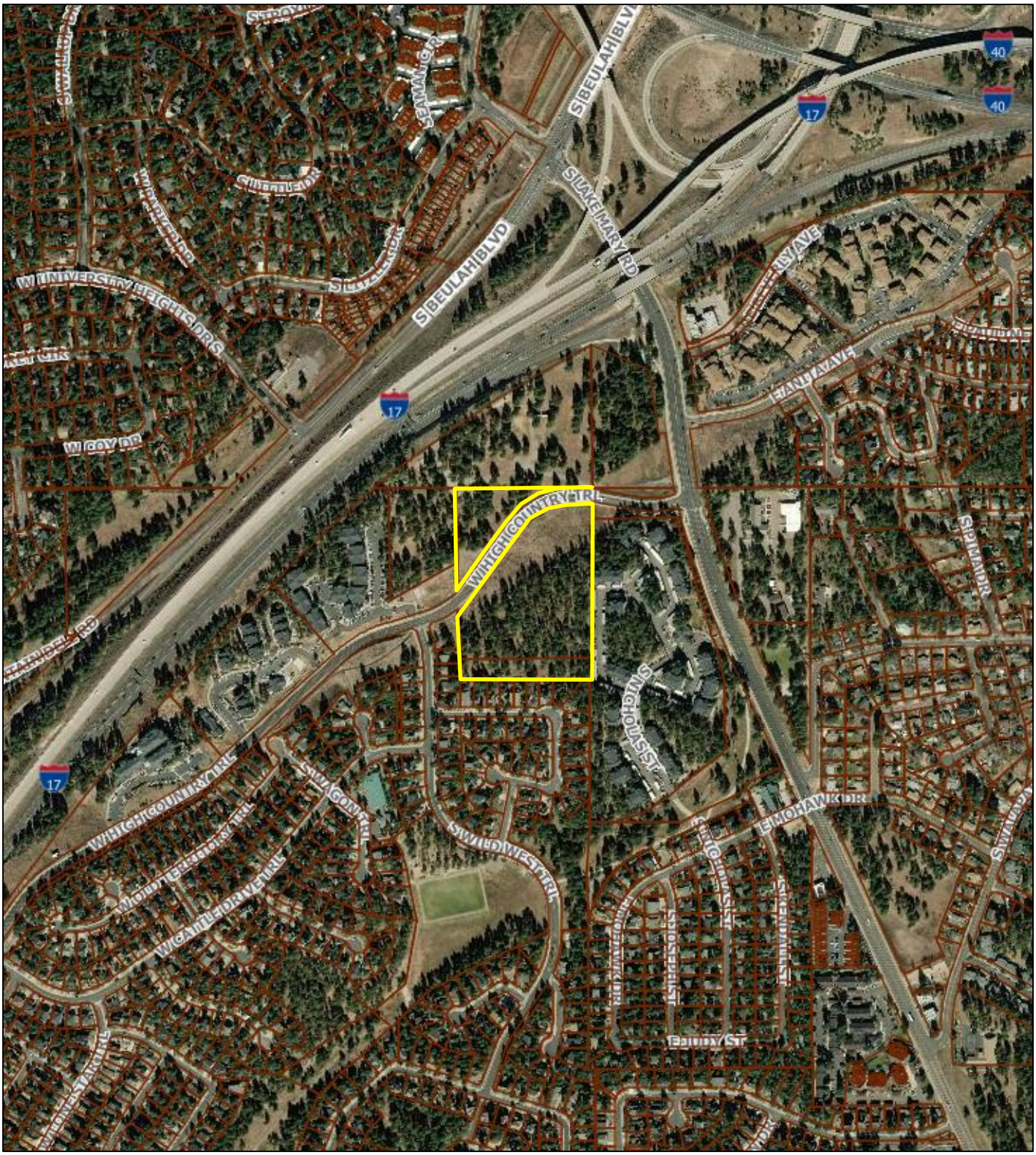
TAB 1

Aerial Map

151 W. High Country Trail – Flagstaff, AZ

N

Aerial Map



151 W. High Country Trail – Flagstaff, AZ

N

TAB 2

Historical Aerial
1980

N

151 W. High Country Trail – Flagstaff, AZ

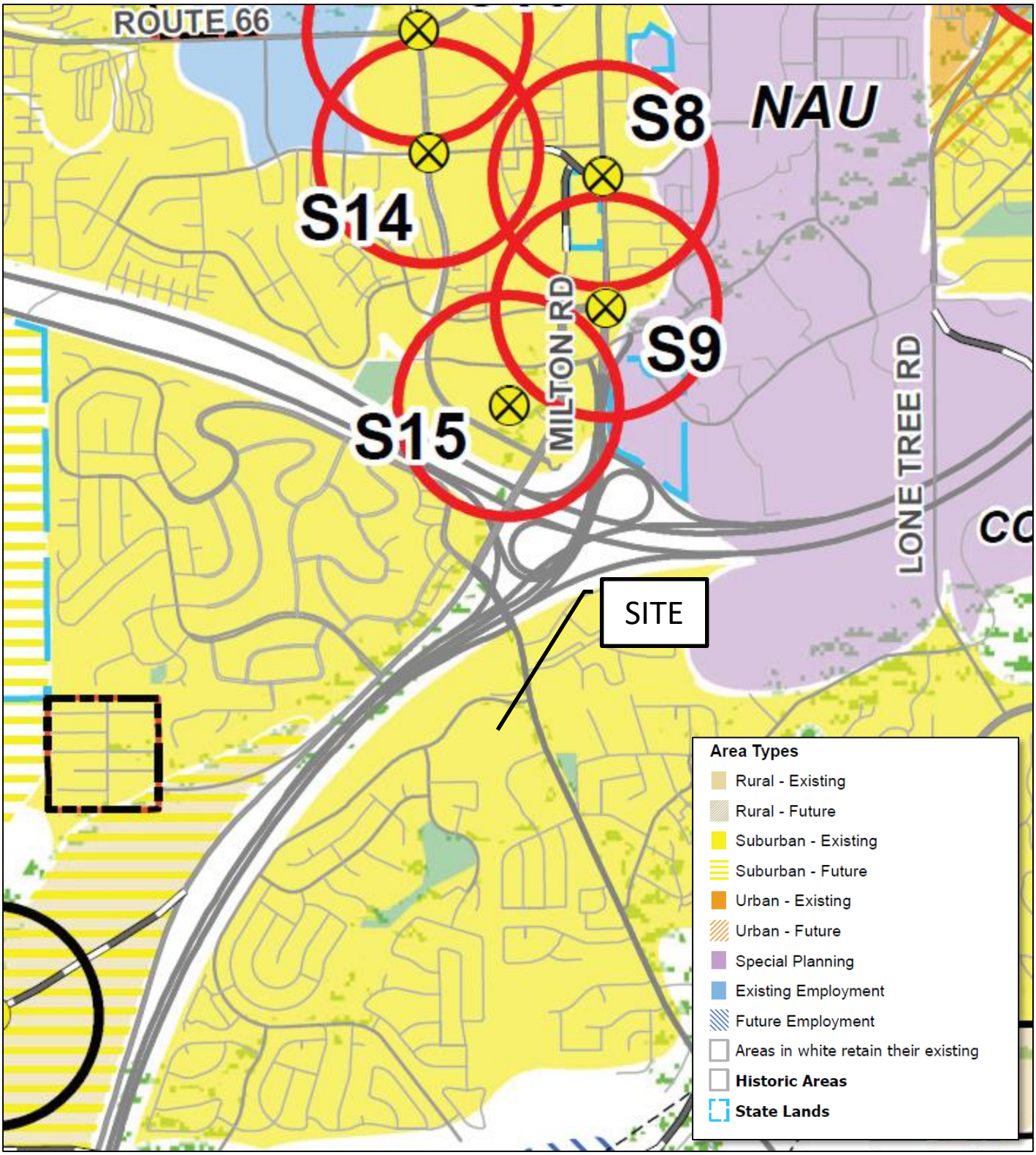
Historical Aerial
1997

151 W. High Country Trail – Flagstaff, AZ

N

TAB 3

Regional Plan Map

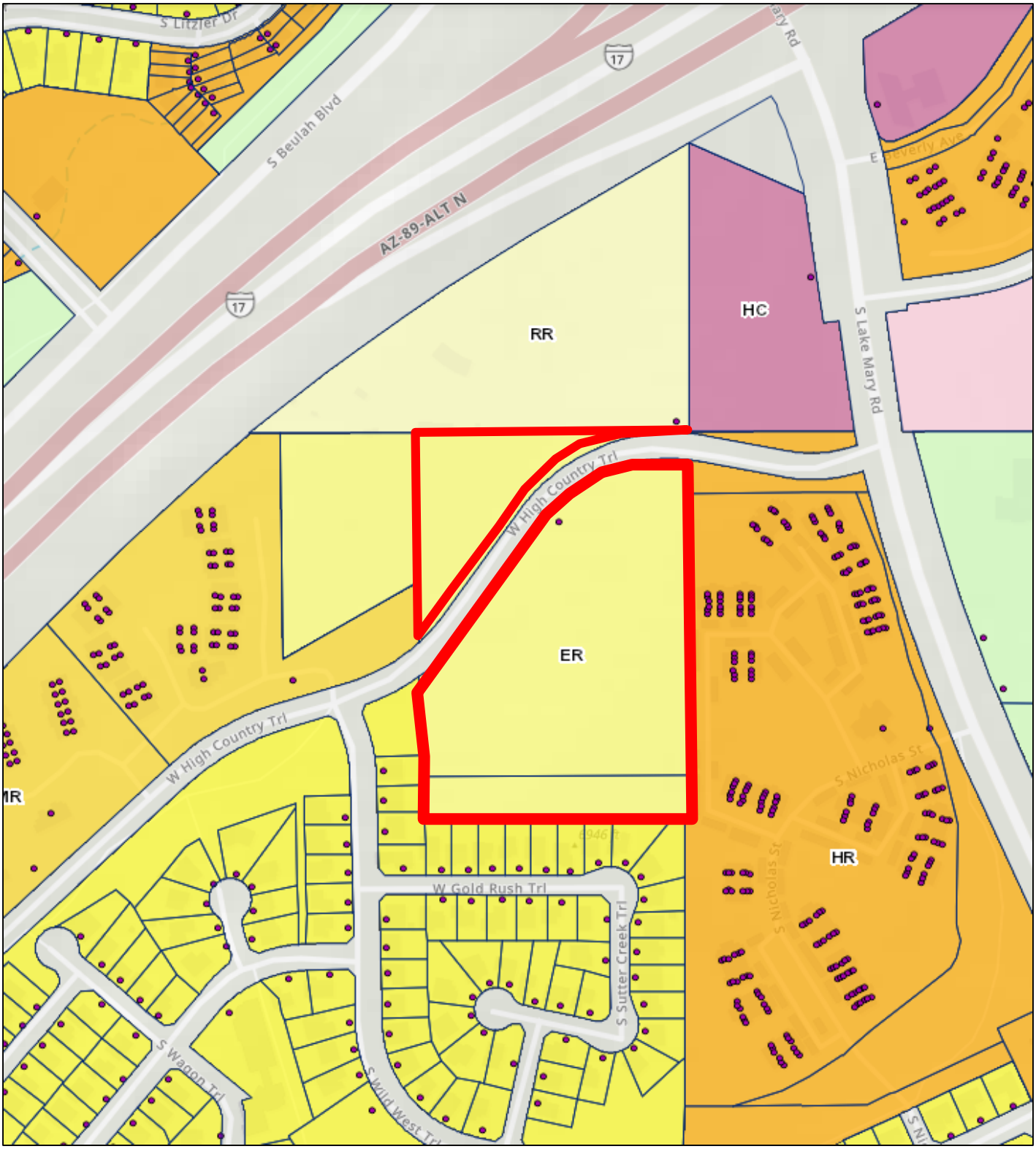


151 W. High Country Trail – Flagstaff, AZ

N

TAB 4

Zoning Map



151 W. High Country Trail – Flagstaff, AZ

N

AURA

Citizen Participation Plan
Zoning Map Amendment Application
Case No. PZ-17-00218-02

West of the Southwest Corner of High Country Trail and Lake Mary Road
Approximately 11 acres

APNs: 112-05-001W and 112-05-011

Resubmittal Date: January 9, 2020

Prepared By:
Withey Morris PLC
2525 E Arizona Biltmore Circle
Suite A-212
Phoenix, Arizona 85016
602.230.0600

Developer:
Trinsic Acquisition Company LLC
4040 East Camelback Road
Suite 160
Phoenix, Arizona 85018
480.448.0985

I. Introduction

This site is approximately 11 acres located at west of the southwest corner of Lake Mary Road and High Country Trail (the "Property"). The Property is zoned ER. The applicant originally filed applications with the City of Flagstaff for Site Plan Review and a Zoning Map Amendment to change the zoning to MR in December 2018. Following the Planning and Zoning Commission public hearing in May 2019 for these applications, the project was subject to a substantial overhaul and redesign that is now basis of this resubmittal.

These applications will allow ownership to develop a new multi-family residential development on the Property. The project is consistent with the City's General Plan designation and compatible with the surrounding uses. The purpose of this Citizen Participation Plan is to continue the substantial public engagement that occurred in the first phase of these applications and demonstrate how citizens, property owners and neighbor associations in the vicinity of the site will be informed of the application and provide feedback regarding the proposal.

This participation plan will ensure ongoing communication between the Applicant, potentially affected citizens and adjacent property owners, City staff and elected officials throughout the application review process. The information received by the Applicant from these communications will be used to make informed decisions throughout the application process with regard to the development proposal.

II. Contact List

A contact list has been prepared for the zoning map amendment application using the following criteria. Additional contacts may be added over the course of the application process as requested by neighbors, the City of Flagstaff or the Applicant.

- Each real property owner (if different from the applicant) as shown on the last assessment of the property, of any land within the areas subject to the application for which the public hearing is required.
- Each real property owner (if different from the applicant) as shown on the last assessment of the property of any land which is located within 1,000 feet of the property subject to the application for which the public hearing is required.
- The situs or actual address of all tenants and residents living on the subject property.
- All local government agencies which have reviewed and commented on the proposed development or Zoning Map amendment or which abut the subject property.
- All homeowners associations (HOAs) that govern land within 1,000 feet of the subject property as well as all persons or groups whose names are on the registry of persons and groups described above who are interested in receiving such notice.
- Neighbor attendees at all previous neighborhood meetings that signed in and provided contact information.

III. Notification Technique / Notice of Neighborhood Meeting

Citizens, registered neighborhoods, homeowners associations, and other interested parties affected by the applications as detailed above, will be notified of the requests through an informational mailing, a sign posted on site to be updated with information regarding neighborhood meetings and public hearings, and hold two organized neighborhood meetings.

The Applicant will conduct the following notice procedures:

a. Create notices that set forth the purpose and substance of the proposed application, and the time, date and place of a neighborhood meeting and public hearings. The notices shall be sent by first class mail to the Contact List established in Section II of this Public Participation Plan.

b. A notarized copy of the mailing list and affidavit of notification to affected property owners shall be submitted to the City of Flagstaff prior to the fifteenth day prior to the public hearing date and 10 calendar days prior to a neighborhood meeting.

c. Install a minimum of one sign that is at least four feet by four feet in area on the property in a location or locations clearly visible from a public right-of-way to adjacent residents setting forth the purpose, time, date, and place of the neighborhood meeting and public hearings once they are scheduled, with an attached information tube containing copies of the meeting notice. This sign shall be installed a minimum of 10 days prior to the neighborhood meeting and updated 15 days prior to the public hearing.

d. The applicant shall submit a notarized affidavit of posting and photographs of the signs posted on the subject property to the Director no less than 15 days prior to the public hearing date and 8 days prior to the public meeting.

The City of Flagstaff shall be responsible for placing the public hearing notices required by the Zoning Code in a newspaper of general circulation within the City.

IV. Neighborhood Meeting Format

The neighborhood meetings will be held for a one hour period, beginning at 5:30 p.m. on the dates established by the applicant. The meeting will be an open house format where residents can come in at any point during the one hour window and receive information from the development team about the proposal. Full size plans will be mounted to presentation boards and available for neighbors to view up close. Development team members will present information about the proposal and request, and answer questions one-on-one that meeting attendees may have. Notes will be taken by development team members during the meeting. Comment cards will be available for attendees to share their thoughts about the proposal. Sign-in sheets will be available at the meeting room entrance for meeting attendees to provide name, address, email and telephone number so they may be added to the mailing list if not already on it, and for the applicant to follow-up on any additional information that may be requested by an attendee. A copy of the sign-in sheet will be provided to the city along with a summary as outlined in this plan to City staff following the meeting. The agenda for these meetings is as follows:

AGENDA:

- Introduce the project team which will wear name tags or other forms of identification so the public knows who to speak with.
- Provide an explanation of the purpose of the neighborhood meeting.
- Adequately describe the proposed project, its location, provide a context map.

- Describe what is allowed under the current zoning and what will be allowed if the rezoning request is granted.
- Explain what happens to the feedback received at the meeting.
- Explain the anticipated timeline for the public hearing process.
- Explain next steps in the project including review and approval of site plan, civil plans and construction drawings.

V. Response Procedures

The Applicant shall respond to citizens that express interest. Individual meetings will be conducted upon specific request. The City of Flagstaff will be available to answer questions regarding the review and public hearing process. Parties affected by the applications may also share their feelings about the project by writing to the City of Flagstaff by contacting the planner assigned to the application at the following address.

Alaxandra Pucciarelli
Planning Development Manager
Current Planning Program
211 W. Aspen Avenue
Flagstaff, AZ 86001

VI. Status Procedures

The Applicant shall keep the City of Flagstaff informed of the status of its citizen participation efforts. To do so, the Applicant will provide the following to the City of Flagstaff:

a. Details of techniques the applicant used to involve the public, including:

b. Dates and locations of neighborhood meetings;

   i. Copies of letters, notices, newsletters and other correspondence, including dates and numbers of mailings or deliveries;

   ii. A copy of the mailing list, and a summary of where residents, property owners, and potentially affected citizens receiving notices, newsletters, or other written materials were located;

   iii. The number and names of people that participated in the process based on the sign-in sheet for the meeting; and

   iv. A dated photograph of the sign installed in compliance with Flagstaff Zoning Code Section 10-20.30.060 (D)(6) as outlined above in Section III of the Citizen Participation Plan.

c. A summary of concerns, issues and problems expressed during the neighborhood meeting, including:

   i. The substance of the concerns, issues, and problems; and

   ii. The applicant's response to the comments received at the public meeting. The applicant's responses shall be included on the site plan, illustrative plan, other planning document(s), and/or in an associated report. If public comments are not included in any of these documents, an explanation why they were not included must be provided;

d. The applicant shall also send a copy of the written summary to all the people who recorded their names on the sign-in sheet for the meeting.

VII. Inquiries

Inquiries will be documented and made available to City staff in the form of a report/neighborhood meeting summary as outlined above and prior to public hearings.

VIII. Schedule for Implementation

1.	Mail Notice Letters / Invitation to 1st Neighborhood Open House	February 2020
2.	Hold 1st Neighborhood Open House	February 2020
3.	Submit a summary of the Neighborhood Meeting to Staff and neighbors that attended the meeting	Within 10 days following the meeting or at the time of zoning map amendment application, whichever comes first
4.	Mail Invitation to 2nd Neighborhood Open House*	Ten days prior to meeting
5.	Hold 2nd Neighborhood Meeting	Within 30 days of formal application and no fewer than 31 days before the first hearing
6.	Submit a summary of the Neighborhood Meeting to Staff and neighbors that attended the meeting*	Within 10 days of meeting
7.	Mail Notification Letter for Public Hearing*	15 days prior to 1st Hearing
8.	Site Posting for Public Hearing	15 days prior to 1st Hearing
9.	Submit affidavit of sign posting and public hearing notice mailing	15 days prior to the 1st Hearing

*The second neighborhood open house meeting and public hearing notice may be mailed together, depending on the hearing schedule. If this occurs, the neighborhood meeting will occur no less than 31 days prior to the first public hearing date and a summary of the meeting will be submitted to the City the day after the meeting. Notice requirements as outlined above will be met.

AURA

Aura Flagstaff Virtual Neighborhood Meeting Summary

Meeting Date: 3/23/2020

Time: 5:30 pm to 6:30 pm

Development Team:

- Todd Gosselink, Trinsic Residential Group
- Jason Morris, Withey Morris, PLC
- Benjamin Tate, Withey Morris, PLC
- Richard Alvarez, ORB Architecture

Development Summary:

- 11-acre site west of southwest corner of Lake Mary Road and High Country Trail
- Request to rezone from ER (Estate Residential) to MR (Medium Density Residential)
- 160-unit high-quality multifamily residential development
    - One-bedroom units: 112
    - Two-bedroom units: 48
- Includes 20% affordable housing units
- Open space: 95,943 square feet
    - Civic open space: 24,000 square feet
    - Common open space: 71,943 square feet
- Lot coverage: 15.30%
- Parking:
    - Required: 229 spaces
    - Provided: 242 spaces

Summary of Significant Changes from Previous Site Plan:

- Decrease in density from 174 to 160 units.
    - 25% decrease in number of bedrooms from 265 to 208 due to change in unit mix.
- Tripled setbacks adjacent to single-family to south and west.
- Reduced site area to 11 acres – no longer rezoning Auza homestead.
- Removed carriage buildings on south side of project and decreased height adjacent to single-family homes to the south.
    - Eliminates need for tiered retaining wall system and dramatically reduces cut and fill on south side of the site.
- Retaining all stormwater on site – won't feed into culvert system.
    - Eliminates the deep retention basin along High Country Trail – now usable, flat civic open space.

Frequently Asked Questions:

- Will there be development on the north side of High Country Trail?
    - **No, the portion of the site on the north side of High Country Trail will be a tree resource protection area. All development for this project will be on the south side of High Country Trail**

- Does the project meet the open space requirements prescribed by the City?
    - **Yes, we are providing 24,000 square feet of civic open space (5% of the overall site) and 71,943 square feet of common open space (15% of the overall site) in compliance with the ordinance requirements. Additionally, the unimproved tree resource protection areas are not included in that calculation.**

- What is the parking ratio for the development? How many spaces are you providing per resident?
    - **We are providing a total of 242 spaces, which is a ratio of 1.5 spaces per unit. This is 13 spaces more than the 229 spaces required by ordinance.**

- Will High Country Trail be widened or will any turn lanes be added to the intersection of Lake Mary Road and High Country Trail to accommodate traffic?
    - **With respect to the widening of High Country Trail, our traffic impact analysis does not indicate a need to widen High Country Trail given the relatively low traffic impact of the reduced density development. Ultimately, however, the decision to make any changes to High Country Trail rests with the City of Flagstaff's Public Works Department**
    - **With respect to the intersection of Lake Mary Road and High Country Trail, that intersection is outside of our project boundaries. Any changes to that intersection would be made by the City of Flagstaff.**

- Would it be possible to have one driveway designated as an "entrance only" and the other designated as "exit only"?
    - **We will explore this possibility with the City of Flagstaff. Whether or not it is feasible will depend upon what creates the safest traffic conditions and allows for the most efficient flow of vehicular traffic.**

- Are there any entrances/exits from the site to Wild West Trail?
    - **No, like the previous plan there are only two points of ingress/egress from the site and they are both on High Country Trail.**

- What is the change in total square feet of housing between the old and new proposal?
    - **Old Plan: 220,330 gross square feet (lower + upper floors) with 82,223 SF footprint**
    - **New Plan: 187,269 gross square feet (lower + upper floors) with 73,368 SF footprint**

AURA

Aura Flagstaff Virtual Neighborhood Meeting Summary

Meeting Date: 7/1/2020

Time: 5:30 pm to 6:30 pm

Development Team:

- Todd Gosselink, Trinsic Residential Group
- Jason Morris, Withey Morris, PLC
- Benjamin Tate, Withey Morris, PLC
- Richard Alvarez, ORB Architecture

Development Summary:

- 11-acre site west of southwest corner of Lake Mary Road and High Country Trail
- Request to rezone from ER (Estate Residential) to MR (Medium Density Residential)
- 160-unit high-quality multifamily residential development
    - One-bedroom units: 112
    - Two-bedroom units: 48
- Includes 20% affordable housing units
- Open space: 108,983 square feet
    - Civic open space: 29,000 square feet
    - Common open space: 79,983 square feet
- Lot coverage: 15.30%
- Parking:
    - Required: 240 spaces
    - Provided: 242 spaces

Summary of Significant Changes from 2019 Site Plan:

- Decrease in density from 174 to 160 units.
    - 25% decrease in number of bedrooms from 265 to 208 due to change in unit mix.
- Tripled setbacks adjacent to single-family to south and west.
- Reduced site area to 11 acres – no longer rezoning Auza homestead.
- Removed carriage buildings on south side of project and decreased height adjacent to single-family homes to the south.
    - Eliminates need for tiered retaining wall system and dramatically reduces cut and fill on south side of the site.
- Retaining all stormwater on site – won't feed into culvert system.
    - Eliminates the deep retention basin along High Country Trail – now usable, flat civic open space.

Summary of Additional Changes Since 3/23/2020 Virtual Meeting:

- Increases in open space:
  - Civic Open Space: 24,000 SF → **29,000 SF**
  - Common Open Space: 71,943 SF → **79,983 SF**
  - Total Open Space: 95,943 SF → **108,983 SF**
- Coordination with Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) to provide new Mountain Line bus stops on north and south sides of High Country Trail.
- Added 4 Electric Vehicle parking spaces/charging stations.
- Civic space area adjacent to High Country Trail converted from turf to natural grasses and wildflowers.
- Commitment to construct FUTS trail connections east and west of site:
  - Will bring "High Country Trail" to full connectivity between "Bow and Arrow Trail" to the east and "Ponderosa Trail" to the west.

Frequently Asked Questions:

- **If the stormwater isn't feeding into the culvert system, how will the site drain and where is the water going?**
  - All stormwater will be retained on-site using a series of chambers and dry wells underneath the drive aisles in the parking area. Water will percolate naturally into the ground from the dry well tanks.

- **How will the views from the homes adjacent to the south side of the project be affected by the new site plan vs. the old site plan?**
  - The view corridor for the homes immediately south of the project in the new site plan is a significant improvement over the original plan. In the original plan, the nearest building was a 24-foot-tall carriage building 15 feet from the property line and a 40-foot-tall, three-story building approximately 93 feet from the property line. In the new plan, the nearest building is a 28' 4"-tall, two-story building approximately 48' 1". As the sightlines show (See Site Section Exhibit on Page 9), the new plan is a significant improvement even with the changes in grade elevation. Importantly, the original plan required significant clearcutting of mature 60-foot Ponderosa pine trees between the property line and the nearest building. As the exhibit illustrates, far more of those trees between the homes to the south and the project will be left undisturbed. As a result, Ponderosa pines will remain a dominant feature of the view corridor far more than the previous plan.

- **What type of energy efficient features/sustainable building practices will be used?**
  - Low E insulated glass
  - High efficiency HVAC – 15 SEER units
  - LED lighting throughout
  - Low voltage LED landscape lighting
  - Recycle program for residents and office/common areas
  - Low flow water fixtures
  - Energy Star appliances
  - Individual unit water meters to track usage
  - Energy efficient pool pump and filtration equipment
  - Unit separation assemblies with STC 55 or greater for enhanced sound separation and energy retention
  - An irrigation design that employs low flow drip irrigation to maximize efficiency, and a smart controller with weather sensing technology
  - Applicant will participate in the City of Flagstaff's Sustainable Building Program which will require apartment units to achieve a HERS rating of 50 or better.

- **At the previous meeting there was a question about designating an exit-only driveway and an entrance-only driveway, any update?**
    - The City of Flagstaff does not recommend exit/entrance-only driveways for this site.

- **How will the new bus stops on the north and south sides of High Country Trail affect traffic?**
    - The request from the Northern Arizona Intergovernmental Public Transit Authority (NAIPTA) to install bus pads was a relatively recent request and we are working with NAIPTA and the City of Flagstaff to mitigate any impact on traffic.

- **Is there demand for new multi-family residential housing in the City of Flagstaff?**
    - Flagstaff has the highest multifamily occupancy rate (over 98%) of any major municipality in the State of Arizona. There is very high demand for new, Class A multi-family residential housing in the City of Flagstaff – both for market rate and affordable housing products.

- **How many trees are you "claiming" on each side of High Country Trail?**
    - The area on the north side of High Country Trail will be left completely undisturbed and all trees will be preserved in a tree resource protection easement dedicated to the City of Flagstaff. Our tree resource survey, which is part of the City of Flagstaff submittal requirements and prepared by a certified third-party arborist, is available from the City of Flagstaff through a public records request.

- **When will we know the traffic analysis and the exact plan?**
    - We recently submitted a revised Traffic Impact Statement to the City of Flagstaff for review. It is available through a public records request to the City of Flagstaff.

- **How many ADA-compliant apartments are available?**
    - Multifamily dwelling units are governed by ANSI not ADA. All ground floor units are designed to ANSI Type B standards (62 units). 2% of all units are designed to ANSI Type A standards (the highest level of accessibility). There will be a total of 4 ANSI Type A units.

- **What is your plan for fencing adjacent homes?**
    - A 42-inch-tall fence/guardrail will be placed on top of an 8' to 10' retaining wall set back approximately 35' from the property line. See the attached North/South Site Section.

- **What will the market/affordable units rent for?**
    - These estimates are ranges that are preliminary in nature and are subject to change due to market conditions and other factors:
        - 1-Bedroom: $1,500 to $1,600 (Market Rate)/$1,000 to $1,100 (Affordable)
        - 2-Bedroom: $1,700 to $2,000 (Market Rate)/$1,200 to $1,250 (Affordable)

AURA

AURA FLAGSTAFF

West of SWC High Country Trail
and Lake Mary Road

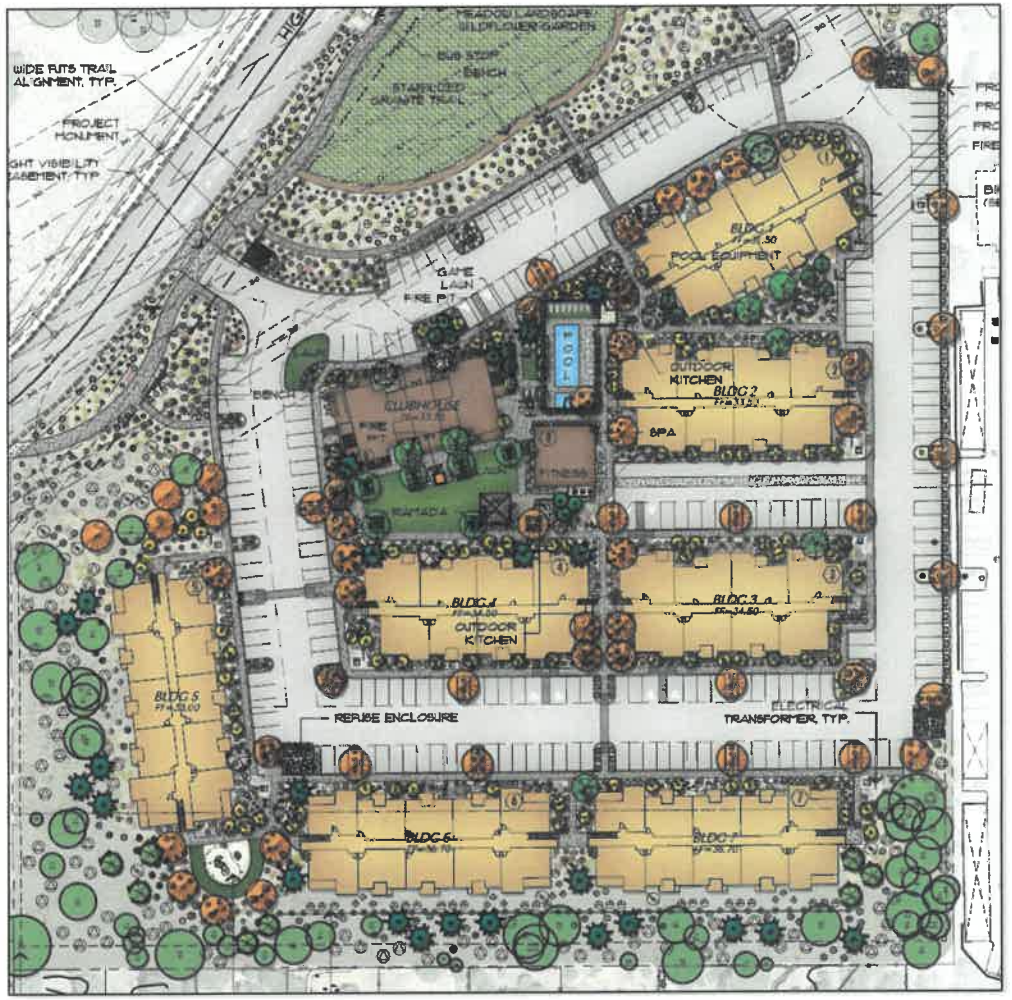
OVERVIEW

- Rezoning application originally filed December 2018 for 173-unit, 15-building multifamily residential development plus Auza homestead on north side of High Country Trail.
    - 16.11-acre project area included Auza property north of High Country Trail.
- Multiple neighborhood meetings and public hearings held from January 2019 to November 2019.
- Re-filed new zoning application in February 2020
    - Reduction in project area
    - Reduction in density
    - Reduction in overall number of buildings
    - Increase in setbacks
- First virtual neighborhood meeting for new project held on March 23, 2020

SUMMARY OF CHANGES

March 2020

- Decrease in density from 174 to 160 units.
  - 25% decrease in number of bedrooms from 265 to 208 due to change in unit mix.
  - Reduction in total number of buildings from 15 to 8
- Tripled setbacks adjacent to single-family to south and west.
- Reduced site area to 11 acres – no longer rezoning Auza homestead.
- Removed carriage buildings on south side of project and decreased height adjacent to single-family homes to the south.
  - Eliminates need for tiered retaining wall system and dramatically reduces cut and fill on south side of the site.
- Retaining all stormwater on site – won't feed into culvert system.
  - Eliminates the deep retention basin along High Country Trail – now usable, flat civic open space.

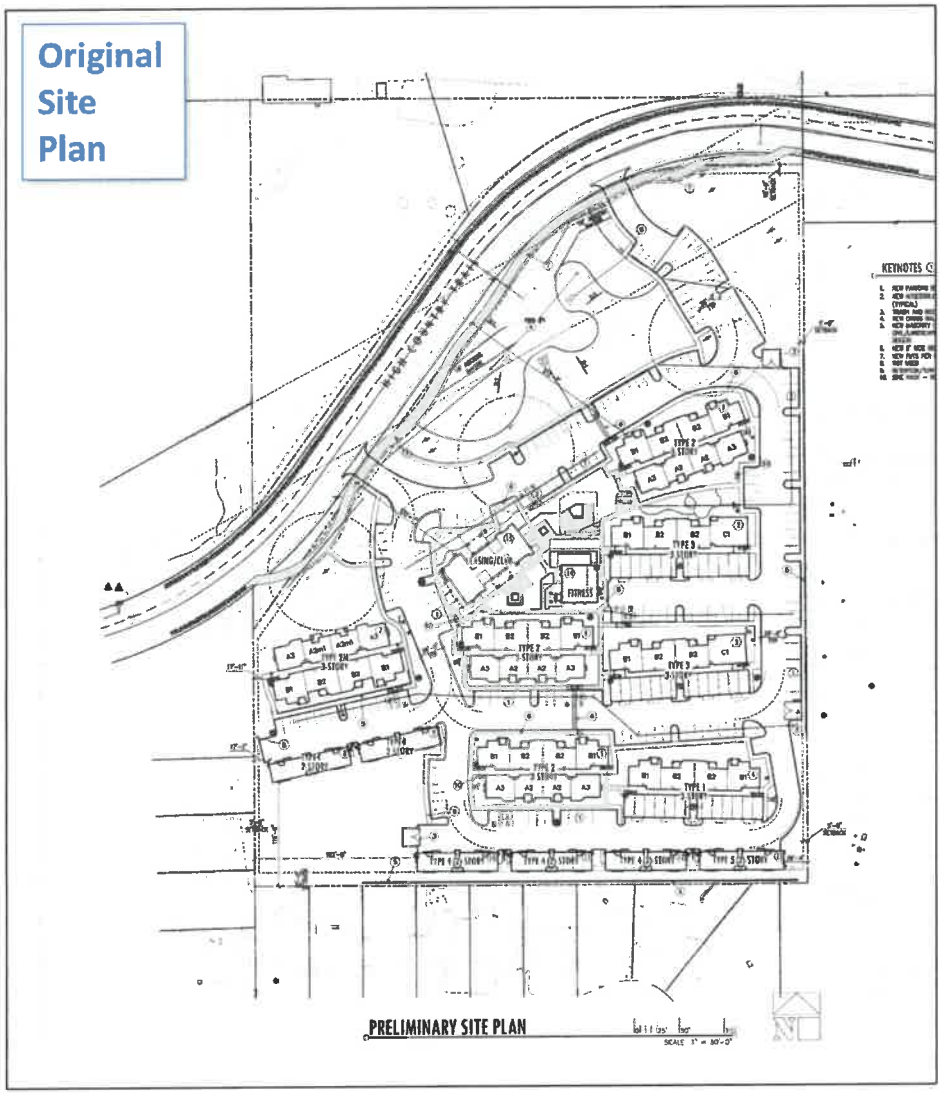


SUMMARY OF CHANGES

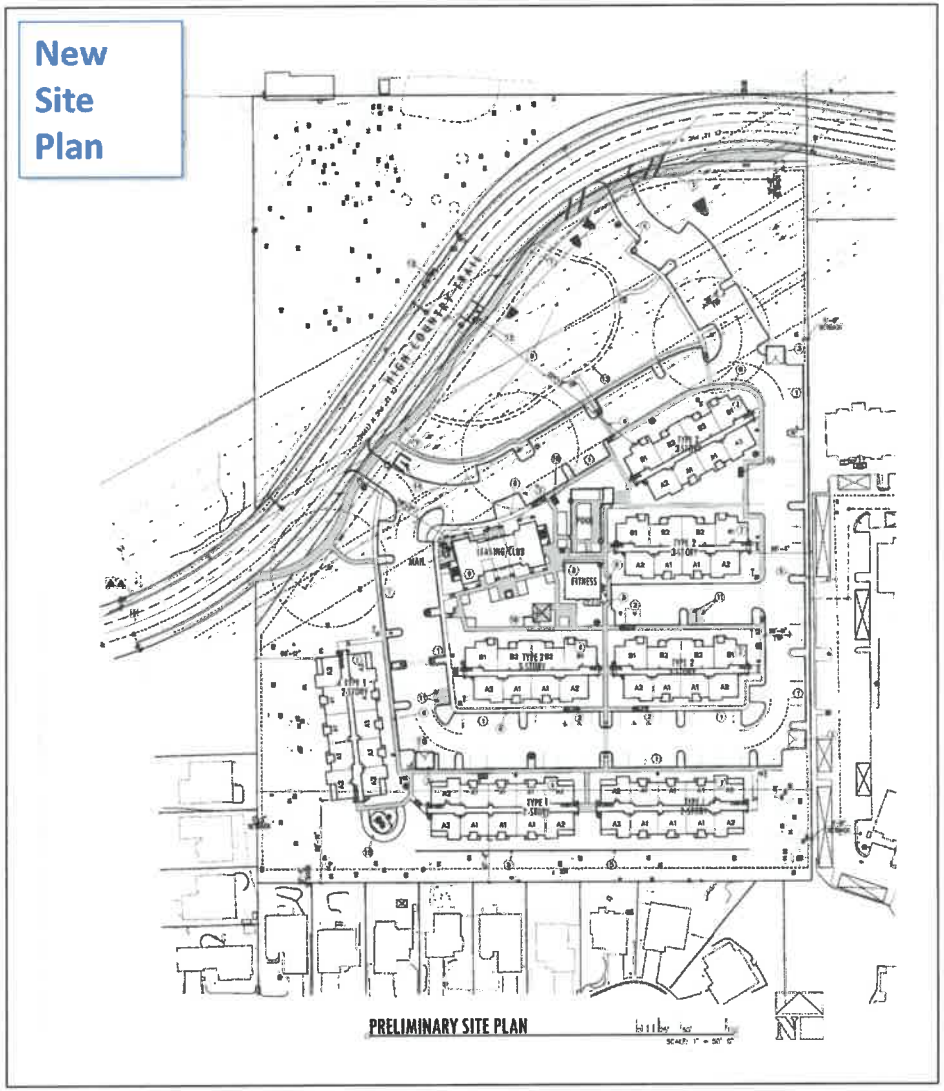
Additional Refinements – July 2020

- Increases in open space:
  - Civic Open Space: 24,000 SF → 29,000 SF
  - Common Open Space: 71,943 SF → 79,983 SF
  - **Total Open Space: 95,943 SF → 108,983 SF**
- Coordination with Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) to provide new Mountain Line bus stops on north and south sides of High Country Trail.
- Added 4 Electric Vehicle parking spaces/charging stations.
- Civic space area adjacent to High Country Trail converted from turf to natural grasses and wildflowers.
- Commitment to construct FUTS trail connections east and west of site:
  - Will bring "High Country Trail" to full connectivity between "Bow and Arrow Trail" to the east and "Ponderosa Trail" to the west.

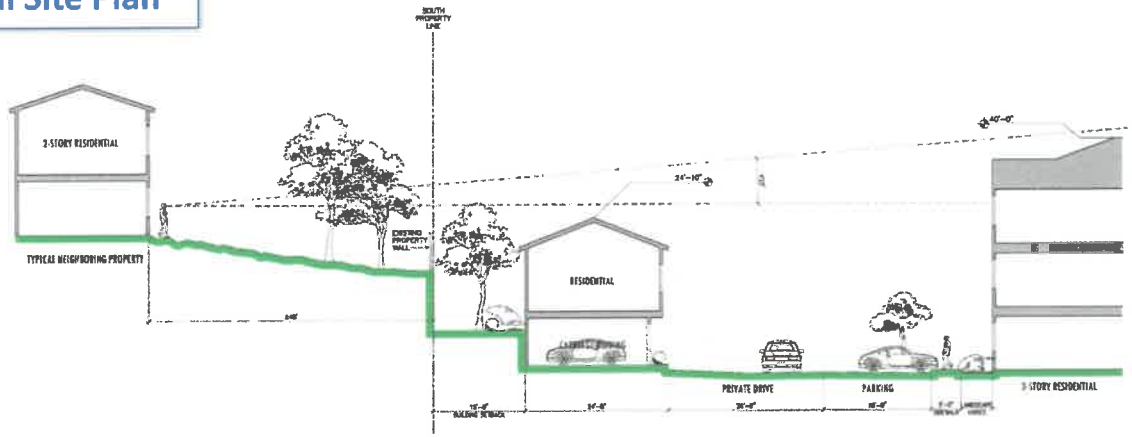
Original Site Plan



New Site Plan



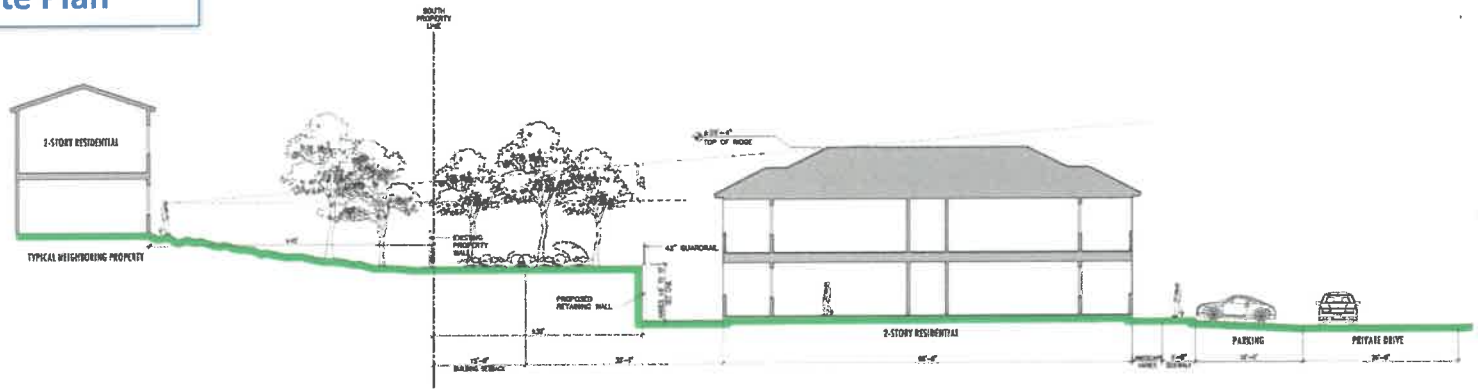
Original Site Plan



PREVIOUS NORTH/SOUTH SITE SECTION

VICINITY MAP

New Site Plan



CURRENT NORTH/SOUTH SITE SECTION

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

Office of Rich Barker Architecture, LLC
ORB

WorldHQ@ORBArch.com

DEVELOPER

Architect

REVISIONS

A1.11

SITE SECTION PRELIMINARY

CURRENT PROJECT DATA

- 11-acre site west of southwest corner of Lake Mary Road and High Country Trail
- 160-unit high-quality multifamily residential development
  - One-bedroom units: 112
  - Two-bedroom units: 48
- Includes 20% affordable housing units
- Open space: 108,983 square feet
  - Civic open space: 29,000 square feet
  - Common open space: 79,983 square feet
- Lot coverage: 15.30%
- Parking:
  - Required: 240 spaces
  - Provided: 242 spaces

PONDEROSA TRAILS HOA

Sent via first class mail

September 11, 2020

City of Flagstaff – Zoning Committee
211 W Aspen Avenue
Flagstaff, AZ 86001

RE: Aura Flagstaff

Dear Zoning Committee:

This letter is being written on behalf of the members of the Ponderosa Trails Homeowners Association regarding common concerns of its members, with the updated proposed development "Aura Flagstaff". In August 2020, an informal poll of the members of the Association was taken. A brief summary of the types of City Zoning pertaining to the property was given and the following question was asked: "Are you in favor of the proposed zoning change to rezone the property to Medium Density Residential (MR)?

There is a total of 639 lots within the Association, most with multiple owners; the poll was sent out to over 850 owners/representatives representing over 621 lots. 338 responses were tallied, resulting in 88% opposed to the zoning change, 11% were in favor, and 1.5% did not have an opinion either way.

Sincerely,

Katy Kuhns

Katy Kuhns, Community Manager
For:Bryan Burton, President
Board of Directors
Ponderosa Trails HOA
www.ponderosatrailshoa.com

Alaxandra Pucciarelli

From: Nathan Jones <ndj1187@gmail.com>
Sent: Wednesday, July 1, 2020 7:39 PM
To: Alaxandra Pucciarelli
Subject: Aura Flagstaff

Hi Alex,

I hope this email finds you well during these challenging times.

I am writing to you today to express my frustration and resounding disapproval of the Aura Flagstaff development. I have attended every neighborhood meeting dating back to the initial meeting in either 2018 or 2019 when this project first started and came to the planning and zoning meeting. I have left every meeting feeling like I am being lied to and made to feel unintelligent.

Before I get into my points, I do want to assure you I support growth and development within Flagstaff, as long as it makes sense. I would fully support single family homes being built in lieu of these apartments, as I have recognized the need for more single family homes.

I have many concerns about this development, but I first want to start with my frustration with the developer. I understand that they are just doing their jobs to the best of their ability, but their inability to actually answer any of the questions is appalling. It is very apparent talking to them that they are lawyers and they think they know what's best for a town they have never, nor will they ever, live in. I feel like they haven't done any research about Flagstaff, but rather they insist on making the residents feel like we don't know what we are talking about. I have asked multiple questions during every meeting and never feel like my question is answered. They have no problem following up one-on-one with someone to answer their question, but I see this as a tactic to dance around the subject rather than face it head on.

Now to my concerns. My biggest issue with this development is the purchase of the entire 11 acres, but with no plan to build on 2 of them so they can "claim" they are saving trees. Are they saving trees? I guess, but not really if the intent is to never build there in the first place. My question to you, is how is this ok? Am I the only one that sees an issue with this? My next issue - Traffic. Traffic on High Country has always been a point of contention with the residents of Ponderosa Trails, and by adding 200-300 people to this neighborhood without adding an additional exit will only make it worse. Now the developer is saying that bus stops will be added along High Country which will only cause bottlenecks and more frustration. Thirdly - Parking. The current apartment complexes along High Country already park along Wild West trail when they run out of spots. What is stopping this from happening with this complex? I get that they are alloting 1.5 spaces per unit, but we both know most, if not all units, will have more than one car.

Some questions I have for you. I hope you are able to answer them, but I understand if you are not.
1. What data are they using to show the (to use the developers words) "overwhelming" need for additional apartments? Flagstaff has multiple complexes already under construction with more getting ready to come.
2. How old is their traffic study data? They never show us the data they have, which never makes sense. If you have the data and it backs up your point, why wouldn't you show it?
3. What are your thoughts on this development?

I know I just threw a lot at you, but I appreciate you taking the time to read through this.

Thank you,
Nathan Jones

Alaxandra Pucciarelli

From: CRAIG ROSE <rose5az@hotmail.com>
Sent: Thursday, September 10, 2020 1:33 PM
To: Alaxandra Pucciarelli
Subject: AURA Flagstaff

Importance: High

My name is Craig Rose, and I live in Ponderosa Trails. We have been here, in this Development since 2002. I am a native of Flagstaff. We are currently troubled in this proposed development on High Country Trail, Lot # 110-50-211. I'm sure your office is aware of the request to rezone this plot for apartments. My position is negative. It will not be a family friendly apartment complex, due to the amount on only 1 bedroom apartments, (which would be destined for students). Only a few 2 bedroom and no 3 bedroom. The plans still show a high density apartment complex, and not a medium density complex. The wording is wrong by the developer who is wanting to build here. There are approximately 750 trees, that they will have to destroy to complete this complex, and I believe there are comprehensive plans/community plans that prohibit the destruction of open areas.

My question is what happened to the comprehensive/community plans that prohibit this type of building in an open area. What percentage of mature trees have to remain to keep this area. When we built our home here, we were told by the city, that we have to keep a certain percentage of trees on our property to keep it in perspective to the city plans. We have been to city hall when this first started and your commission recommended disapproval of this complex. Ponderosa Trails Development does not need extra traffic, on high country trail, this would cause more back up, accidents during snow season, safety to our citizens, who live here already, we have one exit on High Country Trail, and it's backed up every day. During work start times. Plus the area, is on two dangerous curves and during snow season is very icy, and I have personally seen since living here, about 150 accidents or slide offs.

So please take this to heart and not let this go through.

Sincerely
Craig Rose
3739 S Wild West Trl
Flagstaff, AZ 86005

Sent from Mail for Windows 10

Alaxandra Pucciarelli

From: CRAIG ROSE <rose5az@hotmail.com>
Sent: Tuesday, December 1, 2020 10:54 AM
To: Alaxandra Pucciarelli
Subject: PZ-20-00008-01 Aura of Flagstaff

Commissioner Zimmerman and zoning commission members.

Good morning, My name is Craig Rose and live in the area adjacent to where this complex is proposed.

I'm sure you have seen and received a lot of emails concerning the planned mess. We have lived on Ponderosa Trails for 18 years, and knew that the Apartment complexes across the street at 250 and 300 High Country Trail were coming. Because that was part of the plan discussed when our area went in.

But, adding another apartment complex in this area, will deteriorate the beauty we have come to know in the Aura submission.
Additional reasons we don't need this project. The crime in the area has risen dramatically since the apartment complex's have been built. I canvassed the FPD and the excel sheet is to extensive to send to you. But we have seen the FPD and FFD's there constantly (usually on a daily basis). We witnessed a murder, and 2 suicides', in the past year.

As of now Flagstaff has to many apartment complex's in the works, and do not need to add to that process. I canvassed the apartments at Fremont station (only 47% occupied), The standard (45% occupied). The Lumber Jack (HUB) 47% occupied. NAU admissions in down 12% as of November and continuing to decline. The Developer who purchased the MVD property has pulled out of building for the reasoning of lack of students and would not be lucrative to his company. We really don't need this to develop .

Thank you for your time and consideration to deny this proposal.

Sent from Mail for Windows 10

Alaxandra Pucciarelli

From: Uri Farkas <Uri.Farkas@nau.edu>
Sent: Tuesday, December 1, 2020 9:21 AM
To: Alaxandra Pucciarelli
Cc: David Zimmerman; Becky Cardiff
Subject: RE: PZ-20-00008-01
Attachments: P and Z Letter.docx

Hi Alaxandra,

Thanks to you, Chairman Zimmerman and Committee for the opportunity to share information. I've attached a brief statement for their review.

Will look forward to speaking with you all on Dec. 9th –

Best,
Uri Farkas
198 West Gold Rush Trail
Flagstaff, Arizona
86005

From: Alaxandra Pucciarelli <APucciarelli@flagstaffaz.gov>
Sent: Monday, November 30, 2020 12:01 PM
To: Uri Farkas <Uri.Farkas@nau.edu>
Cc: David Zimmerman <zimmerdg@gmail.com>; Becky Cardiff <bcardiff@flagstaffaz.gov>
Subject: RE: PZ-20-00008-01

Hi Uri-

I have copied the Chairman on this email to make him aware of your request to speak. Did you wish to put anything in writing? I include copies of any written comments in the packets that go out to the commissioners.

Thank you,

Alaxandra Pucciarelli
Current Planning Manager
Community Development
211 W. Aspen Avenue
Flagstaff, AZ 86001
Phone: (928) 213-2640
Email: apucciarelli@flagstaffaz.gov

From: Uri Farkas <Uri.Farkas@nau.edu>
Sent: Monday, November 30, 2020 8:43 AM
To: Alaxandra Pucciarelli <APucciarelli@flagstaffaz.gov>; Tammy Bishop <tbishop@flagstaffaz.gov>
Subject: PZ-20-00008-01

Hi Alaxandra –

I would like to request to speak at the December 9th Planning and Zoning Meeting regarding the Aura and PZ – 20 – 00008 – 01.

Thanks for your consideration and please let me know if you need additional information prior to the meeting –

Thank you –
Uri Farkas
198 West Gold Rush Trail
Flagstaff, Az
86005

From: Alaxandra Pucciarelli <APucciarelli@flagstaffaz.gov>
Sent: Friday, November 6, 2020 7:55 AM
To: Uri Farkas <Uri.Farkas@nau.edu>
Subject: RE: Upcoming Planning and Zoning Meeting

Hi Uri-

We are planning to take Aura before the Planning & Zoning Commission on December 9th. The developer should be updating their sign soon. We have not agreed to a city council meeting yet. It will probably not happen until January.

Thanks,

Alaxandra Pucciarelli
Current Planning Manager
Community Development
211 W. Aspen Avenue
Flagstaff, AZ 86001
Phone: (928) 213-2640
Email: apucciarelli@flagstaffaz.gov

From: Uri Farkas <Uri.Farkas@nau.edu>
Sent: Thursday, November 5, 2020 3:12 PM
To: Alaxandra Pucciarelli <APucciarelli@flagstaffaz.gov>
Subject: Upcoming Planning and Zoning Meeting

Hi Alaxandra,

I'm a resident of Ponderosa Trails and wanted to inquire about future Planning and Zoning meetings specifically related to the Aura project by Texas developers, Trinsic.

The sign on High Country Trail still notes a meeting time back in July and I was wondering if their project was slated to go before you and the committee anytime soon.

Thanks for your help and have a great week –
Uri Farkas
198 Gold Rush Trail
Flagstaff, Az
86005

November 30, 2020

Re: Aura Apartments, PZ-20-00008-01

Chairman Zimmerman and Committee,

Thank you all for taking the time to hear input from members of the Flagstaff community regarding the proposed building of the Aura Apartments in the Ponderosa Trails neighborhood. Our family is adamantly opposed to the construction of the apartments and would like to provide some brief context.

1) We are not anti-development in any way. Based on the City of Flagstaff Zoning map, the area to be developed is zoned ER (Estate Residential). We welcome any development following the designated zoning which we feel appropriate for our neighborhood.
2) Trinsic Development, no matter how many times they commit falsehoods, have never communicated with me or a member of my family regarding the development. They have repeatedly said in documents and in the past Planning and Zoning meeting they have "reached our directly to and offered to meet with all home owners on Gold Rush Trail". We have owned our home since June 2018 and have never been contacted in any way.
3) The repeated sales pitch noting a 16 acre development is not accurate. The only land being asked to be developed is 9 acres.
4) The continued sales pitch of "medium density" is not accurate. As a zoning committee, please see the number of units and it's clearly "high density". They are using credits to become "medium density".
5) The number one goal of the Flagstaff Regional Plan is "Identify, preserve, and build on the positive qualities of different places"
    a. We are asking you all please help preserve our neighborhood.
6) The Trinsic sales pitch of "family apartments" is a falsehood based on their number of one and two bedroom units.
7) If approved, the Ponderosa Trails neighborhood near the proposed development will lose home owners and families. It will become rental housing and the demise of a family friendly environment.

Simply put, this is the wrong development at the wrong time in the wrong location. High density housing is critical for thriving communities. The Ponderosa Trails neighborhood is not the right location of this project. Affordable housing is a critical need in Flagstaff. Let's not consider the 20 units of affordable housing in the proposed Aura complex a win for a community when a literal forest will be taken down to accommodate this. Let's all work on a community plan to create affordable housing on a larger scale and not try to jam 20 units into a student housing project. A Texas developer, building a 150 unit eyesore in place of a wooded forest at the entry of a family neighborhood is a mistake. I hope you all take into consideration the information provided and again, thank you for your service to the Flagstaff community.

The Case for Denial

Aura Flagstaff – PZ-20-00008-1

Phil Goldblatt, Resident, Ponderosa Trails HOA

December, 2020

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Summary of this Paper to the Flagstaff P & Z Commissioners

Dear Chairman Zimmerman and P & Z Commissioners:

I realize this paper is quite long and complex. Therefore I sincerely invite any and/or all of you to engage me in discussion if you have questions about anything I have written. And to of course feel free to pass it by the City's or preferably an independent attorney if you wish examination and/or clarification. Additionally, if even after the Public Hearing on "Aura" you wish to evaluate further, please feel free to not tender a vote but to recess if you wish to have more time to investigate and study this and any other issues I have raised re: this rezone.

Probably the first four Sections of this paper are most important to understanding the intent of it. Though I believe all are very relevant to this "Aura Flagstaff" proposal. Here is a short summary of each section for your convenience.

I. **Purpose/Authority of Code** - Our zoning code is "protective" of community character and therefore of the people who live in those communities. One of the MAIN purposes of our Code is to limit scale and density, not inflate it.
Another main purpose is to encourage aesthetically attractive developments that protect adjacent landowners from property devaluation and other adverse impacts.

II. **Community Character** - The impact of "Aura" on the neighborhood is "de facto" high density since it is proposed for 160 units on 9 acres or 17.8 units/acre. Those are the "facts on the ground" and no administrative rule or law can alter that. Because these facts would alter the community character, a Major Regional Plan amendment is required that has not been accomplished.

III. **Improper Designation of Development Site Area** - The two acres claimed by Applicants to be a part of the "development site area" are actually PROHIBITED from development by the conservation easement they would place on them. And they are not a contiguous site upon which any development at all is proposed. Furthermore they are apart from the 9 south side acres (separated by a street and private fence) upon which development **is** proposed. Therefore they must not be used to calculate the allowable baseline density,

the density bonus's, nor the "on-site" resource protection incentive allowable. Other incentives could have been awarded if the developer wanted to place such an easement on additional property. The developer also abrogates his responsibility regarding how he should use this conservation easement to mitigate impact. And significantly our Code itself provides rules of interpretation that show that the more restrictive provision utilized in this paper must be the one that governs and applies.

IV. **Arbitrariness of Plan Interpretation** - The Regional Plan "interpretation" used here to allegedly allow Applicants to apply for Medium Density without any cap on the degree of density bonus incentive is legally arbitrary in that it ignores negative consequences and depends on individual discretion rather than a fair application of the law. The "Suburban Characteristic Density Range" found in the Plan should apply instead. Further it elevates one of the sections of the Code above the main purposes for the Code itself and that is unlawful as well. It sweeps over broadly and therefore must apply to the "protection of forest resources" also but then that would disallow that incentive since it impedes (not furthering) the goals and policies of our Plan.

V. **Aesthetics in Zoning** - This section provides evidence and argument that aesthetics are essential for preserving pleasant residential areas. It also goes on to show that "Aura" lacks several elements contained in our Zoning Code to do just that; preserve and protect the community character from poor aesthetics. It lacks building forward design, location of entrances at the front of the buildings, no screen wall nor trees to screen from High Country Trail, parked cars easily seen from that street, and forward parking lots in front rather than the side and rear of the buildings as recommended by our Code. Lastly, all of the above and the general appearance of high density of this development add to the conclusion that "in a **down** market" it will have a significant negative economic impact on the adjacent single family homes.

VI. **High Density Nuisance** - This section explains why the factors of non-ownership, nuisance party noise and crime will all be present and constitute a private but permanent nuisance to the adjacent single-family homeowners. Best read

this section for more details. Raising small children is naturally an important consideration here.

VII. **Stormwater Analysis** - Reasoning is provided that shows why the "underground chamber" method for collecting storm water and two small culverts can not possibly maintain the flooding along High Country Trail in winter not worse than it is today; which is the standard communicated to me by the Water Services Division of Flagstaff. It also, by the way is inconsistent with one of the Goals and Policies of the Regional Plan, #WR 5.5. This policy discourages many dispersed basins rather than regional detention. I know this development is not regional but the principle is valid and the same.

VIII. **Significance of PTHOA Poll** - The results of the most recent Ponderosa Trails HOA poll on this development are presented and show 89.8% opposed with a margin of error of plus or minus 5.4% at the 99% confidence level. This time these results were corrected for a few homes that sent in more than one vote. But more significant is that no one can say that this development only inconveniences the residents of one or two streets since this whole community is opposed to it and therefore it does not benefit Flagstaff in general.

IX. **The Findings** - This Section presents my analysis of all three Findings. It also concludes that Aura fails them as well. Many reasons are given with substantiation for each reason. Many goals and policies of the Plan are shown inconsistent. The public interest and "..morals, general welfare" are not well served, and the site itself is too small for the number of units they want to build resulting in noncompliance with certain aspects of our Code as well as deficiencies in the type of storm drainage system proposed. The application should be denied.

To: Chairman Zimmerman & Planning & Zoning Commissioners

From: Phil Goldblatt, Resident, Ponderosa Trails HOA

Date: December, 2020

Subject: **LEGAL and LEGAL STYLE ARGUMENTS FOR DENIAL OF REZONE FOR AURA FLAGSTAFF – PZ-20-00008-1**

My neighbors and I will present arguments utilizing both the facts and the law pertaining to this rezone. Herein however I will primarily present the legal and legal type case supporting denial.
But first please see Note #1 on p. 27 below:

I. Subversion of the Main and Explicitly Stated Authority and Purpose of our Zoning Code by Allowing "de Facto" High Density Apartments in a Maximum Medium Density Zone

As you can see for yourself, the below excerpts from our Zoning Code (Code) make it clear that protection of the citizen residents of Flagstaff from development that adversely impacts the general welfare by PRESERVING the desired character of our neighborhoods including Ponderosa Trails is a **major** objective and PURPOSE for our Code.
It is also evident that encouraging "attractive" development is a major goal of our Code. I will have more to say about that later. See Section V. Also please see Sect. II below for why this development is "de facto" high density.

10-10.20.010 Legislative Intent

In adopting this Zoning Code, it is the intent of the City to protect and promote the public health, safety, convenience, and general welfare of the citizens of the City by exercising all powers related to the regulation and use of land and structures within the City that are authorized by the City Charter and Arizona Revised Statutes (A.R.S.).

10-10.20.020 Purpose of Zoning Code

B.1. Land Use Patterns.
f. Limiting the size, scale, and density of new structures and additions to existing structures to preserve the desired character of neighborhoods and the community.
g. Encouraging quality, attractive, and marketable development.

B. 5. Justifiable Expectations and Taxable Value.
b. Protecting landowners from adverse impacts of adjoining developments.
d. Protecting and enhancing real property values.

II. Alteration of the Community Character of our Neighborhood without First Requesting a Major Regional Plan Amendment that would allow Applicants to do so

Please refer to Page III-14 of our Flagstaff Regional Plan and specifically #5. It states in pertinent part as one of the conditions for requiring a Major Regional Plan Amendment:

"In neighborhoods and along commercial corridors more than ¼ mile from an activity center, changes from rural to suburban, or suburban to urban area types."

As you well know in this application and the last one, the Zoning change staff refers to therein would be from ER to HR so the area type would change (in my estimation) from Rural to Urban thus triggering a Major Plan Amendment.

It states in the **Staff Report** dated April 9, 2019 on page 11, under Finding #1, A IIg. that: "Had the developer chosen to rezone the property to the HR zone, this rezoning case would have required a major Regional Plan amendment to proceed." Yes, it IS a separate application but the same principle and technique Applicant used previously is still being applied for this present application. It is self evident in this case that the **IMPACT** of this development is 160 units/9 acres or 17.8 units/acre density that is well into the HR zone. It is "de facto" a high density development. More to say later on this as well.

It is legally impermissible on it's face to create an "administrative alternate reality" by "pretending" that facts on the ground do not matter with regard to density and other breaches of our Code. Even if a formal Major Plan amendment were not required, surely the additional safeguards and requirements must be. Among those that the Applicant/s have not completed are: (*please refer to Sect. 11-10.20.020 of our City Code*)

1) An infrastructure and community services impact analysis that includes: (yes, traffic analysis was already completed)
a) Water/wastewater analysis
b) Police and fire protection analysis
c) School impact analysis
d) Economic development analysis

Surely an economic development analysis would be prescient here in revealing the obvious that in a "down market" the property values of homes along W. Gold Rush Trl. and lower part of S. Wild West Trl. would be diminished more than property surrounding them. Right now we are in an "up" market so it would not make a significant

difference but in a down market it certainly would. This is obvious. Since the housing market is **cyclical**, no one can reasonably expect that those single-family homes will not be negatively affected.
So although understandable in that Applicants would never desire increased expenditure and proof that his development is illegal through creating a "Regulatory Taking", (in violation of ARS 12-1134-1138) (please see Appendix A for why this is likely) that does not make it acceptable. The de facto nature of this development proposal makes it necessary to meet **all** requirements for a Major Plan Amendment.
Additionally, we would agree that no homeowner is assured or can expect that an investment in a home and property will always increase in value, but what he/she should be assured of is that over time, the property values in a down market would not be negatively impacted more than similar homes nearby.
To do otherwise subverts the purpose and authority of our Zoning Code so it **no longer protects the communities of all of Flagstaff** as it is intended to do.

III. Wrongful Designation of the Development Site Area and Calculation of the Baseline Density for "Aura" Leading to Surreptitiously adding a Concealed Density "Bonus" to an Otherwise Unconstrained but Appropriate Pair of Density Bonuses

May I refer you to Section 10-80.20.040 (D) of our Code. The definition of Gross Density. This definition specifies that this term is calculated by using the "Development Site Area" as denominator. In that same section the Development Site Area is defined using the "total area of a development site" excluding all existing dedications for public Rights of Way._Then the "Development Site" definition states in pertinent part "...which constitute **contiguous** lots...on which development is proposed,....." (emphasis mine)

Because the calculation by Applicants of the baseline density INCLUDES 2 acres on the north side of High Country Trail and because those two acres are **NOT part of or a site on which development is proposed** (in fact just the opposite) they therefore can not be included in the "development site area" needed to calculate the allowable gross density.

But equally alarming is that this miscalculated baseline density is then used to further calculate how much density BONUS is awarded for both the Affordability provision and the Sustainability provision. This **artificially inflates the bonus density that is awarded**

because it is in effect adding a multiplier to the calculation that would not otherwise exist.

Furthermore, these same two acres are then also used to supply a significant part of the tree points needed to fulfill the forest resource protection standards even though it is not a part of the Development Site. The reduction of forest resources incentive explicitly specifies at 10-30.20.040 (B1b) and at 10-50.90.030 (B3) & (B4) that the forest resources to be protected are those "on-site". "On-site" can only reasonably refer to the "Development Site" upon which development is proposed according to the definition. Not upon which development is **not** proposed. In fact it is PROHIBITED by the conservation easement.

And lastly here these same two acres are utilized yet again to provide the developer with an incentive that does NOT further the goals and policies of the Regional Plan. (just the opposite; please see CC 1.1, 1.3 and CC 1.5). Please see next Sect. IV for why this is legally invalid and therefore cannot be used.

The mere fact that these two acres ARE used to provide a conservation easement does not mean they can be used "again and again" (or even once) to calculate allowable density or density bonus's that should be already calculated utilizing other standards. Many other jurisdictions award other incentives (such as reduction of development fees, expedited processing, etc.) if a developer provides land elsewhere for a conservation easement, but then our Code needs to authorize the City to award them exactly that incentive. But our Code does not authorize the City to provide that exact incentive. In any case it is legally impermissible for them to award a concealed and extra density bonus or to allow them to use this acreage to meet the forest resource protection standard. The City is not permitted to grant bonuses that are not authorized by our Code.

Furthermore it should be plain to see that the conservation easement Applicants desire to place on the north side two acres **prohibits** development; just the opposite of "site area" upon which development **is** proposed. So it is impermissible to still use those two acres for calculation of baseline density. Again, the mere fact that those two acres are part of the same parcel number does **not nullify** "facts on the ground" that show that this acreage is not contiguous with the acreage that IS proposed for development (i.e. the 9 south side acres) and that a street and fence separate these two acres from the **actual development site**. And that the landowner will continue to treat and use those as he has always done in the past and will continue to keep them private and not open to either the residents of Aura nor to the public. It cannot by any stretch of the imagination be considered as a part of the development site area. The parcel should

be split because it is contiguous with other land that the Auza's own on the north side of High Country Trail. It is really a separate parcel. A parcel number cannot nullify reality.
Incredibly as if this were not enough, the developer violates our Code Sect. 10-30.50.020 (B1) "Responsibilities" (and definition of "public improvements"; i.e.10-30.50.030 (A)) by placing the "**conservation** easement" (which is surely considered an improvement since such easements would normally add to the public good) onto the north side two acres but then refuses to USE IT as strongly implied by B1 above to "mitigate the impact of new land development" but instead uses it to increase density/intensity that exacerbates the impact of this development. And then because it is not available to the public but only the private use of the Auza family, it is not a "public" improvement at all but really a private one that the Auza's have not compensated the City for. Thus the developer shirks his responsibility regarding this so-called "public" improvement.
Additionally our Zoning Codes' own "Rules of Interpretation" at 10-10.30.040 (B1 & C) state that the Codes' standards are the "**minimum** requirements for.....restrictions, uses,..." and that in essence if there are overlapping or contradictory regulations, the provision that is "MORE RESTRICTIVE" **shall govern**, ..so that in **all** cases the **most** restrictive provision shall apply." Since the calculation of baseline density and the subsequent density bonuses and use of the "conservation easement" acreage thrice (once for calculation of baseline density, once for density bonuses and once for meeting the requirement for tree points for preservation of forest resources) are less restrictive than under this paper's viewpoint expressed here above, I conclude then that this interpretation must be the one that governs and applies according to our Code's own rules.

Furthermore, as you will read in the next Section IV, most localities provide a "CAP" on just how much density developers can add to the existing zone that they are applying for over and above the maximum density for that zone. But even in municipalities where there is no cap as here in Flagstaff MOST developers realize that they run into all sorts of issues and opposition regarding **Takings** problems and meeting other Zoning Code standards if they are unreasonable with regard to how much density bonus incentive they avail themselves of. **NOT TRINSIC though**! An actual records search result provided by Larysa Feyti, Records Coordinator for the City shows that over the last 20 years or so there have been NO developers here at all who utilized density bonuses that extended up over 40% into the next higher density range. In other words all of

them have been lower. These Applicants utilize 160 units/99 or 61.6% over and above the otherwise maximum limit for Medium density. And according to what I would consider the correct calculation as explained above it is really 160/81 (9 acres x 9 max units/acre for MR zone) or 97.5% over what should have been maximum medium density.

IV. The Rational' for Permitting no Maximum Cap or Limit to the Degree of Density Bonus Awarded is Legally Arbitrary and Therefore Must be Applied to the Award of Reduction of Forest Resources as well – Or an Alternative Standard Utilized

The interpretation of in particular here page IX-46 of our Regional Plan and the characteristic of "Density Range" stated there was that in essence it was fine to ignore this "Suburban Characteristic Range" in providing density bonuses because the incentives further the goals and policies of the Regional Plan (Plan) since they are given generally for providing affordable housing/sustainability both of which are two (in this case) of the goals/policies of the Plan. So what is the problem?? Here it is.

First off though the legal definition of "arbitrary" is that the decision is based on individual discretion rather than a fair application of the law. This Plan interpretation falls into that category as explained below.

A GENERALLY APPLICABLE PRINCIPLE is being used to **ONLY** apply to a SPECIFIC incentive; namely **Density Bonuses** but **ignores** all the other possible incentives that the City IS authorized to grant and to which such a principle must also be applied if it is applied to the density bonus incentive. Furthermore, it ignores unintended consequences that would violate other protections contained in our Code in the process of applying this one. Examples will follow a bit later. The City has **no authorization** to "wrangle" and finagle such an interpretation into what they think they want to accomplish. It is legally arbitrary on it's face and therefore the City/Applicants would be obstructing protections afforded by our Code to the communities/people in applying such a principle in the manner in which they are attempting to do so here.

One of those other incentives (used here for the Aura proposal), "reduction of forest resources" (used as an incentive since it is relaxing a standard of the Zoning Code) does just the opposite in that it **impedes** the goals and policies of the Regional Plan. In this Aura proposal the applicants are slated to receive an additional allowable reduction of forest resources of 25% or 50% of the remaining

resources after the first 50% is removed. So if this general principle is ok to apply to density bonuses it would not at all be even handed to not also apply it to the other incentives (such as reduction in forest resources) that the City is authorized to grant to incentivize affordable housing. It would not be fair or just and it almost sounds like this "interpretation" was made up "ad hoc" in order to allow something that if completely thought through would never be allowed because of the negative consequences that would surely follow without any codified regulation or means to prevent them. In other words, directly and automatically. The codified regulation must be approved by the people in order for the City to possess the legal authorization and warrant to act. A cap on how much total density bonus is allowable might be one such regulation. Or they could use the Suburban Characteristic Density Range from the Regional Plan. Otherwise they do so outside the rule of law.

But there is even more serious harm to the whole process of evaluating applications for rezone for a specific development. The essence of this Regional Plan "interpretation" as applied to Aura is that it allows and impermissibly "elevates" one or two goals of the Regional Plan above the MAIN intent and legislative purpose and AUTHORITY of the Zoning Code. How can that be??? Here's how. Any PART of a zoning code cannot and must not supersede a main legislative intent and purpose for the entire code itself. Nor can the Plan. That would mean that one part possesses a higher authority than the main purpose for the code or the authority of the Code itself. **Not permissible in any jurisdiction**!! If the people of the City of Flagstaff decide by referendum that the goal of providing more affordable housing units is worthy, then all of us should be willing to have our taxes raised and/or approve bond issues with precisely the goal of building or making land available on which **mostly** more affordable housing is constructed. I.e. 100% or 70% say affordable housing; not 10% or 20%.

And so it does damage to our legislative process because of the "reprioritizing" of objectives without explicit warrant for it by the law and/or the voters. To say it another way, it allows "political" policy to become a part of what should otherwise be sound and even handed application without bias of established ordinances or laws. To do otherwise would be to subvert the intent of our Code to protect the Community Character and to provide justice for the people to which they constantly rely on the City Government. Indeed that is one of the reasons for city governments to exist in the first place. The people expect justice, not privilege.

Additional Clarification – I stated above that I believed the Plan interpretation on density bonuses was "arbitrary" from a legal standpoint. Another reason is that it fails to achieve the purpose for which it was intended. It was intended as stated to "further the goals and policies of the Regional Plan" two of which are affordable housing. However many know that our Plan contains no less than 412 (if I counted correctly) goals and policies. However in this Aura development, in order to allow the additional "density" bonus to exceed the maximum suburban density range as presented in our Plan one also needs to impede at least two other goals and policies of the Plan in order to "make room" for this development by destroying more trees. But that then defeats the purpose for Zoning in the first place and the main goal/s for a **form based** code to preserve "Community Character". (Please see Sects. 10-10.20.020 (B1f,B1a,1e,1g,2b,3a,4f,5a,5b,5d))
It would no longer do so. So the City possesses no discretion to apply such an "interpretation". I only say this because the applicable law here is the Zoning Code. But nowhere to be found is a MAIN "purpose" for our Code listed as "encourage, promote, and create affordable or low income housing". Presumably it could be if the Code were revised to include that purpose. But presently it is allowed but **not** a main purpose for the Code. Yes, that section itself contains the purpose for it but such purpose is not reflected in the main purposes. And the mere fact that such "Affordability Incentives" Section implements the City's IPAH policy does not mean that that policy has priority over the Code or the Code's main purposes. Therefore it should not and must not be impermissibly elevated to a higher priority status.

But now I would also add that "Sustainability" and "Natural Resource" protection and preservation ARE MAIN purposes for our Zoning Code. Please see 10-10.20.020 (B3a & B2b) (protecting forests and ensuring new development conserves natural resources such as forests, ..). This just underscores the point above that "affordability" can not be elevated above the main purpose to preserve and protect forest resources. This shows that protecting forest resources is (at least for our Code) of legally higher priority than providing affordable housing.

Additionally what is also true is that the section of the Code on Affordable Housing itself is not well circumscribed and is convoluted. As mentioned in Sections **II.** and **III.** above it results in logical contradictions regarding lack of correspondence between the actual density facts on the ground and the legal ordinance it is trying to allow. Therefore it bears no relationship to either reality or adherence

to what the Code *would* permit. So it should not be used. And according to Constitutional law it is unreasonable. It is an unreasonable means of furthering the purpose for it. But as the Vanderbilt Law Review article (Vol. 34, April, '81) cited below states: "..the regulation *must be* a reasonable means of furthering that (Constitutional) purpose". (Emphasis & parentheses mine) So the "affordability section" of our Code fails the "reasonableness" standard for adherence to our US Constitution.

Please allow me now to show by example WHY the "affordability section" of our Code is convoluted and unreasonable. Please refer to Table 10-30.20.050A and Section 10-30.70.030 of the Code. Suppose I am a developer and wish to provide 16% of the baseline units of my projects' apartments as affordable under Category 3 but do NOT want to provide any sustainability and do not wish to lower the "household income range" into the Category 1 status. I would be disallowed by our Code to obtain ANY density bonus at all because the two categories are linked and convoluted compared with Category 1 where the two incentives (for affordability and sustainability) are completely separate. I could do it under cat 1 but not under cat 3. So because of the way the category for income range is codified, the two standards are not independent. AND what is also confusing is what the particular category even means in the following sense. Nowhere in the Code (or even the IPAH document) is it explained how the AMI standard is intended to operate in actual practice. For example, if a developer chooses to have his affordable units fall into the cat 1 standard, does that mean that he can charge a rent that is no higher than but equal to 30% of the 80% of the AMI regardless of what the applicants' actual income is (as long as it falls at or below 80% AMI)....OR....does it mean that all applicants who apply and who fall at or below the 80% AMI can pay a rent that is exactly 30% of *whatever* income they earn? It can make a huge difference in revenue for the developer/management company. And is it on a first come first served basis or are there other standards that can place an applicant at a priority for being accepted for such housing? So depending on how this operates in practice, there may be incredibly little difference ....**or** ...a significant difference between cat 1 and cat 3 for the purposes of what rent can be charged. Furthermore if cat 3 INCLUDES **all** of cat 1 in the sense that the rent charged only depends on the applicants income (but not on the 80% or 120% standard) then if most (if not all) of the applicants who apply to a cat 3 development have income that falls below the 80% AMI anyway, there is then little difference at all between the actual effect of choosing cat 1 or cat 3. Confusing, complex and unreasonable since it may constitute minimal reason for such distinctions in the first place.

That makes the ordinance impracticably complicated and lacks straightforwardness in violation of our Code's Purpose stated at 10-10.20.020 A. (..in a form that is ....straightforward, easily understood..) This portion of our Code is not straightforward nor is it easily understood.

And that is also why other jurisdictions (such as the California State Density Bonus Law (SDBL)) include an "upper bound" or limit to just how much their local governments are allowed to "bust into" the next higher density zone in approving a development. The SDBL uses 35% as reasonable. But even more revealing is that it allows any local municipality in California to, if they want, pass an ordinance allowing a different (could be higher or lower) maximum for total of all bonus densities. The crucial point here is that at least they will **have a standard** that is/was approved by the voters of that municipality. Flagstaff has no such standard at all. So our Code then lacks legislative authority to prevent unreasonable bonus densities that then automatically result in negative consequences elsewhere.
But yet there is more. My research has revealed certain things about cities that provide incentives for affordable housing (including Lancaster, PA; Portland, OR; Washington, DC; Cambridge, MA; Denver, CO; Austin, TX; Madison, WI; Dallas, TX; Atlanta, GA; Seattle, WA; Minneapolis, MN; and California as above). Firstly not all use a density incentive bonus; secondly, most of those that do use density bonuses also have an upper limit as to how much it is permissible to exceed the otherwise allowable zoned density maximum; and lastly most of them have other incentives that are even preferred by most developers such as expedited review and fee waivers or reductions. Our IPAH mentions those but they are not codified into our Zoning Code law. A report by the City of Denver for instance (published March, 2020) on "Affordable Housing Zoning Incentive" concluded that: "Density bonuses are not always the most meaningful incentives, the citywide system should explore additional incentives such as expedited review, parking reductions, and other financial incentives. Developers in Denver and many peer cities have expressed that predictability in reviews is a powerful incentive."
I conclude (but not only I) that density bonuses have drawbacks and downsides as well. Another article in "University of Florida Law", 2006 entitled *Incentive Strategies: Density Bonuses, Fee Waivers & Expedited Approvals* states that: "Optional bonuses have drawbacks as well, particularly administrative issues and possible takings problems." So we can surely appreciate that the single-family homes

along W. Gold Rush Trail are appropriately concerned about regulatory takings of their property.

To sum up this section our government is not authorized to allow its decisions to extend outside the rule of law. The upshot of this is that the "PEOPLE" would need to approve what priorities any particular provision of the Code or Plan would have beforehand so that the City could legislatively apply such priorities without them being legally arbitrary and therefore unlawful.

V. Aesthetics are a Valid Consideration in Deciding Whether to Approve or Deny an Application for Rezone

I wish to refer you to Section 10-10.20.020 (1g) of our Code and to the Marquette Law Review article Vol.39, 1955 – "Aesthetics Under the Zoning Power" by Joseph Swietlik and to Vanderbilt Law Review – Vol.34, April 1981 – "Aesthetic Regulation Under the Police Power".

The Marquette article argues strongly in favor of using aesthetics within the scope of the general welfare of the community and therefore within the police power and therefore within the zoning power. It states in pertinent part: "However, if we are to preserve pleasant residential areas today, aesthetic considerations in zoning laws are **essential**." (emphasis mine). It then goes on to address why such considerations are NOT discriminatory. It states that such a situation could only come about with unreasonable administration of the law. And also as stated above regarding the "general welfare". The Vanderbilt article lays out a litmus test to decide whether an aesthetic zoning regulation as an exercise of the police power is valid or not. The standard boils down to whether the regulation serves one of the traditional police power purposes, namely to further the public health, safety, morals, or general welfare. In order to do this the aesthetic regulation should have a significant economic impact. So it must achieve the desired purpose and secondly it must positively have a significant economic impact.

It surely appears to me and neighbors that aesthetics is included in our Code (see 10-10.20.020(1g)) as one of the essential ways to achieve desirable community character and to protect/enhance taxable values and real property values (please see 10-10.20.020(B5a, d). It does this through several provisions. I refer you to Sect. 10-30.60.060 (A, C & D) and 10-30.60.070 (A3 and A4) as well as Sect. 10-50.60.040 (D1a) as particularly applicable to the "Aura" development. The first Section refers to "Building Forward Design" and the primary entrance to the building as well as the need for a "Screen Wall" if the building cannot be located next to the

sidewalk. The second section here refers to the most "in front" parking lots needing to be located on the side and rear of the buildings and the need to "screen" parking areas from view of public ways. The third section refers to Screening requirements using landscaping to screen parking areas i.e. chiefly trees.

We can see if we apply the above Zoning elements to the Aura site plan, the first Sections are failed because the layout of the apartment buildings lack "Building Forward Design" and none of the **entrances for the buildings** (with exception of the "Club House") are located at the front of the buildings; they are all on the side and do not face a plaza or pedestrian way. Nor does "Aura" include a Screen Wall designed to serve to screen the development and especially parking lots from High Country Trail. What a contrast to "The Lodge" adjacent to Lake Mary Rd. that includes many tall Ponderosa Pines completely surrounding the development and effectively screening it from BOTH Lake Mary Rd. as well as High Country Trail.

The second Sections are failed in Aura because the most forward parking lots are not located at the side and rear of the buildings. Nor are they "screened" from view from High Country Trail that is indeed a "public way".

The third Sections are also failed in Aura because it appears to us that the amount of landscaping trees are insufficient to screen for the amount of parking spaces provided especially at the front of the development.

To be fair to our City, yes building of screen walls would probably not be allowed underneath the power lines. And tall trees are not allowed for screening underneath the power lines either. However, because of the parking requirement of our Code above and the screening requirement, we question why the developer has **not concluded** that the parcel on which they desire to construct such a large number of units is really not suitable to do so. It is way too small to accommodate such a high number of units while still maintaining adherence to our Zoning Code. But instead of then concluding that a smaller development and lower number of units would need to be proposed, or to develop on a larger different parcel that could easily be rezoned High Density (HR), he has concluded just the opposite to the detriment and strong opposition of the people. In my opinion this is exactly **not** what Flagstaff desires or needs.

Lastly do all of the above have a significant economic impact on the surrounding single family homes? Aesthetically it surely appears to us that they do because as currently designed this development looks more like dormitories on a student campus closely grouped together

than like luxury apartment houses they are advertised as being. In the long term and as I've stated previously in a down market, they will adversely affect property values in violation of Section 10-10.20.020 (B5b & d). Also please refer to an article by Yuqing Pan (March 2016) in "Realtor.com" entitled *The Neighborhood Features That Drag Down Your Home Value—Ranked* in which he compared various features like cemeteries, shooting ranges, and of interest here "high renter concentration". The analysis that Mr. Pan accomplishes in particular shows that this feature reduced home values 13.8% compared with homes in the surrounding area. Aura would be one of the last such apartment developments to be added to the immediate neighborhood and therefore the standards for acceptability because of incompatibility with our Community Character are very high as they should be. We do not wish our Community Character to be compromised.

VI. Why are High Density Apartment Houses Considered a Private but Permanent Nuisance to Adjacent Single Family Homeowners?

May I refer you to the following website: *www.law.cornell.edu/wex/nuisance*, the Legal Information Institute of Cornell Law School. Their definition of a private nuisance is "A private nuisance is when the plaintiff's use and enjoyment of her land is interfered with substantially and unreasonably through a thing or activity."

I believe three indicators can answer this admittedly highly contentious question: "Ownership, party noise and crime".

A very important consideration here is that Aura would not consist of units that are owned nor would they be units that are not high density. They are "de facto" high density. I know my neighbors and I would much rather see condos or town houses or single family homes on this parcel because they are **owned** and therefore the occupants are more likely to act responsibly on average.

Noise as from students or otherwise would constitute a nuisance in that it would be permanent (intermittent but still a concern as long as the development exists) and many neighbors are trying to raise children in their backyards adjacent to this development. Please also note that our City Code Sect. 6-08-001-0005 (C3) defines a "nuisance party" as including "disturbing the peace" and a party that "..causes a disturbance of the quiet enjoyment of private or public property...". With an admittedly large percentage of the residents of "Aura" being students, it is increasingly likely that student parties will occur that are also "nuisance parties". One would need to be naïve to

not believe such would occur frequently if this development is allowed to go forward.

One of my neighbors will submit and present evidence that "calls to the police" are **significantly higher** (more than 2X for the same one year timeframe) in the surrounding apartments than in Ponderosa Trails HOA. The numbers are normalized for the number of units or houses considered since PTHOA contains more "units" than the two apartment developments we considered. So we are not making this up. This indicator gives us an idea of what is going on since these data were obtained directly from Flagstaff Police reports. And families **raising small children** are concerned and would continue to be concerned since this would not go away in a few months. It may even get worse over time.

VII. The Underground "Chamber" Method of Collecting Storm Water Used here by Aura along with Small Culverts is Insufficient to Prevent Greater Accumulation of Water onto High Country Trail than occurs without this Development

Through direct conversation and email with Mr. Doug Slover, Stormwater Project Manager, Water Services Division for the City, I obtained understanding of what standard is used to determine whether or not a drainage system for stormwater is acceptable. The standard provided by Mr. Slover was that it can not be worse than it is right now without any development at all. I consider that (yes) a reasonable and fair standard.

So how is it right now?? From personal experience both I and all folks in Ponderosa Trails and beyond know that in the winter after snow melt and after rain, High Country Trail (HCT) IN THE VICINITY OF THE **CURVE** in the road freezes over at night and becomes very icy and hazardous especially in the morning hours. Vehicles heading towards Lake Mary Rd. can easily slide on this ice and into oncoming traffic in the opposite lane because of centrifugal force. And this is the situation that exists now with all of the land specified for Aura presently consisting of earth with about 2/3rds of it consisting of forest and earth.

The "chamber" method proposed here for Aura means that drains and other channels should attempt to remove as much water from the development after a storm as the earth and trees are presently accomplishing. However, it should be self evident that with all of the concrete and asphalt covering the ground after construction of Aura would be completed, there will still be at least some runoff from

driveways, sidewalks and ground that will not be contained by drainpipes and culverts that do NOT divert onto High Country Trail. Even a cursory inspection of the new Aura site plan shows that two small culverts (I am unaware of the technical name for these) are intended to divert water from the forward ground of this development ONTO High Country Trail adjacent to the "eastside" driveway into/out of Aura. So the question then is whether or not this additional water would be greater than or less than water that could flow onto HCT right now from the earth and trees that is not absorbed by that earth? And also whether that water along with any water that is not captured by drains (heading into the chambers) but flows from that eastside driveway right onto the curved part of HCT would, taken together, be greater or worse than it is right now?

So this analysis understands the fact that right now the only water that DOES make it onto HCT is excess water that the ground immediately adjacent and all the way up the hill that constitutes this parcel is not able to fully absorb. It flows over the sidewalk and onto HCT. However, with this development, it is quite apparent that most of the water that would otherwise be absorbed by the ground will not be and that *some of that* will flow onto HCT. The chambers will not be able to capture all of it. Furthermore, the existence of the two small *culverts* (for want of a better identifier) adjacent to the east driveway in question would then add additional water from the "meadow" and adjacent ground from "underneath" the level of the sidewalk. That means that the amount of water being added to HCT from the culverts along with water from the driveway itself must be greater than what occurs right now because most of the water is absorbed by the ground presently and therefore unavailable to be able to flow onto HCT. And all this in the worst possible place for it along the **curved** portion of HCT where the east most driveway is located on the Aura site plan.

So it is my opinion that there must be more water after heavy rain or snow that causes hazardous conditions on HCT after Aura than there is right now. Therefore Aura fails this reasonable test.

VIII. The Real Significance of the Most Recent Ponderosa Trails HOA email Poll on this Rezone Showing Great Majority Opposed

One of my neighbors as well as submittal from our HOA will show that the results of this poll of all of Ponderosa Trails were that 89.8% of those responding were opposed to the rezone for this development. About 8.6% were in favor of it and 1.6% had no opinion either way. These are the CORRECTED results but the effect is the same.

Out of 639 units in Ponderosa Trails, 303 valid votes responded for a Margin of Error of plus or minus 5.4% at the 99% confidence level. (4.1% at the 95% confidence level).
These results were corrected for several homes that had more than one email address AND submitted more than one vote. And if you read the question that was submitted it tended to favor this application for rezone in that no mention at all of any issues or problems were stated and even said that improvements were made. Still the results overwhelmingly favor denial.
But here's the thing. In evaluating applications of this type the City may often use the rational' that even if a few residents on one or two streets are disadvantaged, if the City as a whole benefits then the application can go forward. This poll shows that it is NOT ONLY the residents of one or two streets who believe this application should be denied but the great majority of a whole neighborhood believes it is not in their best interests to approve this development. So the City should not and really cannot say that Aura would be beneficial for us as a whole. This poll says otherwise.

IX. What about the Findings??

Here's what my analysis of the 3 Findings shows:

Finding #1 – Consistency with the Regional Plan (not optional under ARS 9-500.05B)

One of the main inconsistencies with our Regional Plan is that this proposal totally ignores the explicit Plan designation of the area as Suburban Residential and maximum MEDIUM DENSITY. The Community Character and such things as aesthetics from the street in front of this development do not depend on whether the Developer receives density bonuses or not. Reality is reality regardless of the rules of the Zoning Code and/or Regional Plan. Correspondence assures validity, not words on paper. That is why a Major Regional Plan amendment would have been required if the developer had applied for high density rezoning in the first place.

In addition to the above inconsistency also evidenced by CC 1.1 and CC 1.3 and 1.5 above, we also find this development to be inconsistent with the following goals and policies of the Regional Plan.

E&C 8.1 – Evaluate land use ....for their potential noise impacts. We believe this has not been accomplished. Lots more noise

would emanate from this development; i.e. nuisance parties, etc.

OS 1.4 – Use open space for non-motorized connectivity and enjoy views and quiet. The opposite of what Aura will do.

WR 5.5 – Please see Sect. VII above. Aura uses "numerous small dispersed basins" in essence rather than one larger detention basin as advocated by this policy.

E 2.1,2.2,2.4,2.5 – Although the developer purports to comply with the "sustainability" incentives, virtually **NONE** of the energy needed for Aura will be renewable. Check it out; I am not exaggerating.

CC 3.1, 3.2 – Aura is not respectful of our overall community image nor does it blend their buildings into our existing neighborhood. Please also see Sects. I, II, and V above.

CC 4.6 - Aura does not use landscaping to screen parking and improve aesthetics for this development, just the opposite in fact. Also this **reduces** the economic benefit inconsistent with this policy. Please see Sect. V above.

LU 3.4 - Aura does not utilize appropriate change between neighborhoods or developments in the area. It is "de facto" high density inconsistent with our Plan.

LU 4.2 - In a very **ironic** twist, Aura fails to respect the private property rights of the Auza family because they purchase a conservation easement on the north side two acres that PROHIBITS development but then use it to impermissibly increase density/intensity anyway even tho' the Auza's have not provided anything of value in exchange for those two acres. This promotes rather than discourages bad morals for the Auza's in opposition to sound Euclidean doctrine as the foundation for Zoning in the first place. (i.e. promote health, safety, morals, and general welfare)

NH 6.1 - Even though Aura is an infill project it is not a quality one in that the concentration and design of the buildings are more dormitory style than the luxury apartments they are advertised as being. So they are NOT contextual with the surrounding neighborhood nor do they enhance community character inconsistent with this policy.

Because of all of the above, Aura fails to meet Finding #1.

Finding #2 – Not detrimental to the public interest and Euclidean doctrine and adds to the Public Good

There are many reasons this project is detrimental to the public interest and not in the general welfare of the City of Flagstaff. Section IV above shows that this development uses methods that deprive the people of the equal protection of the Zoning Code and Regional Plan by providing no protection from applying the plain meaning of the Code but allowing the developer to do so in a distorted way. This violates the equal protection clause of the Fourteenth Amendment to our US Constitution. This is a violation on it's face and therefore invalidates any application. It is not in the public interest and damages the public trust the people are supposed to be able to place in our City government.

Furthermore, Sections I and II above show that the Community Character of our neighborhood is compromised by Aura in violation of our Zoning Code and inconsistent with the Regional Plan. This does harm to the general welfare of our community.

In the previous Staff Report dated April 9, 2019 the City called out this same developer for "reading more intense due to the concentration of density" and as having "buildings visible from the street that are 3 stories high and over 100 feet long." (p. 4, sect. v of the previous Staff Report). They also called out the developer for the need to "clear cut and mass grade" the site and to locate open and civic space under the high voltage transmission lines being detrimental to the public interest." (p. 13, under RECOMMENDATIONS of previous Staff Report).

But BOTH of these conditions remain true for this proposal. Therefore Staff must be even handed in also finding them detrimental to the public interest this time around.

Since many requirements of our Zoning Code are not met as shown in Sects. I, III, IV & V above as well, they do not add to the public good and in fact only add to the benefit of the Auza's who would retain total use of the north side two acres and presumably receive greater compensation for 11 acres than for the 9 acres they could have **properly sold** for a compatible and contextual development that could have been completely acceptable with regard to the Code, the Plan and the people.

Generally speaking if the City approves this development even though it violates certain legal doctrines and protections that the Code/Plan would otherwise afford, it does not serve the general welfare of Flagstaff since it undermines our laws that support general Euclidean doctrine for zoning.

Therefore, we conclude Aura fails to meet Finding #2.

Finding #3 – Site is physically suitable in terms of design,..size,....storm drainage, etc. etc.

Here the site upon which Aura would be constructed is not suitable in terms of size for the number of units developer has proposed. This results in the "de facto" density reaching into the HR range to an unacceptable degree thus resulting in inconsistency with our Regional Plan and also results in violations of our Zoning Code for things like the site plan design standards, size, and screening requirements for vehicles in parking spaces, building entrances and screen wall as shown above in Sect. V.

Furthermore Sect. VII above shows that the storm drainage for this site would be insufficient to maintain the "flooding" onto High Country Trail not worse than it is without this development.

So for these reasons we see that Aura fails to meet Finding #3.

The inescapable result is that this application for rezone should be denied!!

Appendix A – Why the Current Housing Boom is Forecast to Decline

On October 8, 2020 an article in the NY Times entitled "With No Stimulus in Sight, Dire Forecast for Economy" addressed the idea that no second stimulus payments were forthcoming and the consequences that may follow. Of particular concern here though are a few statements from this article. One quote says commenting on how much better it was for 2019 "If we don't try to protect those gains, it will take a longer time, a really long time to come back." Another

quote from this article by a George Washington University economist states: "lawmakers should radically expand a tax credit that offsets the costs of retaining employees, along with additional aid for fixed costs like rent." So the pandemic has had major impacts on the economy meaning many more folks can no longer even pay their rent. This does not bode well for developments like Aura that would be 87.5% market rate units. But even more relevant to my discussion where this Appendix is referenced is the idea that a down market is coming and will be significant resulting in losses to adjacent single family homes that will be **greater than** the vast majority of surrounding homes.

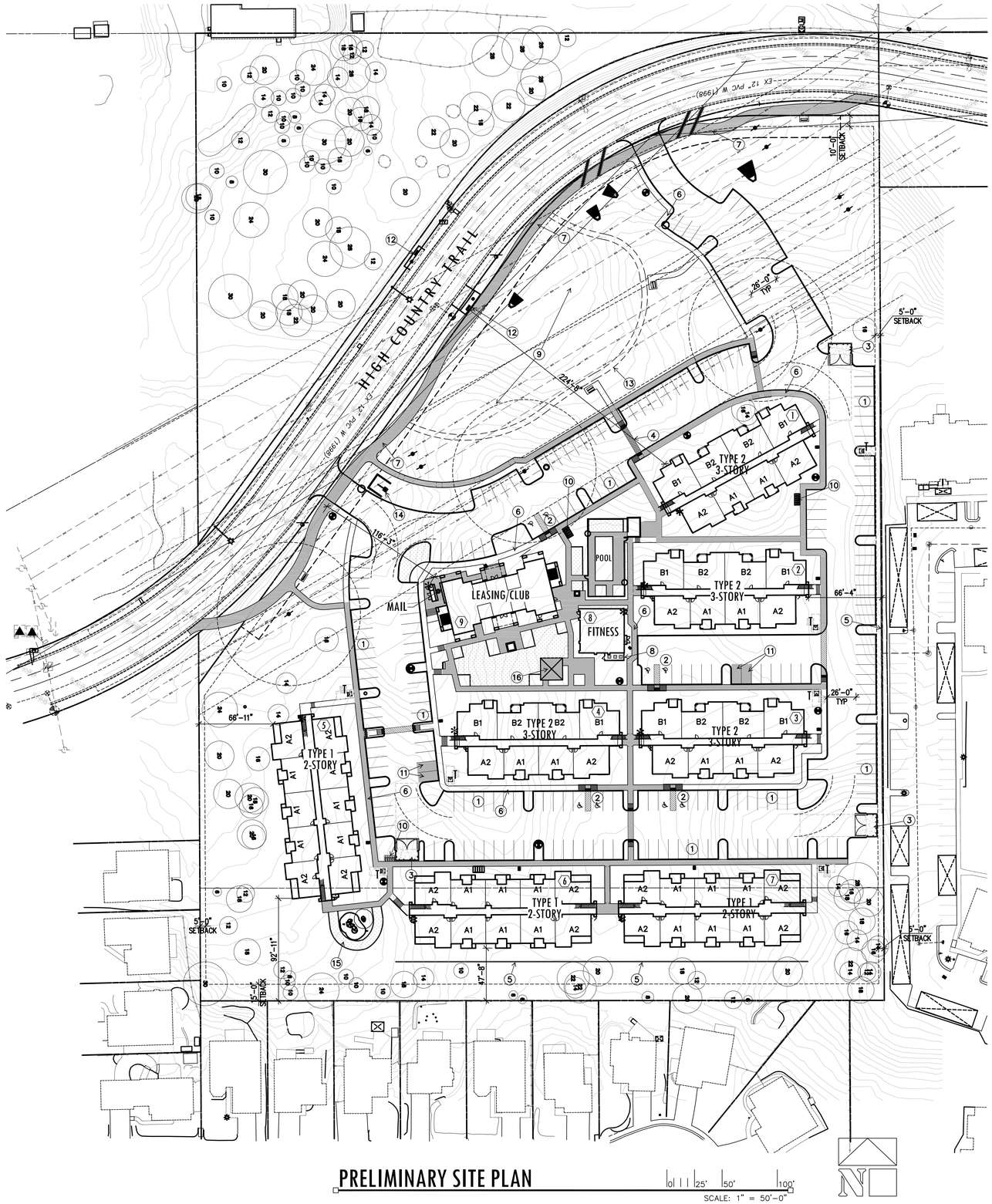
Another article in the NY Times dated September 17, 2020 and entitled "Slowing Growth in US Retail Sales Points to an Economic Recovery in Decline" addresses the effect that the pandemic is having on retail sales and the ripple effect that has on the overall economy. It states in this article that: "Economists say the full impact of these types of closings in the consumer economy may not be felt for months, when the after effects of the stimulus measures wear off." It also states that "...many consumers, who have kept making big purchases and renovating their homes, may not have fully realized the economy's fragility, but they inevitably will". So this does not forecast well for the housing market. With so many losing their jobs, they will not be able to afford increasingly high rents.

Another article from the Dallas Federal Reserve Bank entitled "The Impact of the COVID-19 Pandemic on the Demand for Density: Evidence from the U.S. Housing Market" (August 2020) states that: "We find that the pandemic lowers home sales more in neighborhoods with a greater share of telework-compatible jobs nearby, more consumption amenities, higher pre-pandemic home prices, and lower income levels. After holding these observables constant, we still find that housing demand declines more in locations with higher residual density, which suggests that home buyers may be concerned about density per se owing to the fear of viral transmission in crowded places."

So the demand for density is likely to decline in the coming months/years. This last article suggests that the home market affects the rental market as well. This makes sense because many of the very same factors that affect the demand for single family homes also affects the demand for apartments. More folks are working from home and do not need to live close to "center city" to do their jobs. Furthermore, although it is disappointing to contemplate, a significant number of people of working ages have passed away due to the pandemic and that means an automatic contraction in the economy that will be felt for many years to come and directly affects how many people need dwelling units.

Note #1 – Zoning and the Police Power

As most of you know, the Zoning Code falls under the "Police Power" of the state. But it is well documented and established that the Police Power is not absolute. It is circumscribed and limited by the Preamble to our Constitution (Promotion of the General Welfare) and by Article I Sect. 8 of same (provide for… general Welfare). This is where the Euclidean doctrine that circumscribes the Zoning Code originates so that any Zoning Code must provide for the "public health, safety, morals, and general welfare." In this present rezone case, it is the **general welfare** that is most relevant. But the Police Power bears a close relationship to the Public Trust doctrine as well. As quoted from the article below: "….zoning ordinances that control housing density and land uses help limit change, particularly if any change is inconsistent with, and therefore disruptive of, a neighborhood's character." (see p. 7 from below article) The public needs to be able to trust government to uphold protections contained in the Zoning Code. (from Boston College Environmental Affairs Law Review Vol. 28, #4 (2001) "Police Power and the Public Trust:…" by Donna Patalano.)



PRELIMINARY SITE PLAN

SCALE: 1" = 50'-0"

PROJECT DESCRIPTION

AN EXCEPTIONAL MULTI-FAMILY RESIDENTIAL (FOR RENT) PROPERTY LOCATED ON THE SOUTHEAST CORNER OF HIGH COUNTRY TRAIL AND S. WILD WEST TRAIL.

DEVELOPMENT DATA

LOT AREA :

TOTAL SITE: 11.0 ACRES 479,620 SF

APN NUMBER: 112-05-011, 112-05-001W

ZONING :

CURRENT ZONING E.R.
PROPOSED ZONING M.R.

UNIT DENSITY/COUNT :

PROPOSED: 9 DU PER ACRE

ALLOWABLE UNITS:
11.0 ACRES x 9 UNITS/ACRE 99 UNITS
45% AFFORDABLE HOUSING BONUS 45 UNITS
25% SUSTAINABLE BUILDING BONUS 25 UNITS
TOTAL ALLOWABLE UNITS 169 UNITS

PROPOSED UNITS 160 UNITS

* 20% OF UNITS TO BE AFFORDABLE HOUSING UNITS:
99 UNITS x .2 = 20 UNITS.
DENSITY BONUS FOR 20% AFFORDABLE HOUSING UNITS = 45% INCREASE IN ALLOWABLE UNITS (45 UNITS).

UNIT MIX :

		# OF UNITS
ONE BEDROOM	70%	112
TWO BEDROOM	30%	48
TOTAL	100%	160 UNITS

NOTE:
AT LEAST 2% OF THE UNITS, BUT NO LESS THAN ONE SHALL BE A TYPE 'A' UNIT, THESE UNITS MUST BE DISPERSED AMONG THE VARIOUS CLASSES OF UNITS.

LOT COVERAGE :

BLDG TYPE	FOOTPRINT SF	NO. OF BLDGS	TOTAL FOOTPRINT SF
TYPE 1	9,996	3	29,988
TYPE 2	8,955	4	35,820
LEASING/REC	5,545	1	5,545
FITNESS	1,615	1	1,615
RAMADA	400	1	400
TOTAL SF			73,368
TOTAL LOT AREA			479,620
LOT COVERAGE			**15.30%**

OPEN SPACE

SITE:	11.0 ACRES	479,620 SF
REQUIRED:		
CIVIC OPEN SPACE 5%	0.55 ACRES	23,981 SF
COMMON OPEN SPACE 15%	1.65 ACRES	71,943 SF
PROVIDED:		
CIVIC OPEN SPACE 5%	0.55 ACRES	24,000 SF
COMMON OPEN SPACE 15%	1.65 ACRES	71,943 SF

BUILDING SQUARE FOOTAGE

BUILDING TYPE 1		BUILDING TYPE 2		CLUBHOUSE		FITNESS		RAMADA	
1ST FLOOR	10,154	1ST FLOOR	9,105	1ST FLOOR	5,485	1ST FLOOR	1,665	1ST FLOOR	400
2ND FLOOR	10,137	2ND FLOOR	9,105	2ND FLOOR	4,568				
		3RD FLOOR	9,105						
TOTAL	20,291		27,315		10,053		1,665		400
NO OF BLDGS	3		4		1		1		1
TOTAL	60,873		109,260		10,053		1,665		400

TOTAL PROJECT SQUARE FOOTAGE: 182,251

UNIT DATA :

UNIT DATA

	UNIT TYPE							
	A1	A2	A3	B1	B2	UNITS PER BLDG.	NO. OF BLDGS	NO. OF UNITS
LIVABLE SF.	770	788	793	973	1013			
PATIO/BAL SF.	93	111	117	80	77			
TOTAL SF	**863**	**899**	**910**	**1053**	**1090**			
BLDG TYPE 1	12	8	0	0	0	20	3	60
BLDG TYPE 2	6	6	0	6	6	24	4	96
LEASING/REC	0	0	4	0	0	4	1	4
TOTAL UNITS ALL BUILDINGS	**60**	**48**	**4**	**24**	**24**	**TOTAL**	**8**	**160**

(20) UNITS SHALL BE RESERVED FOR CITY OF FLAGSTAFF AFFORDABLE HOUSING PROGRAM.
70% 1-BEDROOM UNITS (14 UNITS) AND 30% 2-BEDROOM UNITS (6 UNITS).

PARKING : PER TABLE 10-50.80.040.A

REQUIRED (MARKET RATE):		
1.5 PER 1 BEDROOM	1.5 x 98 =	147
2.0 PER 2 BEDROOM	2.0 x 42 =	84
TOTAL		231 P.S.
REQUIRED (GUEST):		
.25 PER 2 BEDROOM	.25 x 48 =	12
REQUIRED (AFFORDABLE):		
1.0 PER 1 BEDROOM	1.0 x 14 =	14
1.5 PER 2 BEDROOM	1.5 x 06 =	9
		23 P.S.
TOTAL REQUIRED PARKING:		
MARKET RATE		231
GUEST		12
AFFORDABLE		23
TOTAL		266 P.S.
10% REDUCTION OF REQUIRED PARKING FOR BUS SERVICE AREA		-26
TOTAL		240 P.S.
PROVIDED:		
OPEN PARKING (9'x18')		242 P.S.
RATIO:		
242 P.S./160 UNITS = 1.51 SPACES PER UNIT		

ACCESSIBILITY:
INCLUDED IN COUNT ABOVE:
ACCESSIBLE PARKING REQUIRED : 8
ACCESSIBLE PARKING PROVIDED: 8

BIKE PARKING:

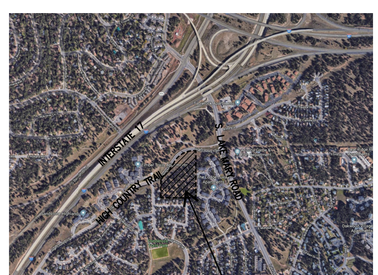
REQUIRED:
5% OF REQUIRED OFF-STREET PARKING
266/.05 = 14 SPACES
PROVIDED: 15 SPACES

KEYNOTES (1)

1. NEW PARKING SPACES - 18'x9' (TYPICAL)
2. NEW ACCESSIBLE PARKING SPACE - 18'x11' WITH 5' ISLE (TYPICAL)
3. NEW INTEGRAL COLOR SPLIT FACE MASONRY TRASH AND RECYCLE BIN ENCLOSURE (TYPICAL). SEE LANDSCAPE FOR COLOR
4. NEW CROSS WALK - SEE CIVIL
5. NEW INTEGRAL COLOR SPLIT FACE MASONRY RETAINING WALL - SEE LANDSCAPE FOR COLOR.
6. NEW 5' WIDE SIDEWALK (TYPICAL) - SEE CIVIL
7. NEW FUTS PER REGIONAL PLAN - SEE CIVIL/LANDSCAPE
8. NEW SPLIT FACE MASONRY MECHANICAL UNIT SCREEN WALL - SEE LANDSCAPE
9. MEADOW LANDSCAPE - SEE LANDSCAPE PLANS
10. BIKE RACK - SEE HARDSCAPE
11. LOCATION OF PARKING SPACES PLANNED TO SERVE EV READY OUTLET. ONE OUTLET TO SERVE (2) PARKING SPACES.
12. NEW BUS STOP PAD
13. STABILIZED GRANITE TRAIL - SEE LANDSCAPE
14. MONUMENT SIGN - SEE LANDSCAPE
15. TOT LOT/PLAY AREA - SEE LANDSCAPE
16. COVERED RAMADA

LEGEND

- (1) DENOTES BUILDING NUMBER
- DENOTES ACCESSIBLE ROUTE.
- 55' / 35' FIRE TRUCK TURNING LANE
- DENOTES PROPERTY LINE
- DENOTES ACCESSIBLE PARKING
- FIRE RISER LOCATION
- PROPOSED FIRE HYDRANT
- T TRANSFORMER LOCATION



VICINITY MAP
NOT TO SCALE

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

The Office of Rich Barber Architecture, LLC
ORB

WorldHQ@ORBArch.com

REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
06 25 20
ARIZONA, U.S.A.
Expires 3/31/2023

DEVELOPER
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4040 E CAMELBACK SUITE 160
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RAA@ORBARCH.COM

REVISIONS

DATE: JUNE 25, 2020 ORB # 17-227

A1.10

SITE PLAN PRELIMINARY

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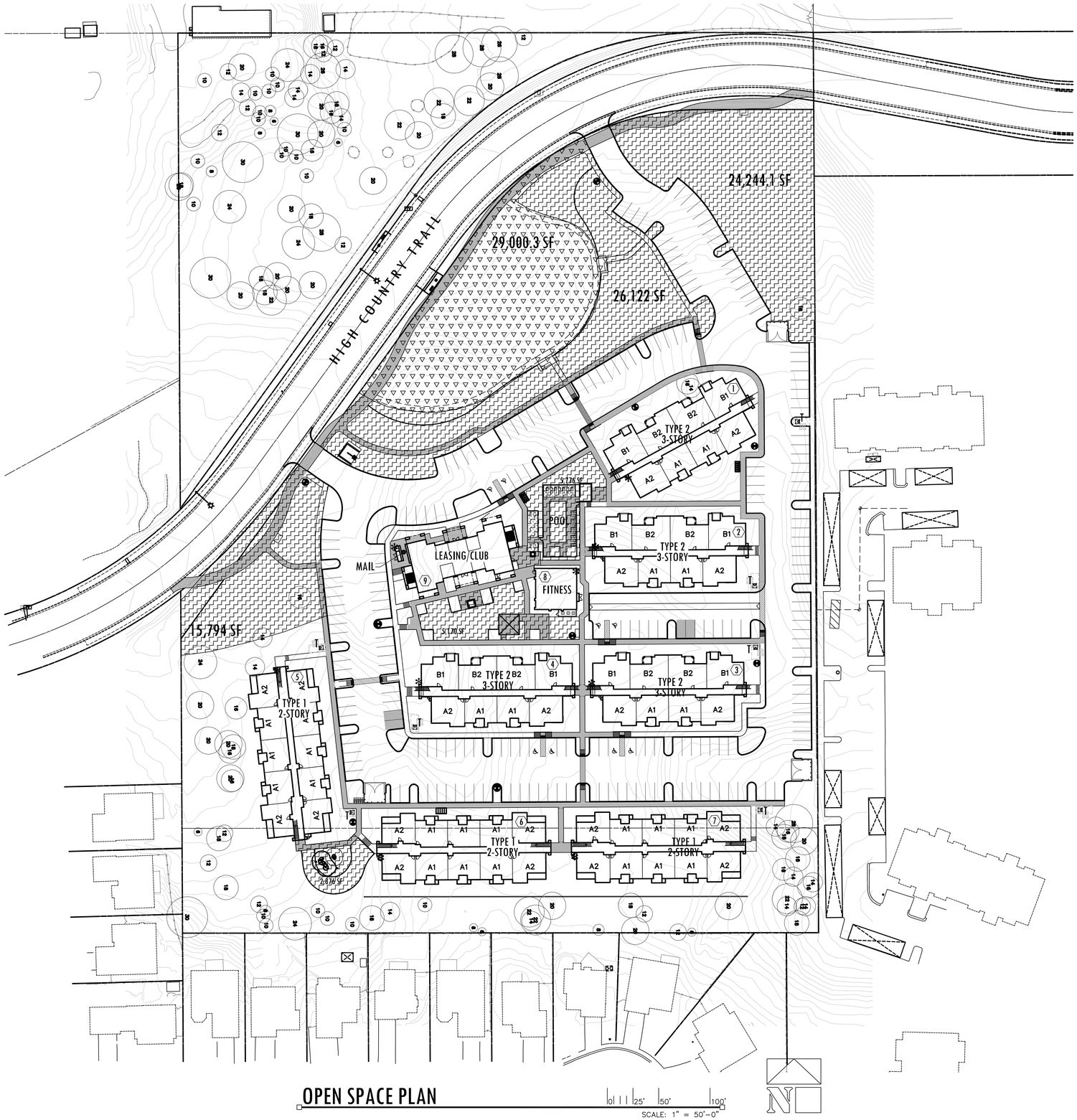

OPEN SPACE PLAN

SCALE: 1" = 50'-0"

OPEN SPACE CALCULATONS:

OPEN SPACE

SITE:		11.0 ACRES	479,620	SF
REQUIRED:				
CIVIC OPEN SPACE	5%	0.55 ACRES	23,981	SF
COMMON OPEN SPACE	15%	1.65 ACRES	71,943	SF
PROVIDED:				
CIVIC OPEN SPACE	6%	0.67 ACRES	29,000	SF
COMMON OPEN SPACE	17%	1.84 ACRES	79,983	SF

INDICATES COMMON OPEN SPACE

INDICATES CIVIC OPEN SPACE

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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REGISTERED ARCHITECT
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REVISIONS

DATE: JUNE 25, 2020 ORB # 17-227

A1.12

OPEN SPACE PLAN
PRELIMINARY

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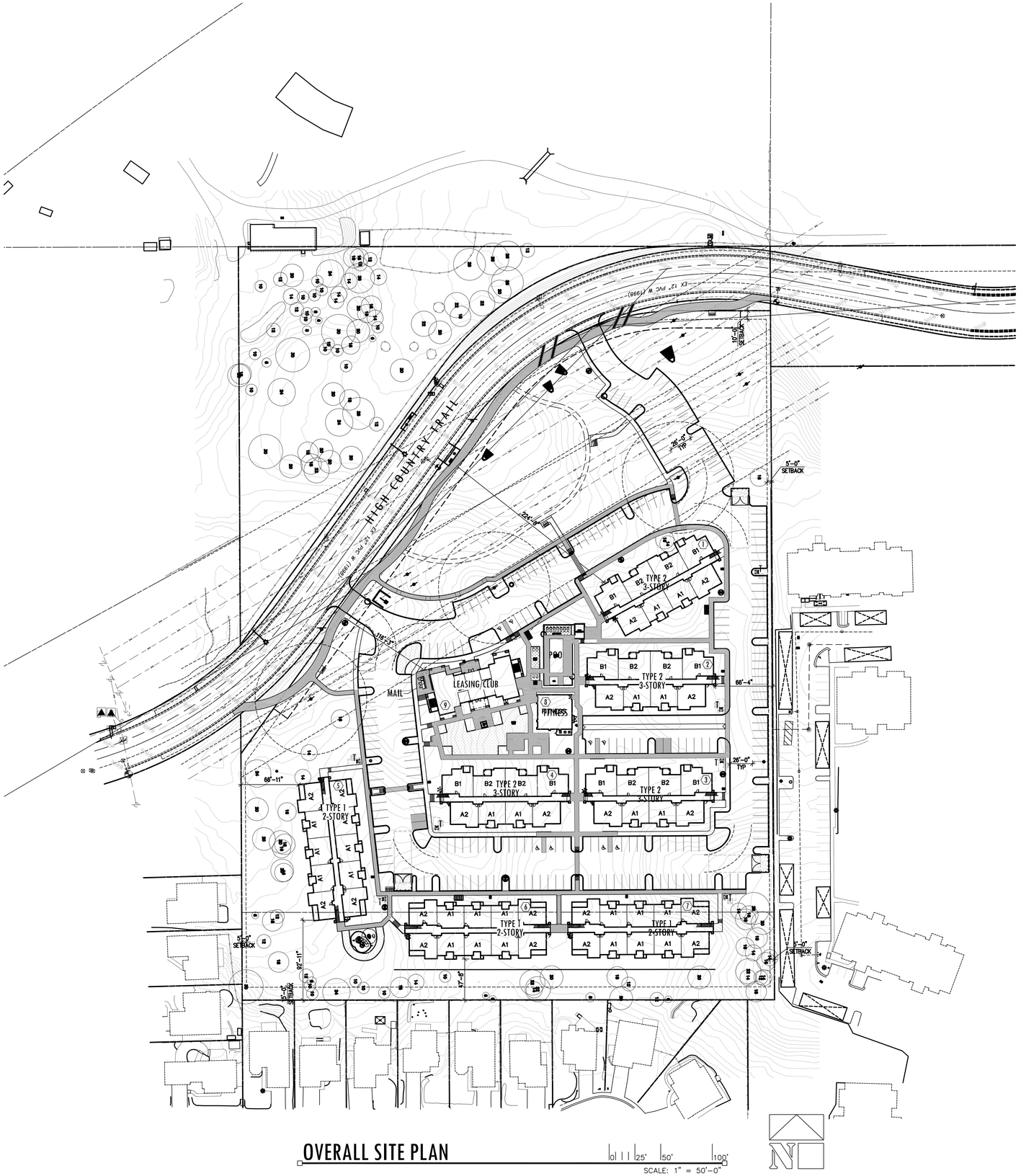
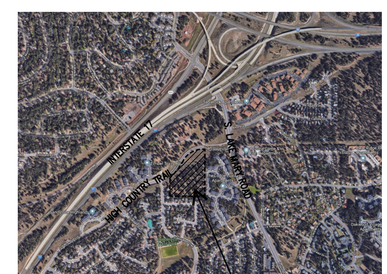


OVERALL SITE PLAN

SCALE: 1" = 50'-0"



VICINITY MAP
NOT TO SCALE

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
04/20/20
Date Signed
ARIZONA, U.S.A.
Expires 3/31/2023

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REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

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PRELIMINARY
OVERALL SITE PLAN

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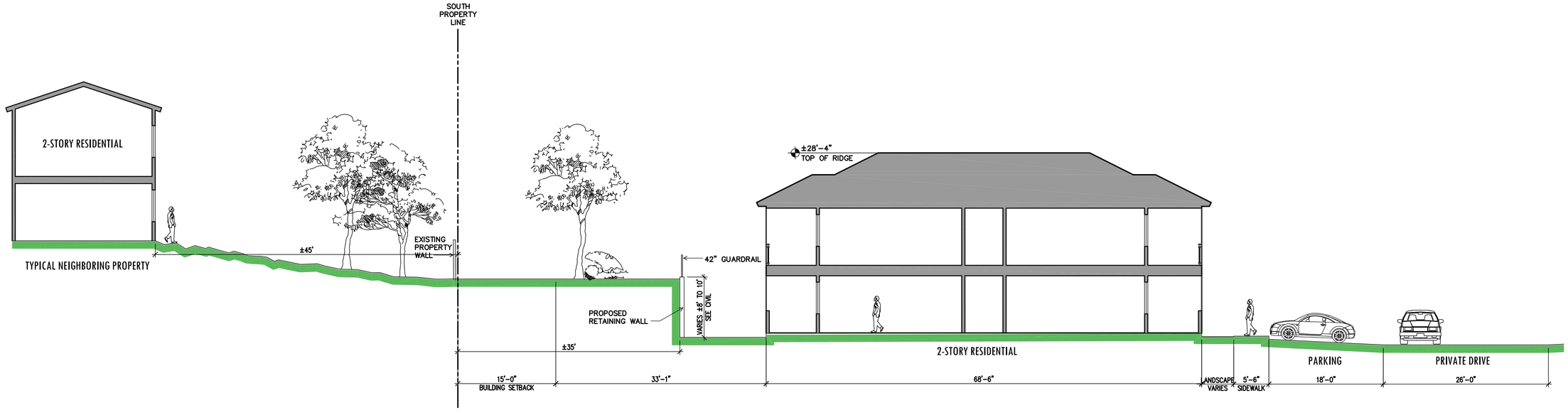


NORTH/SOUTH SITE SECTION

AT SOUTH PROPERTY LINE

0 | | | 4' 8' 16'

SCALE: 3/32" = 1'-0"

VICINITY MAP

NOT TO SCALE

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

Office of Rich Barber Architecture, LLC
ORB
WorldHQ@ORBArch.com

REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
06/25/20
ARIZONA, U.S.A.
Expires 3/31/2023

DEVELOPER
TRINSIC RESIDENTIAL GROUP
4040 E CAMELBACK SUITE 160
PHOENIX AZ 85018
TEL. 602.799.9960
CONTACT: TODD GOSELINK
TGOSSELINK@TRINSICRES.COM

Architect
ORB ARCHITECTURE, LLC
2944 N. 44TH STREET #101
PHOENIX, ARIZONA 85018
TEL. 602 957-4530
CONTACT: RICHARD ALVAREZ
RAA@ORBARCH.COM

REVISIONS

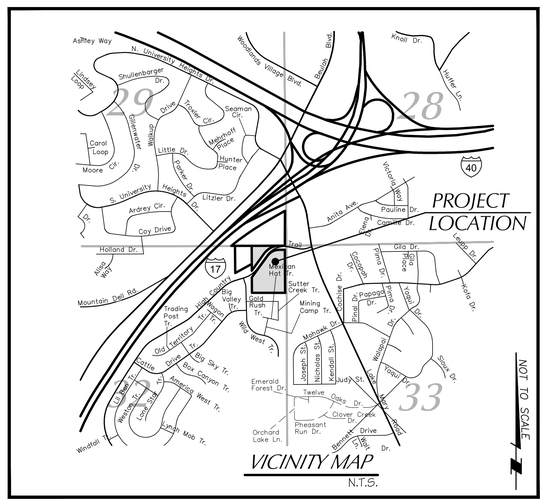
DATE: JUNE 25, 2020 ORB # 17-227

A1.14

SITE SECTION
PRELIMINARY

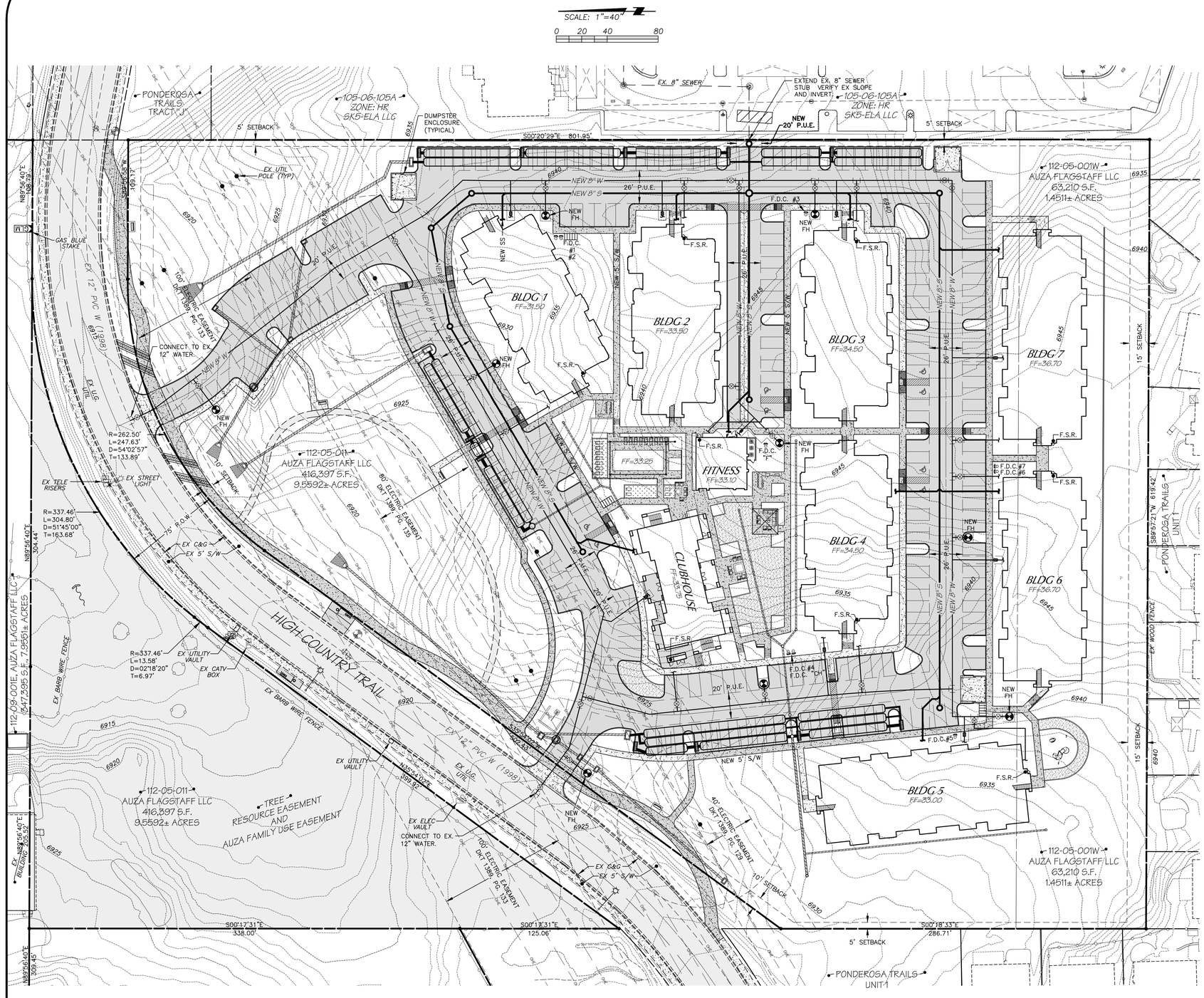
SITE PLAN
FOR
AURA FLAGSTAFF

LOCATED IN A PORTION THE SE1/4 OF SECTION 29, AND A PORTION THE NE1/4 OF SECTION 32, TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M. FLAGSTAFF, COCONINO COUNTY, ARIZONA


PROJECT LOCATION
VICINITY MAP
N.T.S.
29
28
33
Ashley Way
N. University Avenue
Shullenberger Dr.
Woodlands Village Blvd.
Beaver St.
Knoll Dr.
Hunter Ln.
Lindsey Loop
Seaman Dr.
Trailer Ct.
Meadow Ridge
Hunter Place
Carol Loop
Moore Cir.
Little Dr.
Litzler Dr.
S. University Heights Dr.
Ardrey Cir.
Coy Drive
Holland Dr.
Aspen Ave.
Anita Ave.
Pauline Dr.
Cosmic Dr.
Gila Dr.
Cedar Dr.
Mountain Dell Rd.
Big Valley Trl.
Gold Rush Tr.
Sutter Creek Tr.
Mining Camp Tr.
Old Overland Trl.
Old Settler Trl.
Sky Sky Tr.
Canyon Tr.
Emerald Forest Dr.
Twelve
Pheasant Run Dr.
Orchard Lake Ln.
Windfall
Clover Creek Drive
Sioux Dr.
Apache Dr.
Navajo Dr.
Hopi Dr.
Pima Dr.
Papago Dr.
Comanche Dr.
Cheyenne Dr.
Mohave Dr.
Shoshone Dr.
Kiowa Dr.
Kaibab Dr.
Judd St.
Humphreys St.
Fort Valley Rd.
Flagstaff Mall
Milton Rd.
Lone Tree Rd.
Woodlands Village Blvd.
Beaver St.
Route 66
Historic Route 66
Santa Fe Ave.
Aspen Ave.
Cedar Ave.
Phoenix Ave.
Arizona Ave.
Humphreys St.
Leroux St.
Switzer Canyon Dr.
Lone Tree Rd.
Milton Rd.
Fort Valley Rd.
Flagstaff Mall
Forest Meadows St.
Kendrick St.
Riordan Mansion State Park
Riordan Mansion Historic
Wild West Tr.
Old Settler Trl.
Trading Post Trl.
Big Valley Trl.
Gold Rush Tr.
Sutter Creek Tr.
Mining Camp Tr.
Old Overland Trl.
Sky Sky Tr.
Switzer

SITE PLAN
FOR
AURA FLAGSTAFF

LOCATED IN A PORTION THE SE1/4 OF SECTION 29,
AND A PORTION THE NE1/4 OF SECTION 32,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



P.U.E.'s FOR WATER & SEWER

EASEMENTS ARE NOT FULLY LABELED FOR CLARITY:
(2) UTILITY LINES = 26' WIDE P.U.E.
(1) UTILITY LINE = 20' WIDE P.U.E.
FIRE HYDRANT LINES = 8' WIDE P.U.E. EXTENDED 4' BEYOND F.H.
WATER METER = 6' WIDE P.U.E. EXTENDED 4' BEYOND W.M.

FIRE PREVENTION

A NFPA 13R FIRE SPRINKLER SYSTEM IS REQUIRED FOR THIS PROJECT. ADDITIONALLY, A FIRE ALARM SYSTEM DESIGNED IN ACCORDANCE WITH NFPA 72 NATIONAL FIRE ALARM AND SIGNALING CODE IS REQUIRED.

FIRE SPRINKLER ROOMS

FIRE RISER ROOMS ARE IDENTIFIED AS "F.S.R"

FIRE DEPARTMENT CONNECTION

FIRE DEPARTMENT CONNECTIONS ARE IDENTIFIED AS "F.D.C. #". # INDICATES BUILDING NUMBER, "CH" INDICATES CLUBHOUSE, "F" INDICATES FITNESS BUILDING.

BACKFLOW PREVENTION

BACKFLOW PREVENTION SHALL BE IN ACCORDANCE WITH CITY CODE SECTION 7-03-001-0015

PUBLIC WATER & SEWER MAINS

ALL NEW 8" WATER & SEWER MAINS SHALL BE PUBLIC.

WATER & SEWER SERVICES

ALL NEW SEWER SERVICES SHALL BE 4" MINIMUM AND ALL NEW WATER SERVICES SHALL BE A 2" TO THE LARGER BUILDINGS AND 1" WATER SERVICE TO THE CLUBHOUSE. FIRE SPRINKLER LINE SIZE SHALL BE 4" MINIMUM.

ABBREVIATIONS

SS	SEWER SERVICE
WS	WATER SERVICE
FS	FIRE SERVICE
FH	FIRE HYDRANT
W	WATER
S	SEWER
F.D.C.	FIRE DEPT. CONNECTION
F.S.R.	FIRE SPRINKLER ROOM

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

7/7/20
MES#17259

AURA FLAGSTAFF
SITE PLAN
UNDERGROUND UTILITY PLAN

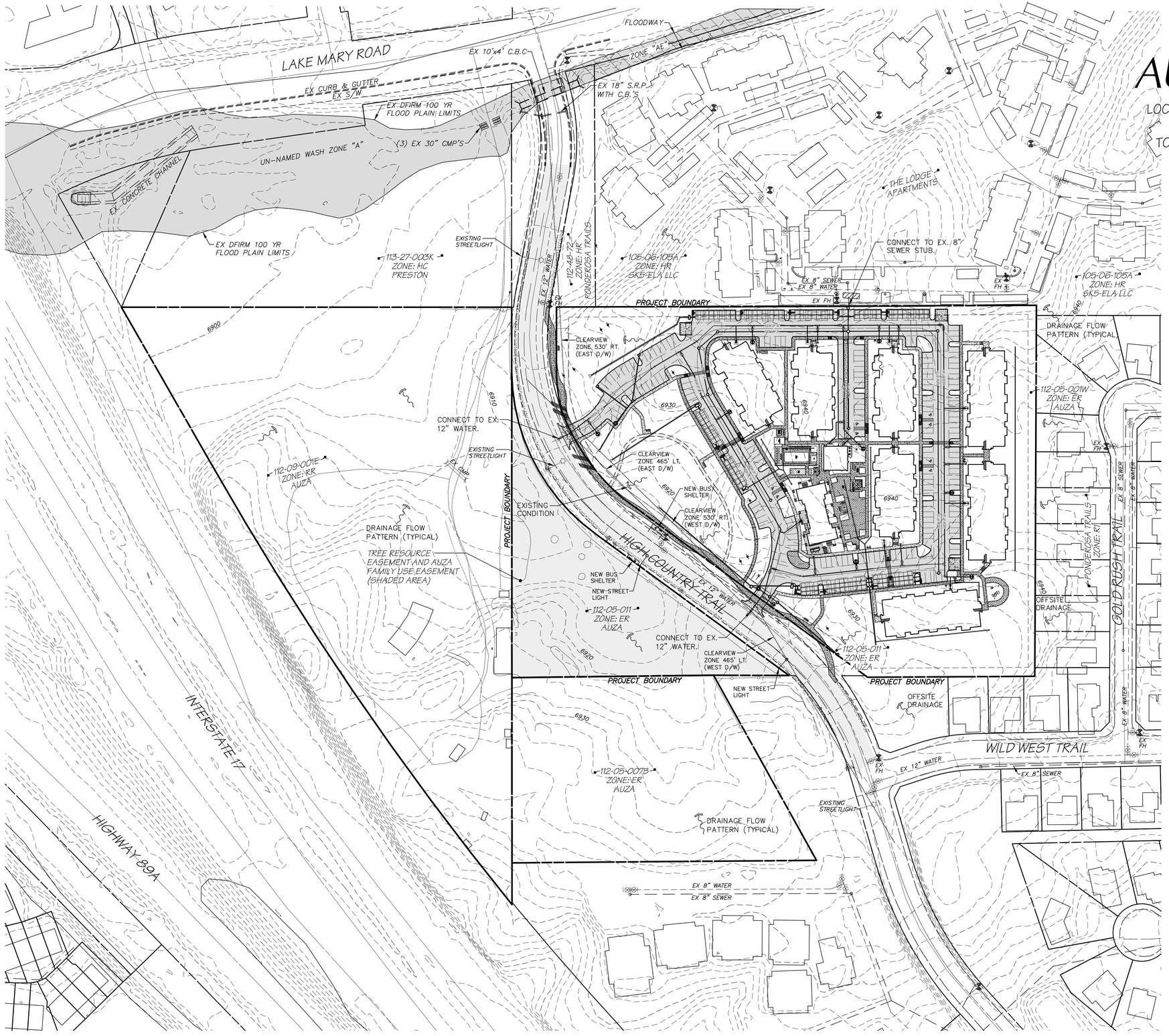
Mogollon Inc
ENGINEERING &SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

DATE:	REVISIONS: 1/4/20 REVISED LAYOUT PER OWNER
PROJECT NO. 17254	PER C.O.F. COMMENT DATED 3/18/20
DESIGNED BY: MME	PER C.O.F. COMMENT DATED 6/29/20
DRAWN BY: MME	
CHECKED BY: KVH	VERT SCALE: N/A HOR SCALE: 1"=40'

COF PROJECT # PZ-17-00218-01

AREA MAP
FOR
AURA FLAGSTAFF

LOCATED IN A PORTION THE SE1/4 OF SECTION 29,
AND A PORTION THE NE1/4 OF SECTION 32,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA



CLEAR VIEW ZONES

POSTED SPEED LIMIT = 35
DESIGN SPEED = 45 MPH
14.5' FROM MAJOR ROAD TRAVEL WAY

CASE B1 LEFT TURN FROM MINOR
I.S.D. TO RIGHT=1.47(45)(7.5+0.5)=529.2' (530')

CASE B2 RIGHT TURN FROM MINOR
I.S.D. TO LEFT=1.47(45)(7.0)=463.05 (465')

SCALE: 1"=80'
0 40 80 160

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

Mogollon Inc
ENGINEERING
&SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

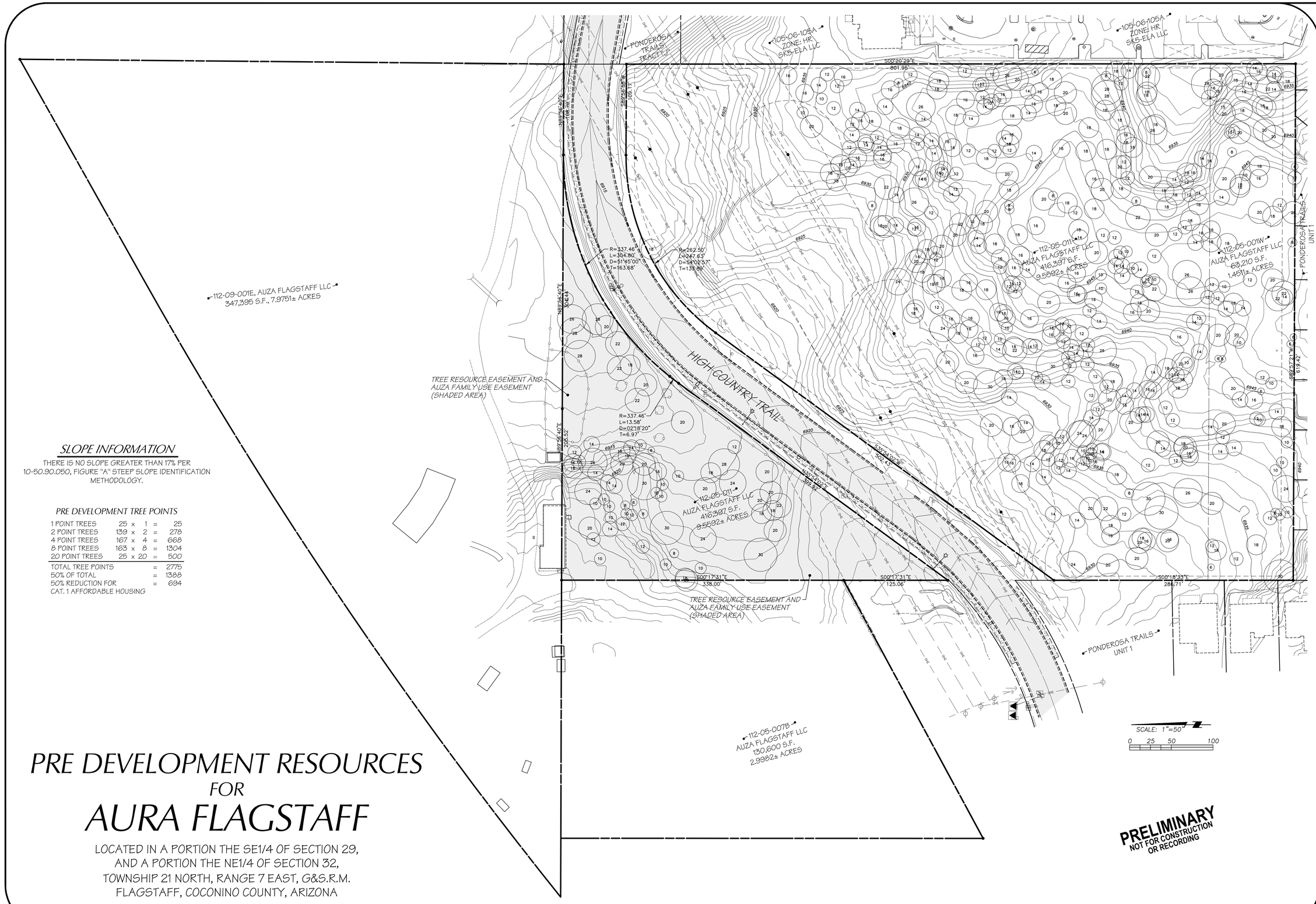
7/7/20
MES# 17259

AURA FLAGSTAFF
SITE PLAN
AREA MAP

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 7/7/20	PROJECT NO. 17259
DESIGNED BY: MME	FN: AREA-MAP-2018
DRAWN BY: MME	VERT SCALE: N/A
CHECKED BY: KVH	HOR SCALE: 1"=80'

REVISIONS: 1/9/20 REVISED LAYOUT PER OWNER
PER C.O.F. COMMENT DATED 3/18/20
PER C.O.F. COMMENT DATED 6/23/20



SLOPE INFORMATION

THERE IS NO SLOPE GREATER THAN 17% PER 10-50.90.050, FIGURE "A" STEEP SLOPE IDENTIFICATION METHODOLOGY.

PRE DEVELOPMENT TREE POINTS

1 POINT TREES	25	x 1	=	25
2 POINT TREES	139	x 2	=	278
4 POINT TREES	167	x 4	=	668
8 POINT TREES	163	x 8	=	1304
20 POINT TREES	25	x 20	=	500
TOTAL TREE POINTS			=	2775
50% OF TOTAL			=	1388
50% REDUCTION FOR CAT. 1 AFFORDABLE HOUSING			=	694

PRE DEVELOPMENT RESOURCES
FOR
AURA FLAGSTAFF

LOCATED IN A PORTION THE SE1/4 OF SECTION 29,
AND A PORTION THE NE1/4 OF SECTION 32,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA

Mogollon Inc
ENGINEERING
&SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

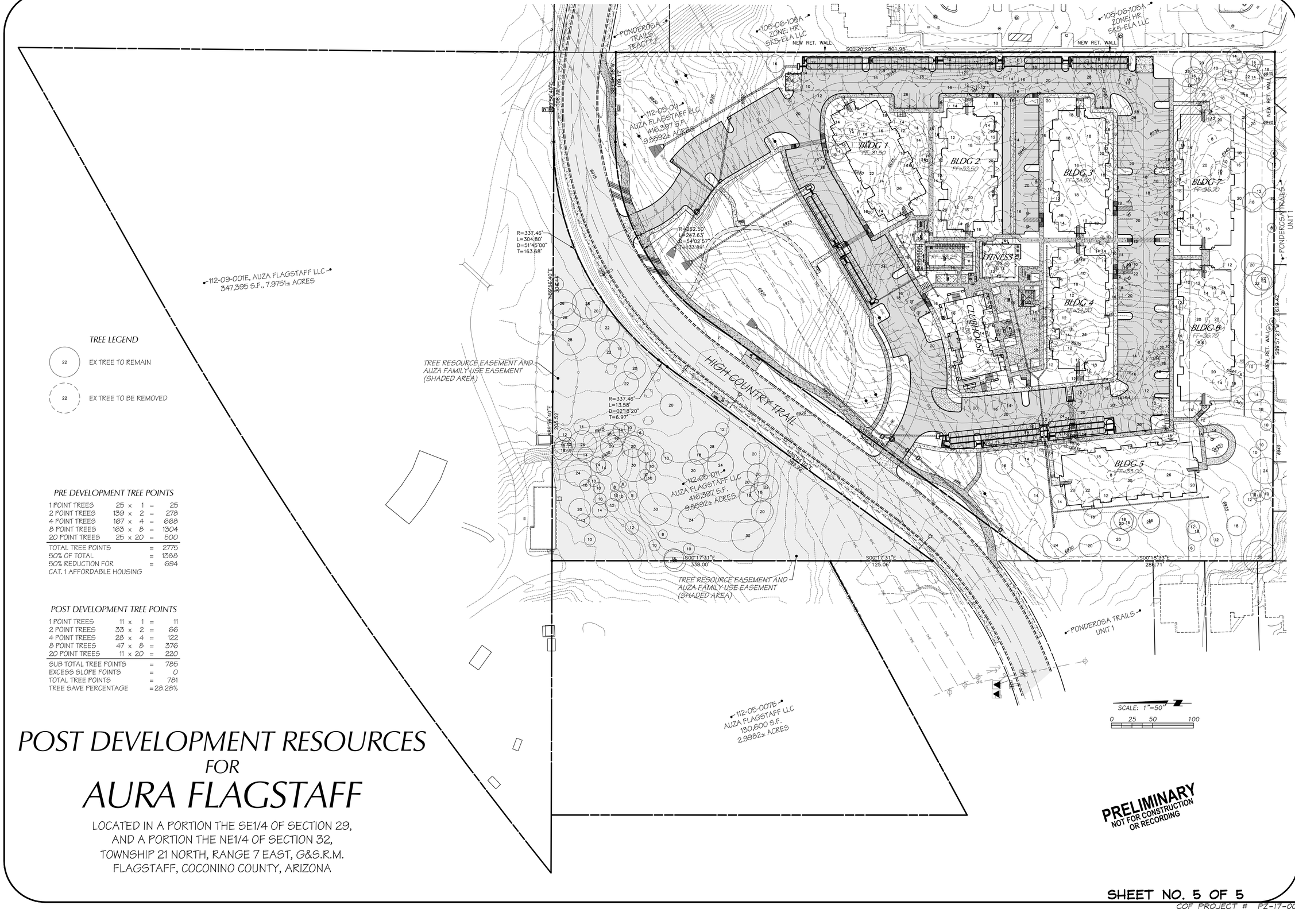
AURA FLAGSTAFF
SITE PLAN
PRE DEVELOPMENT RESOURCE PLAN

7/7/20
MES#17259

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 7/7/20	PROJECT NO. 17259	REVISIONS: 1/4/20 REVISED LAYOUT PER OWNER
DESIGNED BY: MME	FN: SHEET-04	PER C.O.F. COMMENTS DATED 3/18/20
DRAWN BY: MME	VERT SCALE: N/A	PER C.O.F. COMMENT DATED 6/23/20
CHECKED BY: KVH	HOR SCALE: 1"=50'	

COF PROJECT # PZ-17-00218-01



TREE LEGEND

22 EX TREE TO REMAIN

22 EX TREE TO BE REMOVED

PRE DEVELOPMENT TREE POINTS

1 POINT TREES	25	x 1	=	25
2 POINT TREES	139	x 2	=	278
4 POINT TREES	167	x 4	=	668
8 POINT TREES	163	x 8	=	1304
20 POINT TREES	25	x 20	=	500
TOTAL TREE POINTS			=	2775
50% OF TOTAL			=	1388
50% REDUCTION FOR CAT. 1 AFFORDABLE HOUSING			=	694

POST DEVELOPMENT TREE POINTS

1 POINT TREES	11	x 1	=	11
2 POINT TREES	33	x 2	=	66
4 POINT TREES	28	x 4	=	122
8 POINT TREES	47	x 8	=	376
20 POINT TREES	11	x 20	=	220
SUB TOTAL TREE POINTS			=	785
EXCESS SLOPE POINTS			=	0
TOTAL TREE POINTS			=	781
TREE SAVE PERCENTAGE			=	28.28%

POST DEVELOPMENT RESOURCES
FOR
AURA FLAGSTAFF

LOCATED IN A PORTION THE SE1/4 OF SECTION 29,
AND A PORTION THE NE1/4 OF SECTION 32,
TOWNSHIP 21 NORTH, RANGE 7 EAST, G&S.R.M.
FLAGSTAFF, COCONINO COUNTY, ARIZONA

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

SHEET NO. 5 OF 5

COF PROJECT # PZ-17-00218-01

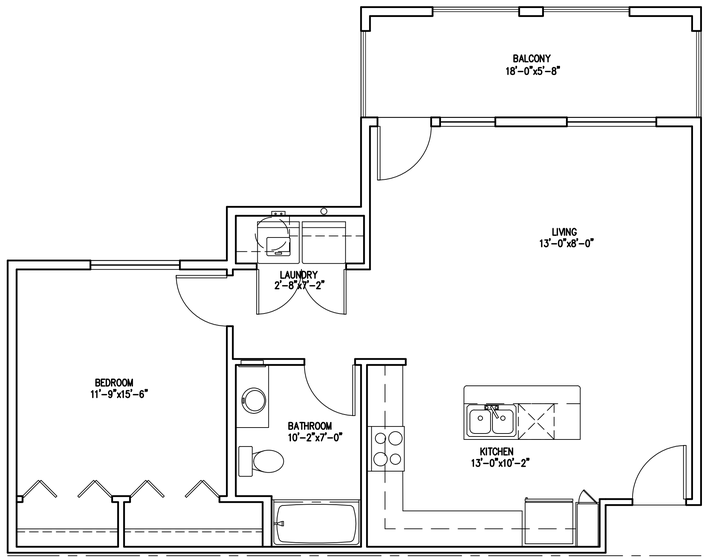
Mogollon Inc ENGINEERING &SURVEYING
411 W. Santa Fe Avenue
Flagstaff, Arizona 86001
Phone: 928-214-0214

AURA FLAGSTAFF
SITE PLAN
POST DEVELOPEMENT RESOURCE PLAN
7/7/20
MES#17259

PRELIMINARY
NOT FOR CONSTRUCTION OR RECORDING

DATE: 7/7/20
DESIGNED BY: MWE
DRAWN BY: MWE
CHECKED BY: KVH
PROJECT NO. 17259
FN: SHEET-05
VERT SCALE: N/A
HOR SCALE: 1"=50'

REVISIONS: 1/4/20 REVISED LAYOUT PER OWNER
PER C.O.F. COMMENTS DATED 3/18/20
PER C.O.F. COMMENT DATED 6/23/20

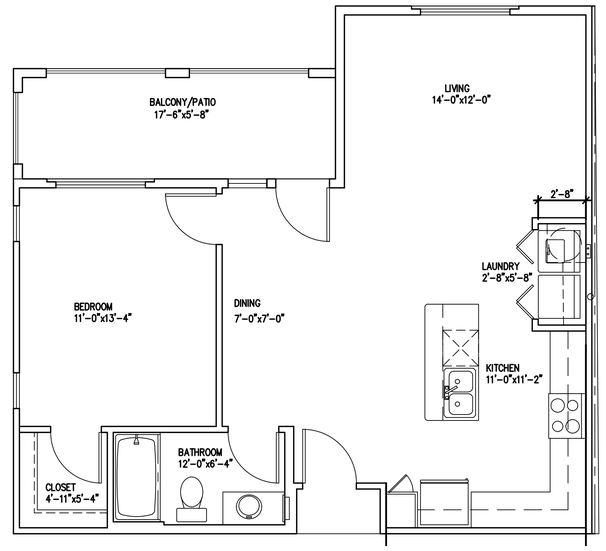


UNIT PLAN A3

0 1' 2' 4' 8'

SCALE: 1/4" = 1'-0"

793 S.F. LIVABLE
117 S.F. BALCONY
910 S.F. GRAND TOTAL

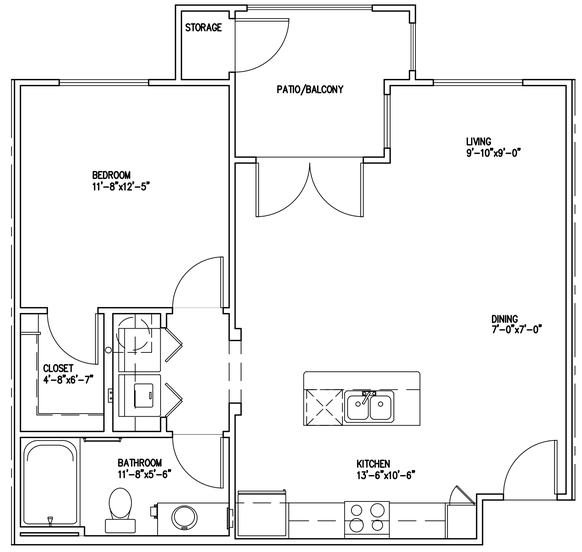


UNIT PLAN A2

0 1' 2' 4' 8'

SCALE: 1/4" = 1'-0"

788 S.F. LIVABLE
111 S.F. PATIO/BALCONY
899 S.F. GRAND TOTAL

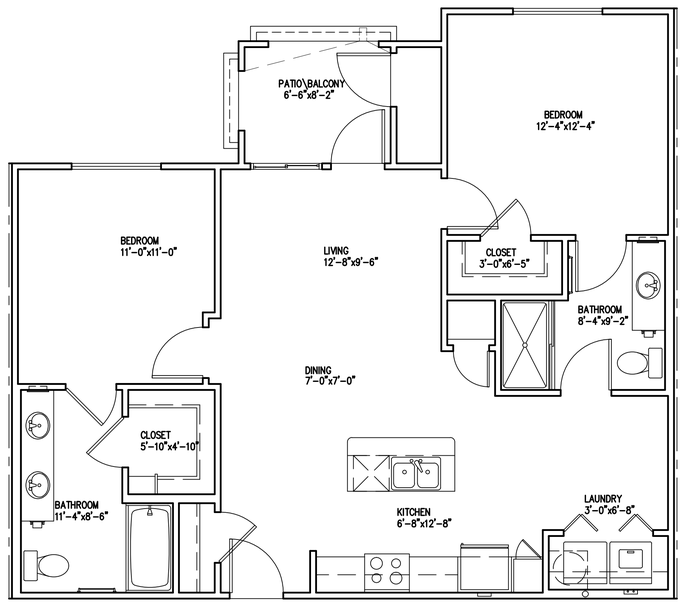


UNIT PLAN A1

0 1' 2' 4' 8'

SCALE: 1/4" = 1'-0"

770 S.F. LIVABLE
81 S.F. PATIO/BALCONY
12 S.F. STORAGE
863 S.F. GRAND TOTAL

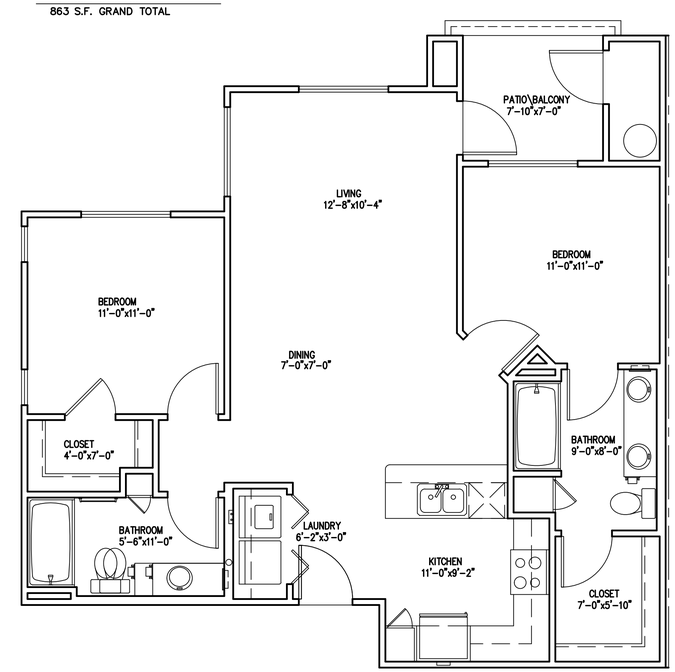


UNIT PLAN B2

0 1' 2' 4' 8'

SCALE: 1/4" = 1'-0"

1013 S.F. LIVABLE
58 S.F. PATIO/BALCONY
19 S.F. STORAGE
1090 S.F. GRAND TOTAL



UNIT PLAN B1

0 1' 2' 4' 8'

SCALE: 1/4" = 1'-0"

973 S.F. LIVABLE
55 S.F. PATIO/BALCONY
25 S.F. STORAGE
1053 S.F. GRAND TOTAL

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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REGISTERED ARCHITECT
CERTIFICATE NO.
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Rich Barber
04 20 20
ARIZONA, U.S.A.
Expires 3/31/2023

REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A2.10

FLOOR PLANS UNITS
A1, A2, A3, B1 & B2

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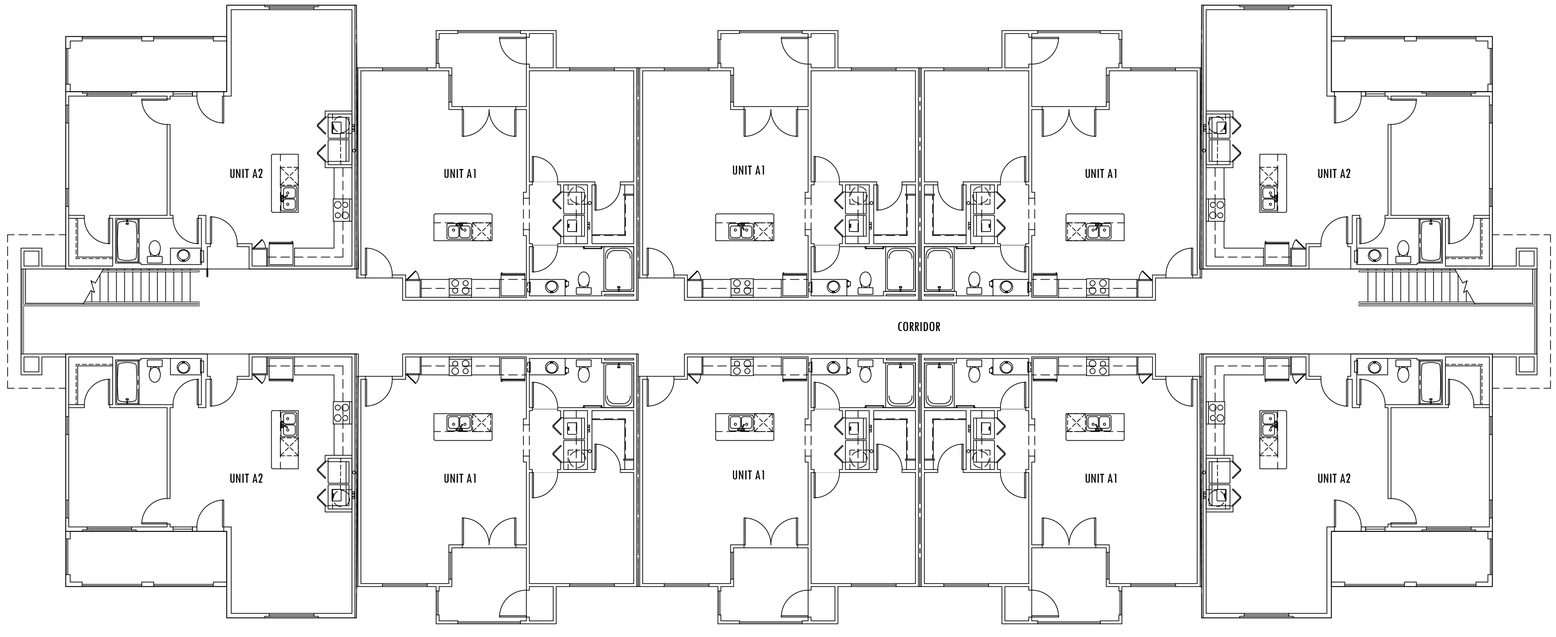
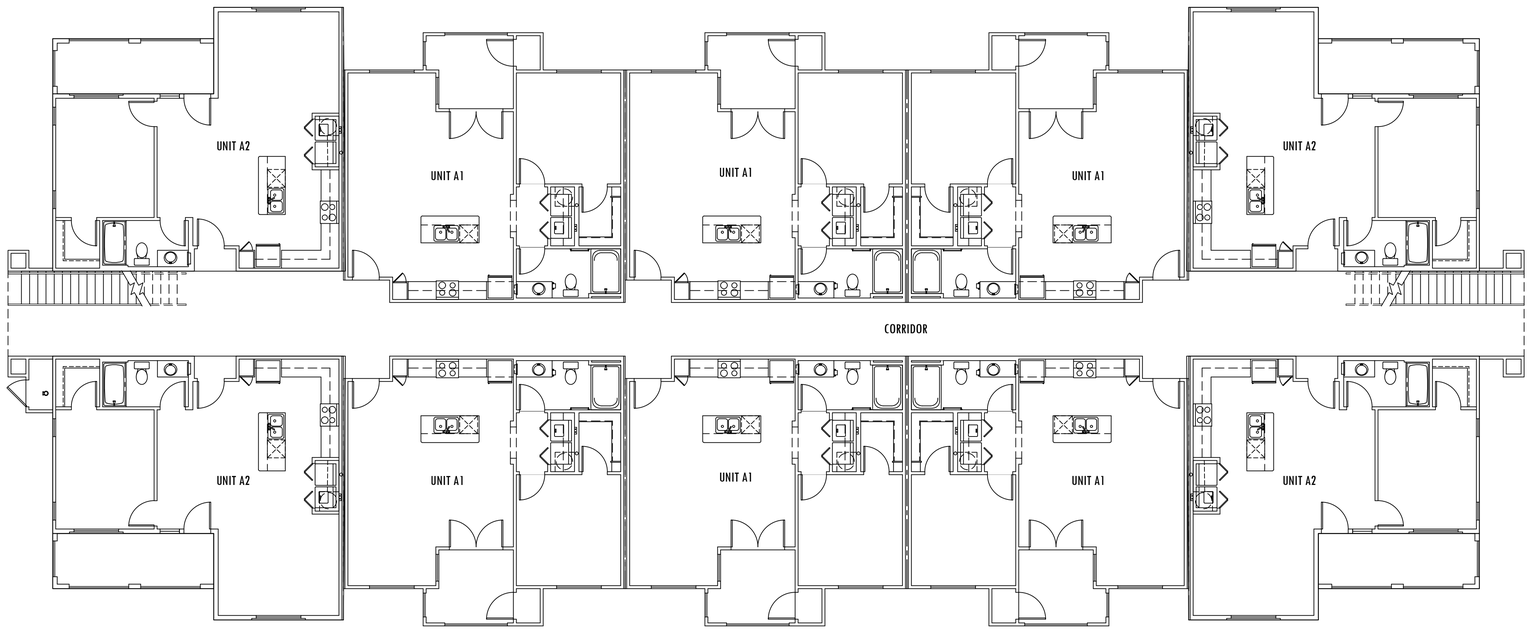


BUILDING TYPE 1 - LEVEL 2

TOTAL AREA: 10,137 S.F.

0 4' 8' 16'

SCALE: 1/8" = 1'-0"



BUILDING TYPE 1 - LEVEL 1

TOTAL AREA: 10,154 S.F.

0 4' 8' 16'

SCALE: 1/8" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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15213
Rich Barber
04/20/20
ARIZONA, U.S.A.
Expires 3/31/2023

REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A3.11

BLDG. TYPE 1 FLOOR PLANS
LEVEL 1 & 2

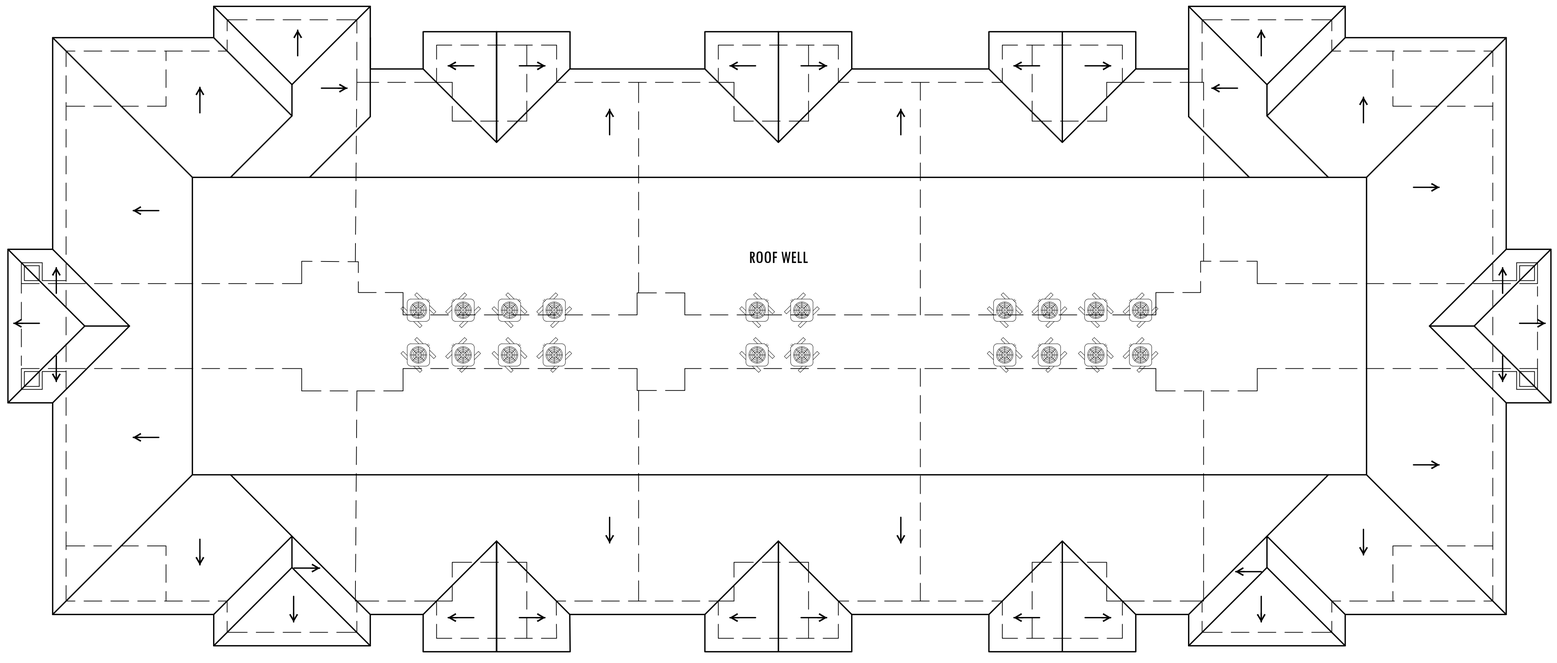
FILE: T:\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A311 Bldg_1-Level 1 & 2.dwg USER:rob DATE:Apr, 20 2020 TIME: 02:20 pm

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

Office of Rich Barber Architecture, LLC
ORB
WorldHQ@ORBArch.com

REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
04/20/20
ARIZONA, U.S.A.
Expires 3/31/2023



BUILDING TYPE 1 - ROOF PLAN

0 4' 8' 16'
SCALE: 1/8" = 1'-0"

N

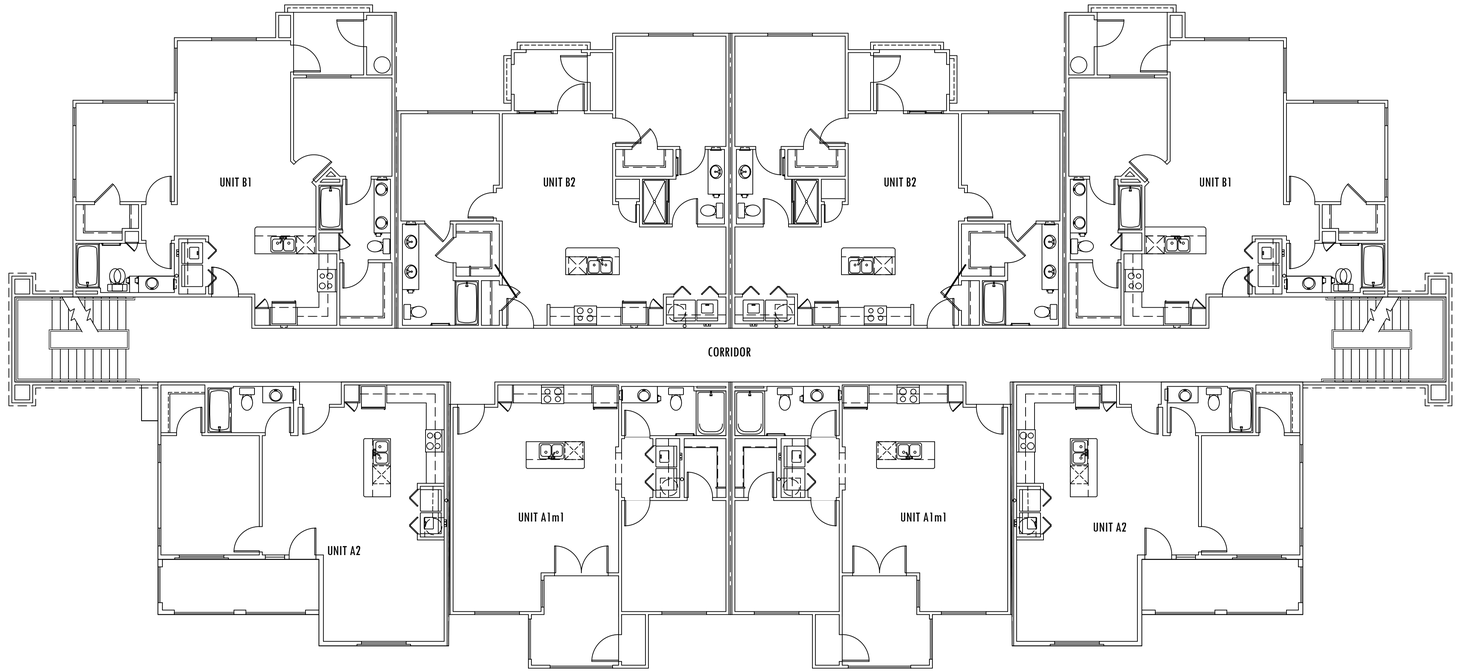
REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A3.12

BLDG. TYPE 1
ROOF PLAN

FILE: \\Orbsvr2016--vm--2\e\data\Orb\ORB Job Files\17-227_IRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A312 Bldg_1-Roof.dwg USER:rob DATE:Apr. 20 2020 TIME: 02:20 pm

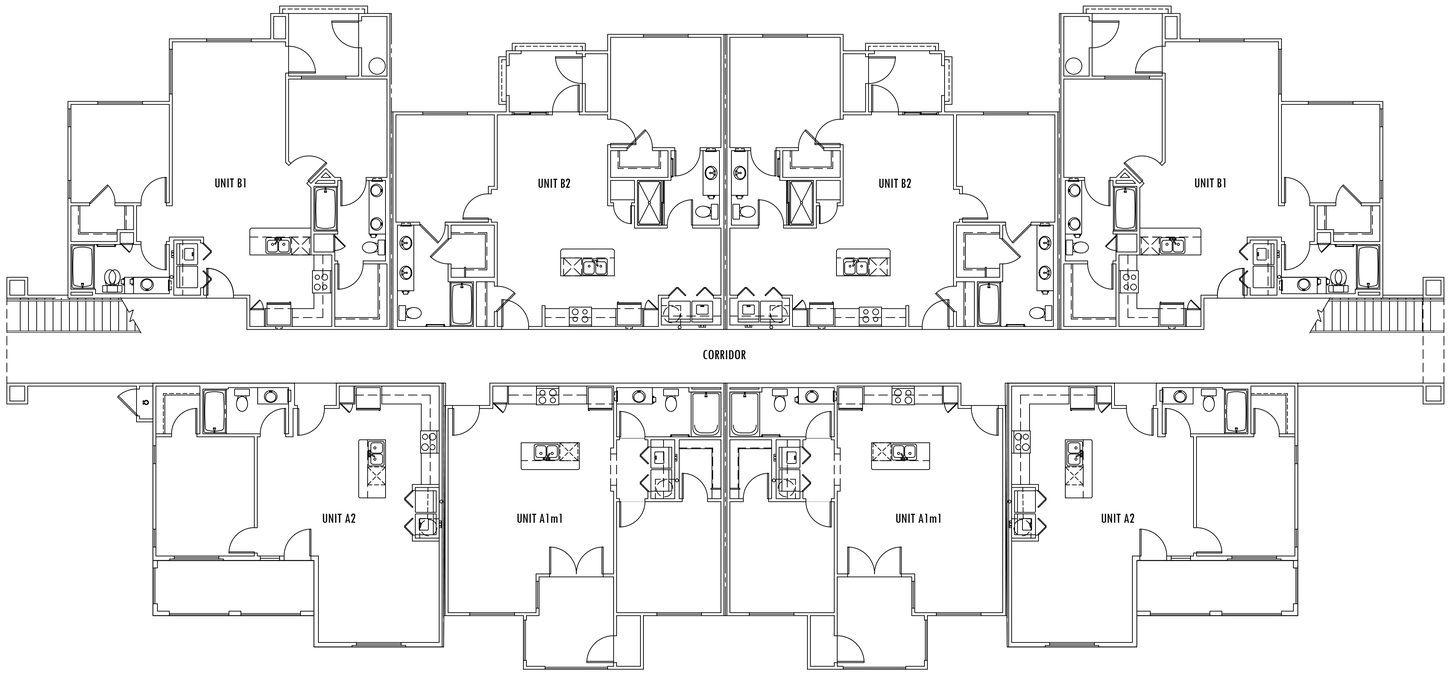


BUILDING TYPE 2 - LEVEL 2

TOTAL AREA: 9,105 S.F.

0' 4' 8' 16'

SCALE: 1/8" = 1'-0"



BUILDING TYPE 2 - LEVEL 1

TOTAL AREA: 9,105 S.F.

0' 4' 8' 16'

SCALE: 1/8" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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WorldHQ@ORBArch.com

REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
04/20/20
ARIZONA, U.S.A.
Expires 3/31/2023

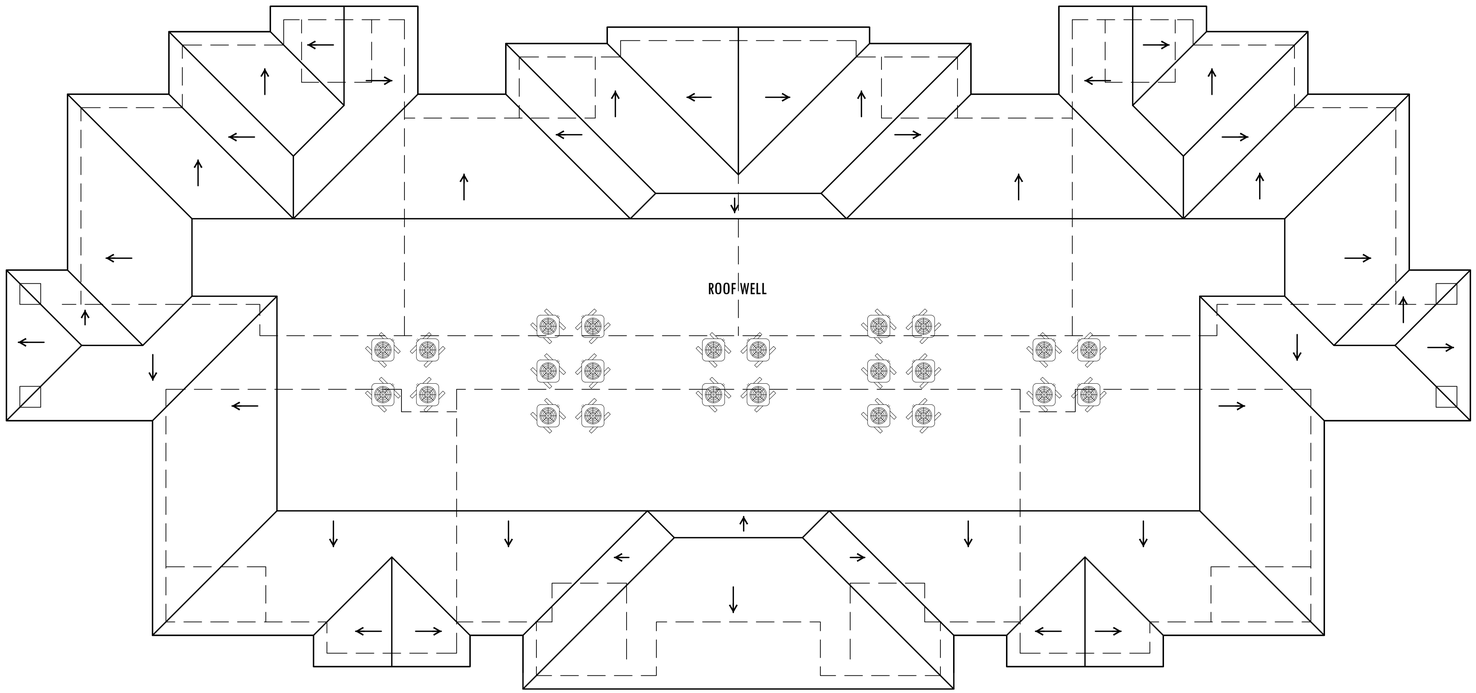
REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A3.21

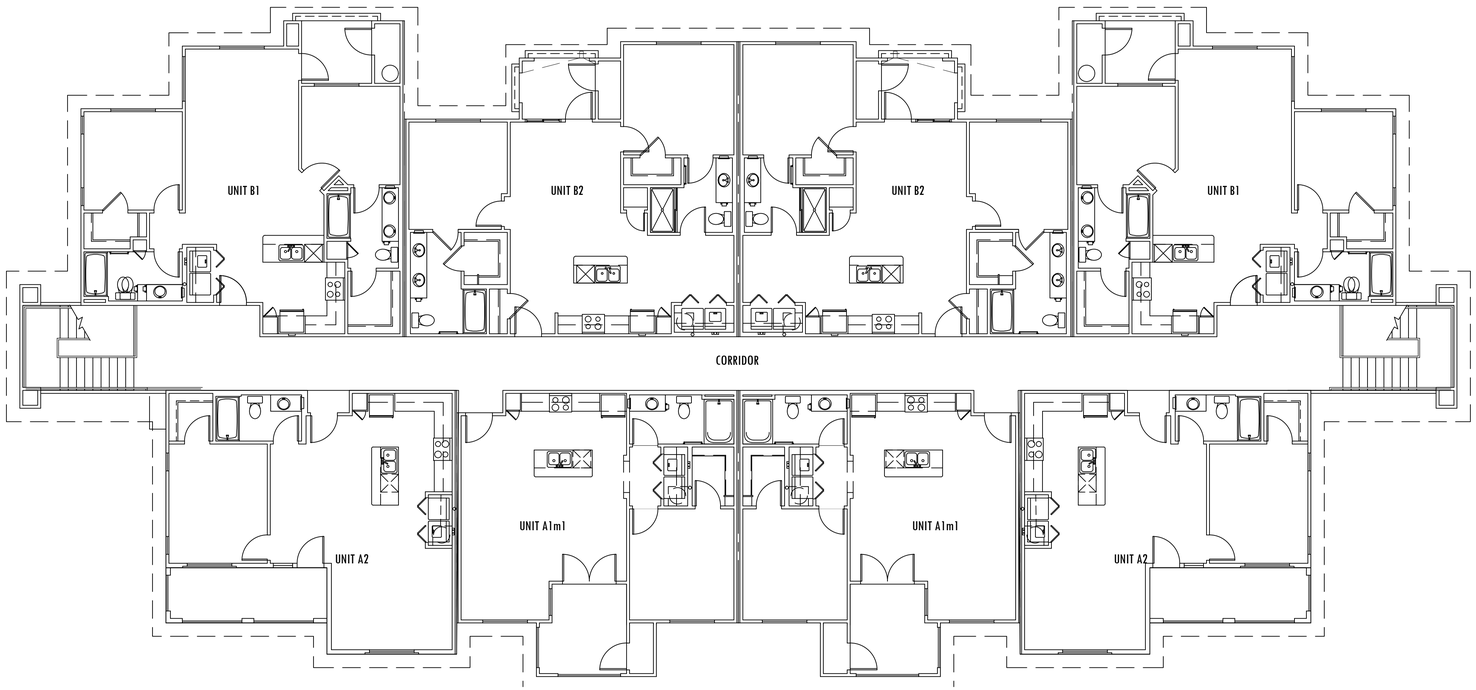
BLDG. TYPE 2 FLOOR PLANS
LEVEL 1 & 2

FILE: \\Orbsv2016--vm--2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A321 Bldg_2-Level 1 & 2.dwg USER:roa DATE:Apr. 20, 2020 TIME: 02:20 pm



BUILDING TYPE 2 - ROOF PLAN

SCALE: 1/8" = 1'-0"



BUILDING TYPE 2 - LEVEL 3

TOTAL AREA: 9,105 S.F.

SCALE: 1/8" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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ORB
WorldHQ@ORBArch.com
REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
04/20/20
ARIZONA, U.S.A.
Expires 3/31/2023

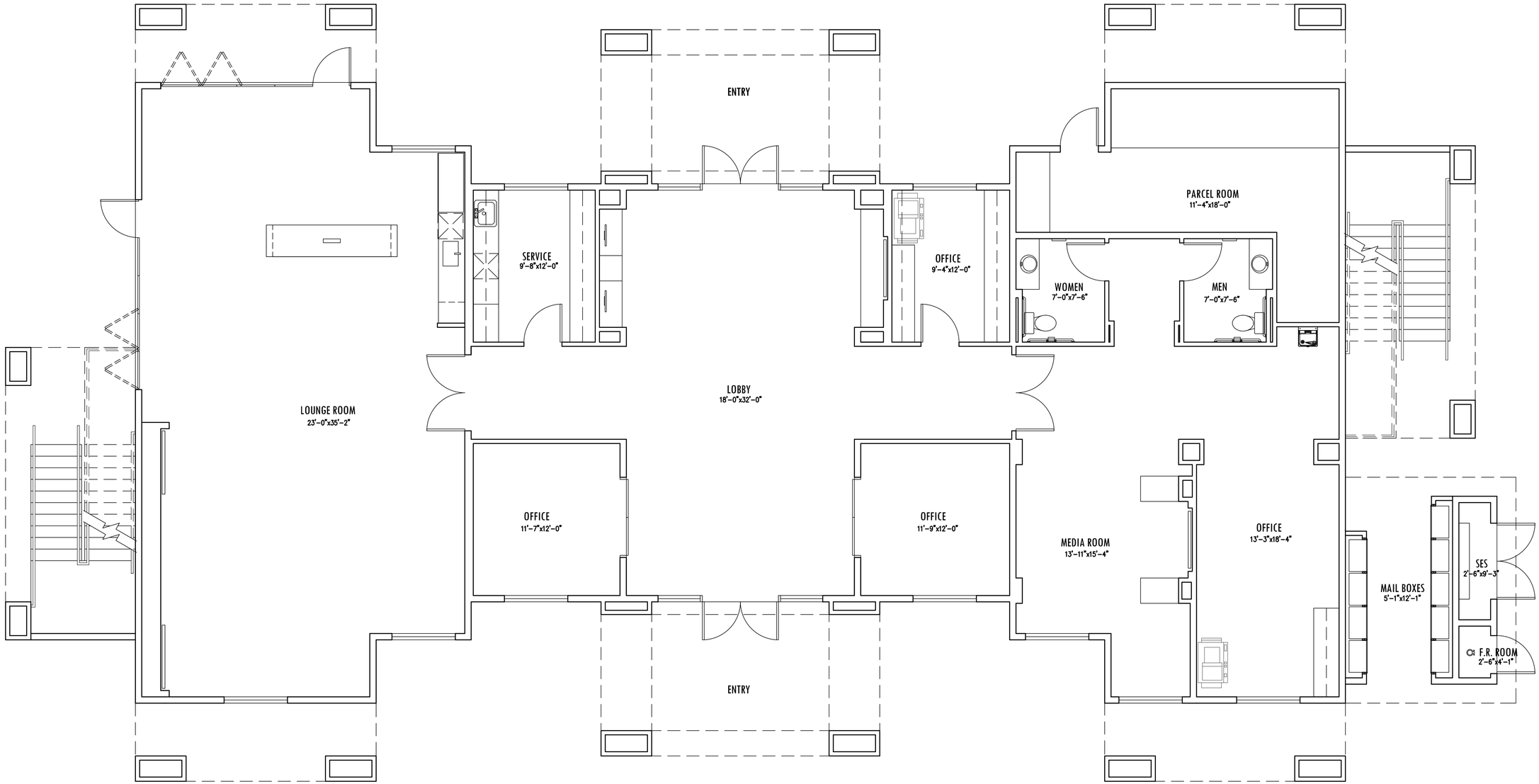
REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A3.22

BLDG. TYPE 2 FLOOR PLANS
LEVEL 3 & ROOF

FILE: \\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A322 Bldg_2-Level 3 & Roof.dwg USER:rop DATE:Apr. 20 2020 TIME: 02:21 pm



CLUBHOUSE - LEVEL 1

5,485 S.F. GRAND TOTAL

0 | | | 2' 4' 8'

SCALE: 1/4" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

Office of Rich Barber Architecture, LLC
ORB
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REGISTERED ARCHITECT
CERTIFICATE NO.
15213
Rich Barber
04/20/20
ARIZONA, U.S.A.
Expires 3/31/2023

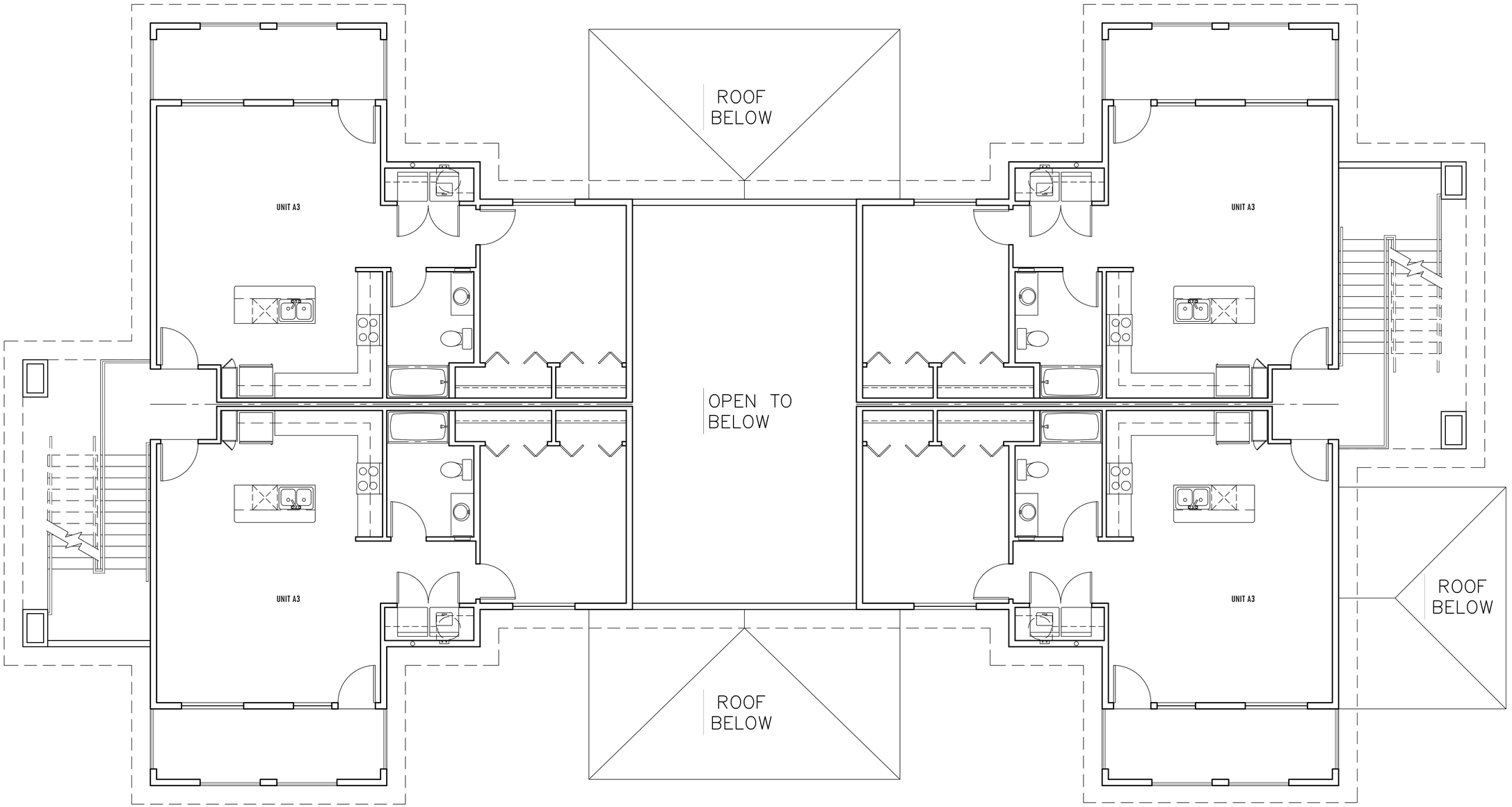
REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A3.51

CLUBHOUSE
FLOOR PLAN

FILE: \\Orbsrv2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A351 Clubhouse.dwg USER: rag DATE: Apr. 20 2020 TIME: 02:21 pm



CLUBHOUSE - LEVEL 2

SCALE: 1/4" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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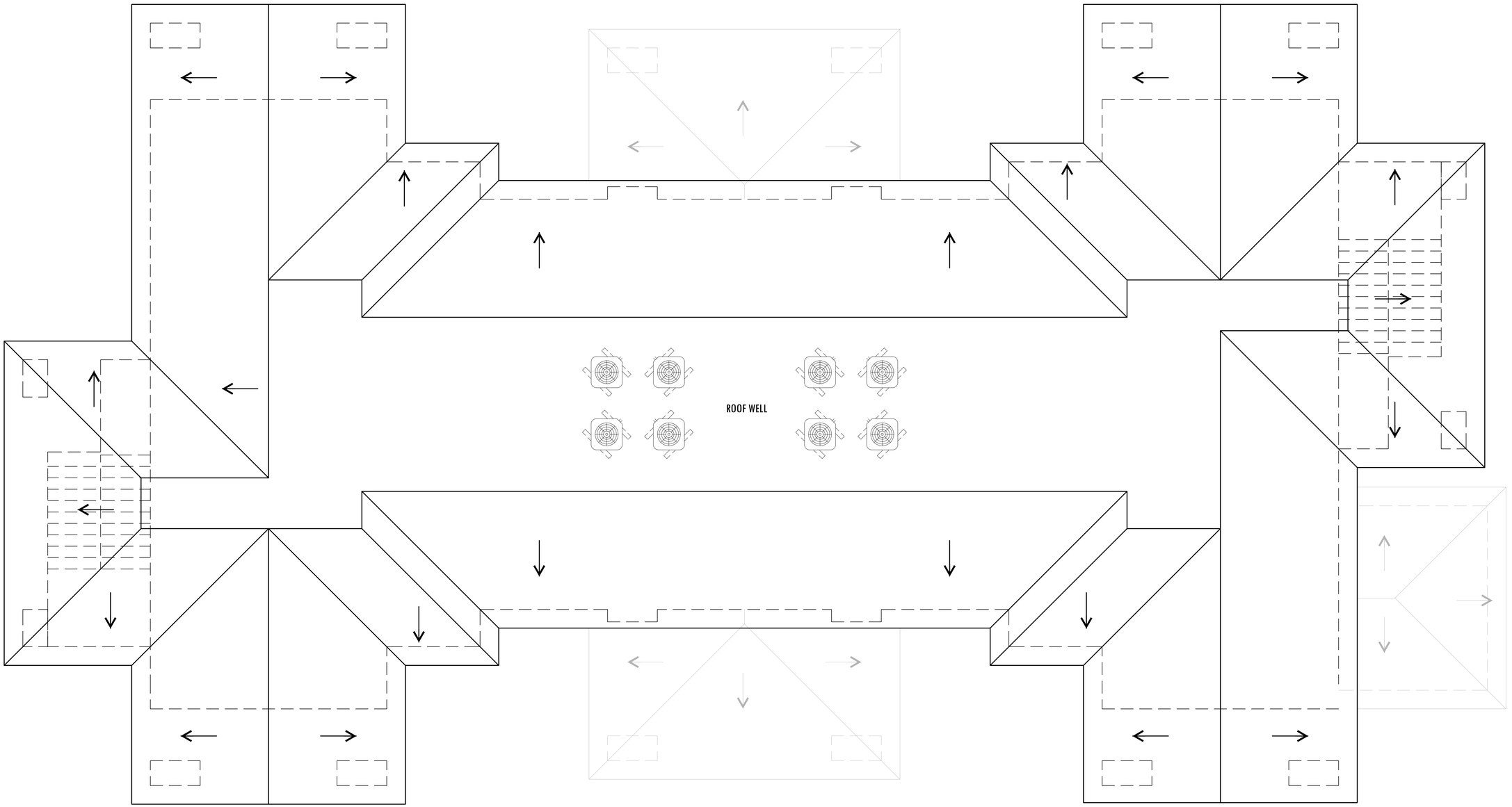
A3.52

CLUBHOUSE 2ND LEVEL
FLOOR PLAN

FILE: \\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A352 Clubhouse_2-Level.dwg USER:roa DATE:Apr. 20 2020 TIME: 02:21 pm



CLUBHOUSE - ROOF

SCALE: 1/4" = 1'-0"

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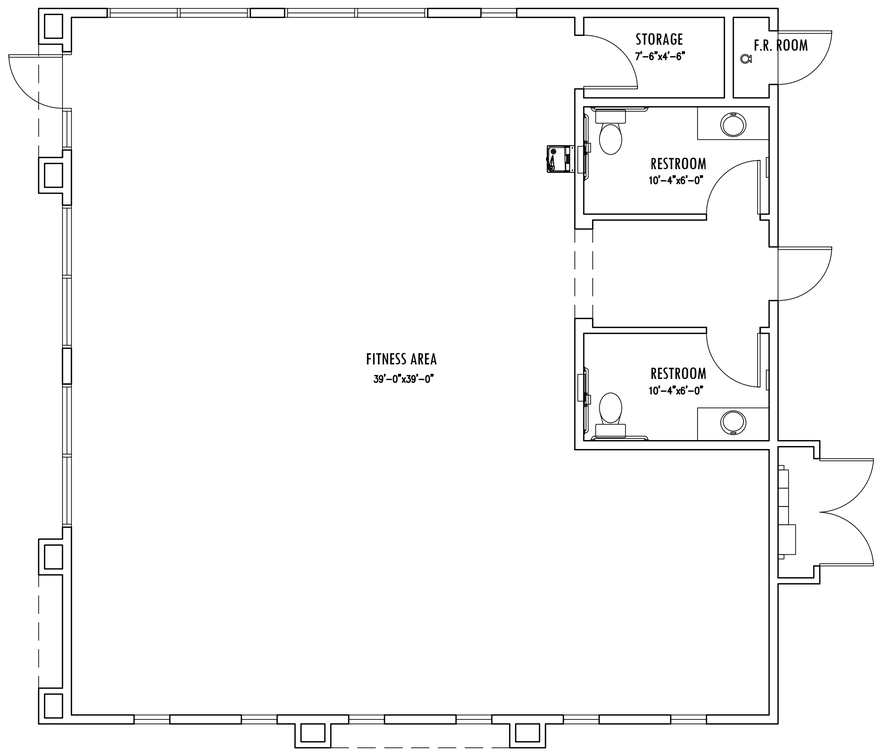
A3.52

CLUBHOUSE
ROOF PLAN

FILE: \\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A353 Clubhouse_Roof.dwg USER:rob DATE:Apr, 20 2020 TIME: 02:21 pm



FLOOR PLAN

1,665 S.F. GRAND TOTAL

0' 2' 4' 8'

SCALE: 1/4" = 1'-0"

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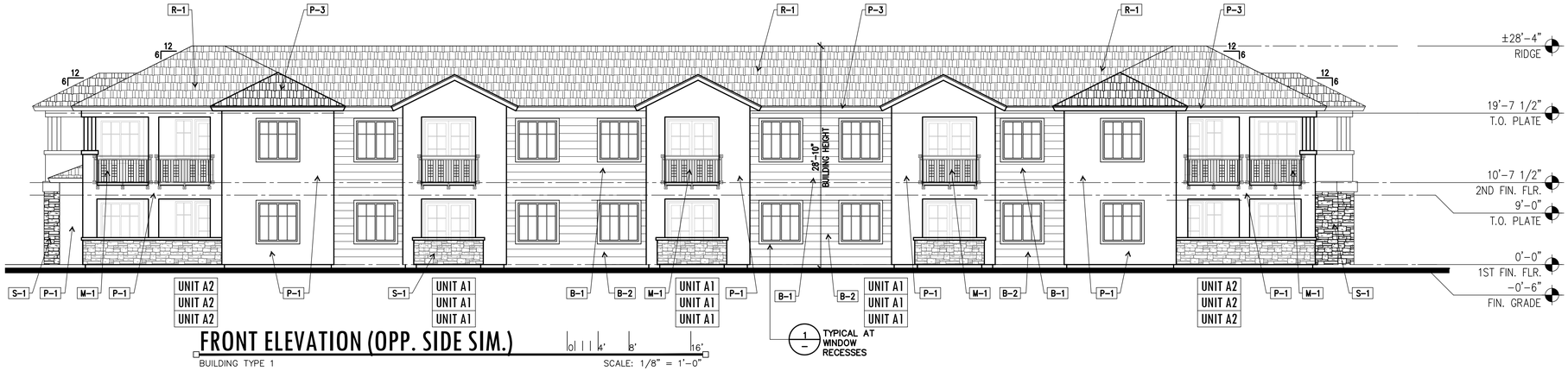
A3.61

FITNESS
FLOOR PLAN

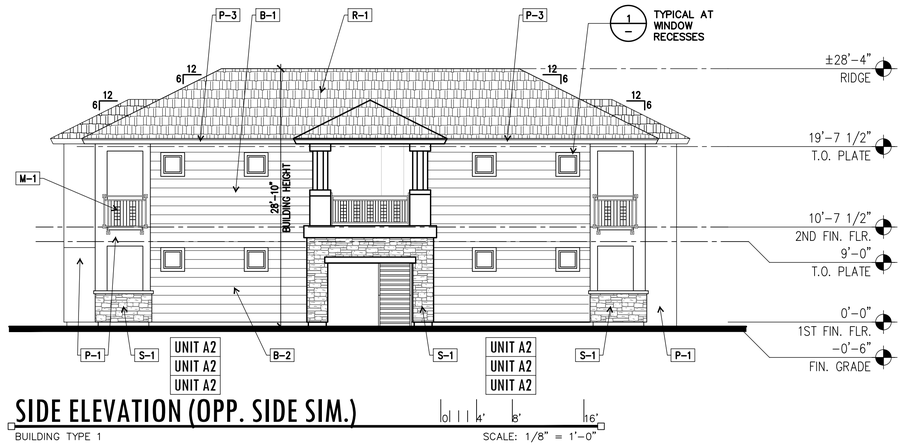
FILE: \\Orbsrv2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A361 Fitness.dwg USER: roa DATE: Apr. 20 2020 TIME: 02:21 pm



FRONT ELEVATION (OPP. SIDE SIM.)

BUILDING TYPE 1

SCALE: 1/8" = 1'-0"



SIDE ELEVATION (OPP. SIDE SIM.)

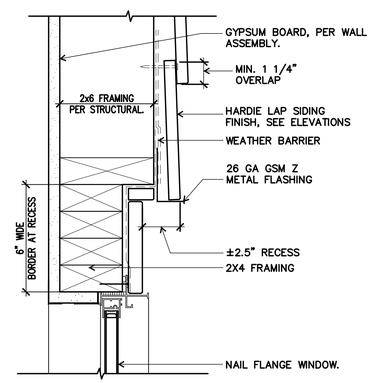
BUILDING TYPE 1

SCALE: 1/8" = 1'-0"

MATERIAL/COLOR KEY NOTES	
B-1	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6215 WOODEN PEG LRV 31
B-2	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6230 CENTER RIDGE LRV 18
M-1	METAL GUARD RAILING DUNN EDWARDS DE6378 JET LRV 9
M-3	METAL LOUVER DUNN EDWARDS DE6378 JET LRV 9
P-1	STUCCO FINISH DUNN EDWARDS DE6214 PIGEON GRAY LRV 43
P-2	STUCCO FINISH DUNN EDWARDS DE6230 CENTER RIDGE LRV 18
P-3	FASCIA TRIM DUNN EDWARDS DE6274 FROSTBITE LRV 77
R-1	GAF ROOFING SHINGLES TIMBERLAND HD WEATHERED WOOD
S-1	CORONADO STONE VENEER 20% APPALACHIAN FIELDSTONE – DAKOTA BROWN 80% EASTERN MOUNTAIN LEDGE – DAKOTA BROWN

NOTE:
HARDY PLANK PANEL TO BE INSTALLED AS LAP SIDING

BLDG. TYPE 1 STUCCO PERCENTAGE			
ELEVATION	TOTAL AREA (SF)	STUCCO (SF)	%
FRONT	4,721	1,010	21.4
REAR	4,721	1,010	21.4
SIDE	1,853	343	18.5
SIDE	1,853	343	18.5
TOTAL	13,148	2,706	21 % OF STUCCO



01 RECESSED WINDOW HEAD @ HARDY BOARD FINISH
SIMILAR AT STUCCO FINISH
SCALE: 3" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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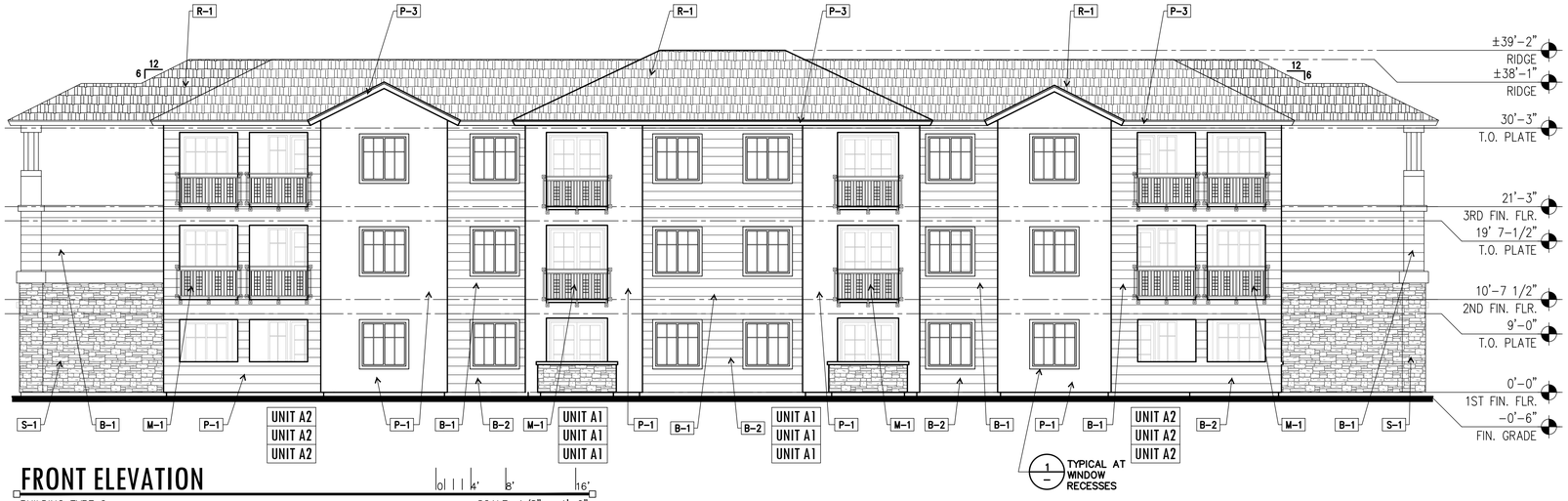
A4.10

BUILDING TYPE 1
ELEVATIONS

FILE:\\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A410 Bldg Type 1 Elevs.dwg USER:rob DATE:Apr, 20 2020 TIME: 02:21 pm



FRONT ELEVATION

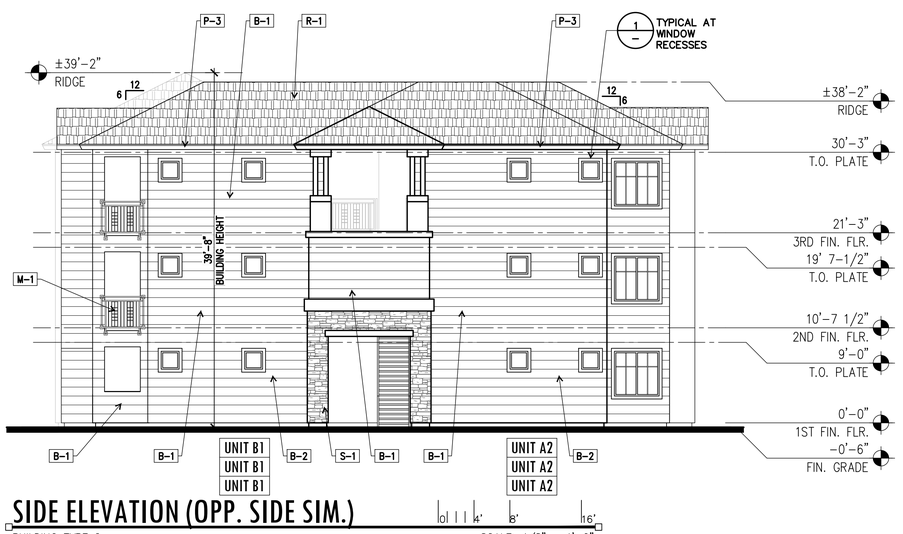
BUILDING TYPE 2

SCALE: 1/8" = 1'-0"

REAR ELEVATION

BUILDING TYPE 2

SCALE: 1/8" = 1'-0"



SIDE ELEVATION (OPP. SIDE SIM.)

BUILDING TYPE 2

SCALE: 1/8" = 1'-0"

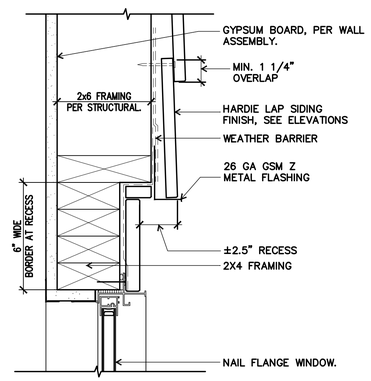
MATERIAL/COLOR KEY NOTES

B-1	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6215 WOODEN PEG LRV 31
B-2	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6230 CENTER RIDGE LRV 18
M-1	METAL GUARD RAILING DUNN EDWARDS DE6378 JET LRV 9
M-3	METAL LOUVER DUNN EDWARDS DE6378 JET LRV 9
P-1	STUCCO FINISH DUNN EDWARDS DE6214 PIGEON GRAY LRV 43
P-2	STUCCO FINISH DUNN EDWARDS DE6230 CENTER RIDGE LRV 18
P-3	FASCIA TRIM DUNN EDWARDS DE6274 FROSTBITE LRV 77
R-1	GAF ROOFING SHINGLES TIMBERLAND HD WEATHERED WOOD
S-1	CORONADO STONE VENEER 20% APPALACHIAN FIELDSTONE – DAKOTA BROWN 80% EASTERN MOUNTAIN LEDGE – DAKOTA BROWN

NOTE:
HARDY PLANK PANEL TO BE INSTALLED AS LAP SIDING

BLDG. TYPE 2 STUCCO PERCENTAGE

ELEVATION	TOTAL AREA (SF)	STUCCO (SF)	%
FRONT	5,808	1,374	23.7
REAR	5,806	1,236	21.3
SIDE	2,703	357	13.2
SIDE	2,703	357	13.2
TOTAL	17,020	3,324	20 % OF STUCCO



01 RECESSED WINDOW HEAD @ HARDY BOARD FINISH
SIMILAR AT STUCCO FINISH

SCALE: 3" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
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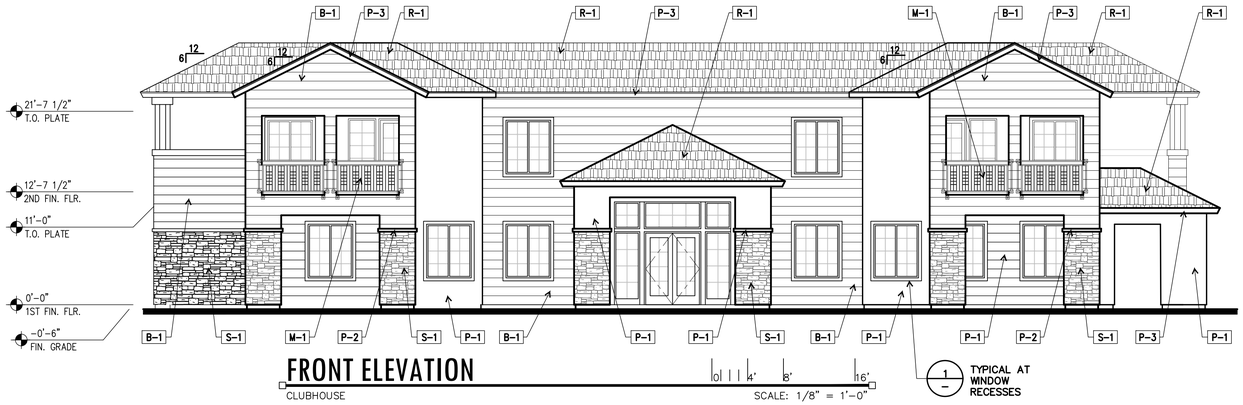
A4.20

BUILDING TYPE 2 ELEVATIONS

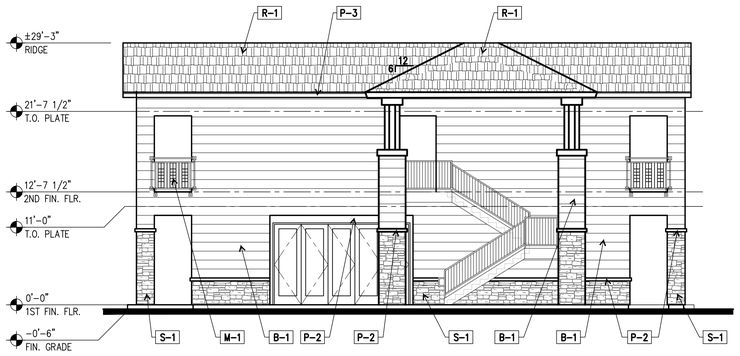
FILE:\\Orbsvr2016--vm--2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A420 Bldg Type 2 Elevs.dwg USER:roa DATE:Apr, 20 2020 TIME: 02:21 pm



FRONT ELEVATION

CLUBHOUSE

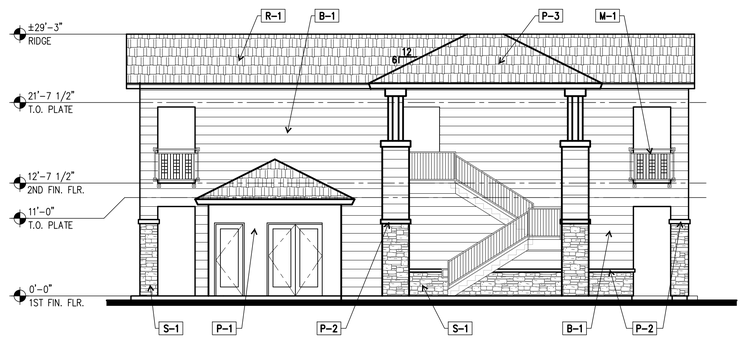
SCALE: 1/8" = 1'-0"



SIDE ELEVATION

CLUBHOUSE

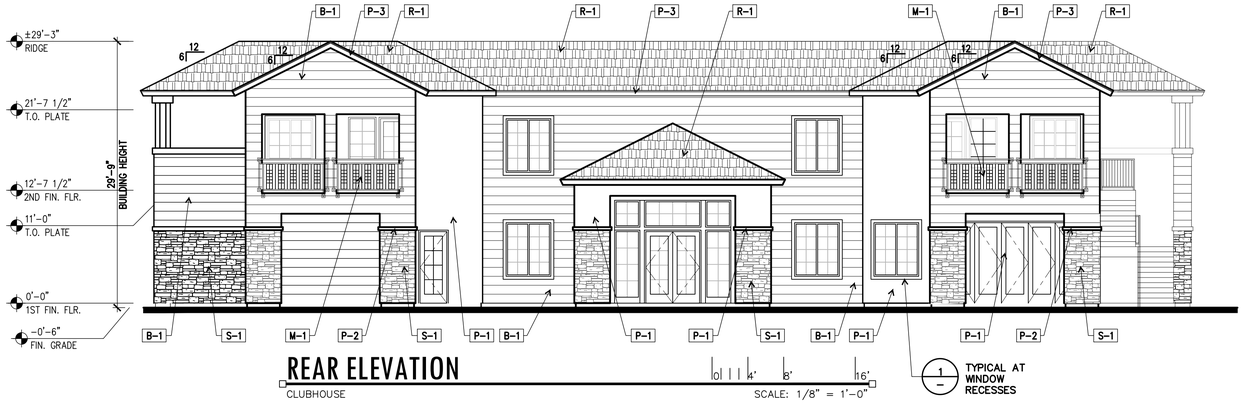
SCALE: 1/8" = 1'-0"



SIDE ELEVATION

CLUBHOUSE

SCALE: 1/8" = 1'-0"



REAR ELEVATION

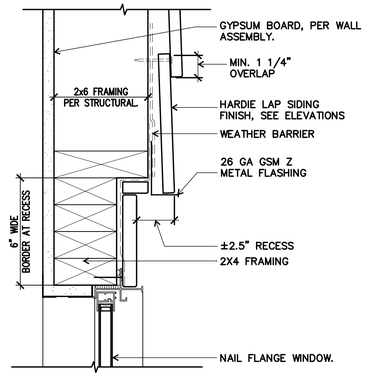
CLUBHOUSE

SCALE: 1/8" = 1'-0"

MATERIAL/COLOR KEY NOTES	
B-1	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6215 WOODEN PEG
B-2	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6230 CENTER RIDGE
M-1	METAL GUARD RAILING DUNN EDWARDS DE6378 JET
P-1	STUCCO FINISH DUNN EDWARDS DE6214 PIGEON GRAY
P-2	STUCCO FINISH DUNN EDWARDS DE6230 CENTER RIDGE
P-3	FASCIA TRIM DUNN EDWARDS DE6274 FROSTBITE
R-1	GAF ROOFING SHINGLES TIMBERLAND HD WEATHERED WOOD
S-1	CORONADO STONE VENEER 20% APPALACHIAN FIELDSTONE – DAKOTA BROWN 80% EASTERN MOUNTAIN LEDGE – DAKOTA BROWN

NOTE:
HARDY PLANK PANEL TO BE INSTALLED AS LAP SIDING

CLUB HOUSE STUCCO PERCENTAGE			
ELEVATION	TOTAL AREA (SF)	STUCCO (SF)	%
FRONT	3,328	476	14.3
REAR	3,410	380	11.1
SIDE	1,686	93	5.5
SIDE	1,686	41	2.4
TOTAL	8,424	897	11 % OF STUCCO



01 RECESSED WINDOW HEAD @ HARDY BOARD FINISH
SIMILAR AT STUCCO FINISH

SCALE: 3" = 1'-0"

AURA FLAGSTAFF APARTMENTS

151 W HIGH COUNTRY TRAIL
FLAGSTAFF, ARIZONA 86001

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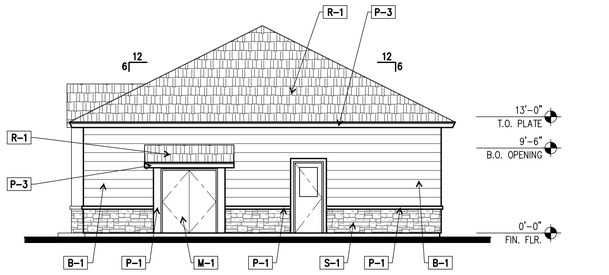
REVISIONS

DATE: APRIL 20, 2020 ORB # 17-227

A4.50

CLUBHOUSE ELEVATIONS

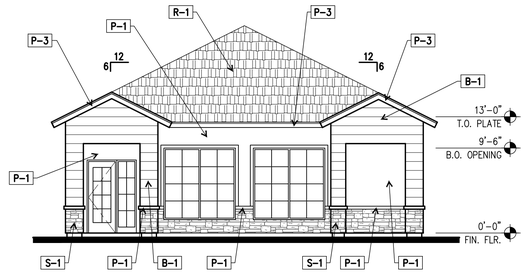
FILE: \\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A450 Clubhouse Elevs.dwg USER:roo DATE:Apr. 20 2020 TIME: 02:21 pm



REAR ELEVATION

FITNESS

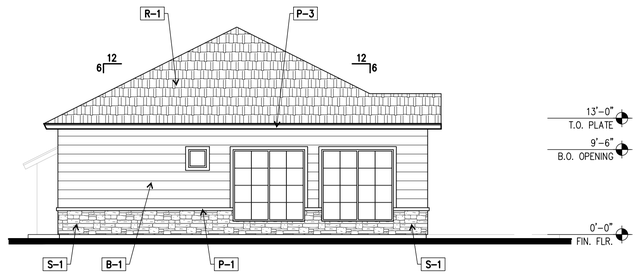
SCALE: 1/8" = 1'-0"



FRONT ELEVATION

FITNESS

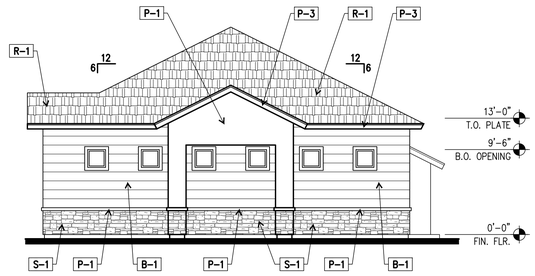
SCALE: 1/8" = 1'-0"



SIDE ELEVATION

FITNESS

SCALE: 1/8" = 1'-0"



SIDE ELEVATION

FITNESS

SCALE: 1/8" = 1'-0"

MATERIAL/COLOR KEY NOTES	
B-1	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6215 WOODEN PEG
B-2	HARDIE PLANK PANEL FINISH DUNN EDWARDS DE6230 CENTER RIDGE
M-1	METAL GUARD RAILING DUNN EDWARDS DE6378 JET
P-1	STUCCO FINISH DUNN EDWARDS DE6214 PIGEON GRAY
P-2	STUCCO FINISH DUNN EDWARDS DE6230 CENTER RIDGE
P-3	FASCIA TRIM DUNN EDWARDS DE6274 FROSTBITE
R-1	GAF ROOFING SHINGLES TIMBERLAND HD WEATHERED WOOD
S-1	CORONADO STONE VENEER 20% APPALACHIAN FIELDSTONE – DAKOTA BROWN 80% EASTERN MOUNTAIN LEDGE – DAKOTA BROWN

NOTE:
HARDY PLANK PANEL TO BE INSTALLED AS LAP SIDING

FITNESS STUCCO PERCENTAGE			
ELEVATION	TOTAL AREA (SF)	STUCCO (SF)	%
FRONT	729	137	18.8
REAR	766	41	5.4
SIDE	851	140	16.5
SIDE	786	46	5.9
TOTAL	2,281	224	10 % OF STUCCO

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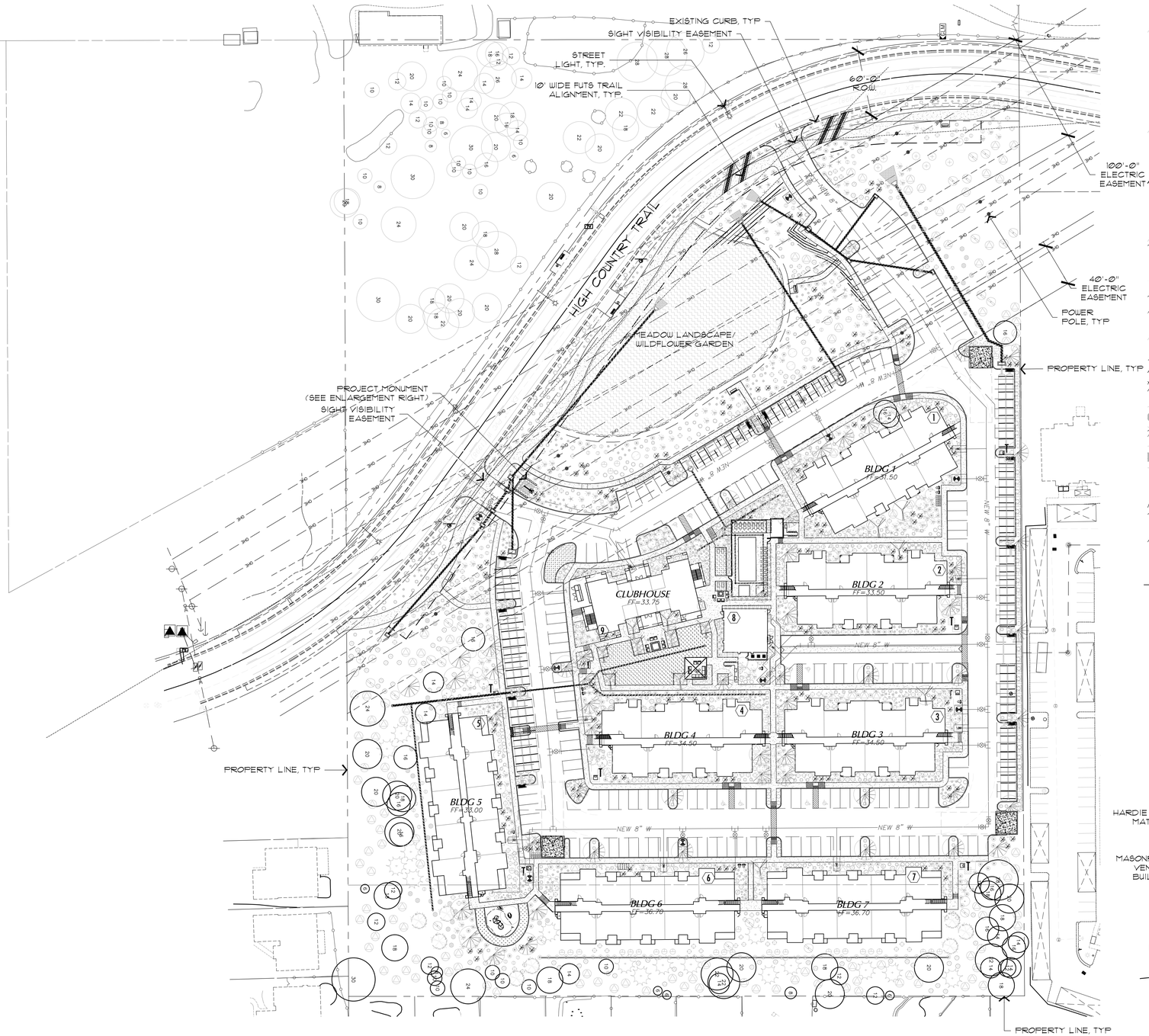
A4.60

FITNESS BUILDING ELEVATIONS

FILE: \\Orbsvr2016-vm-2\e\data\Orb\ORB Job Files\17-227_TRG_Flagstaff Apartments\CAD Files\Preliminary\17227 A460 Fitness Elevs.dwg USER:roa DATE:Apr. 20 2020 TIME: 02:21 pm

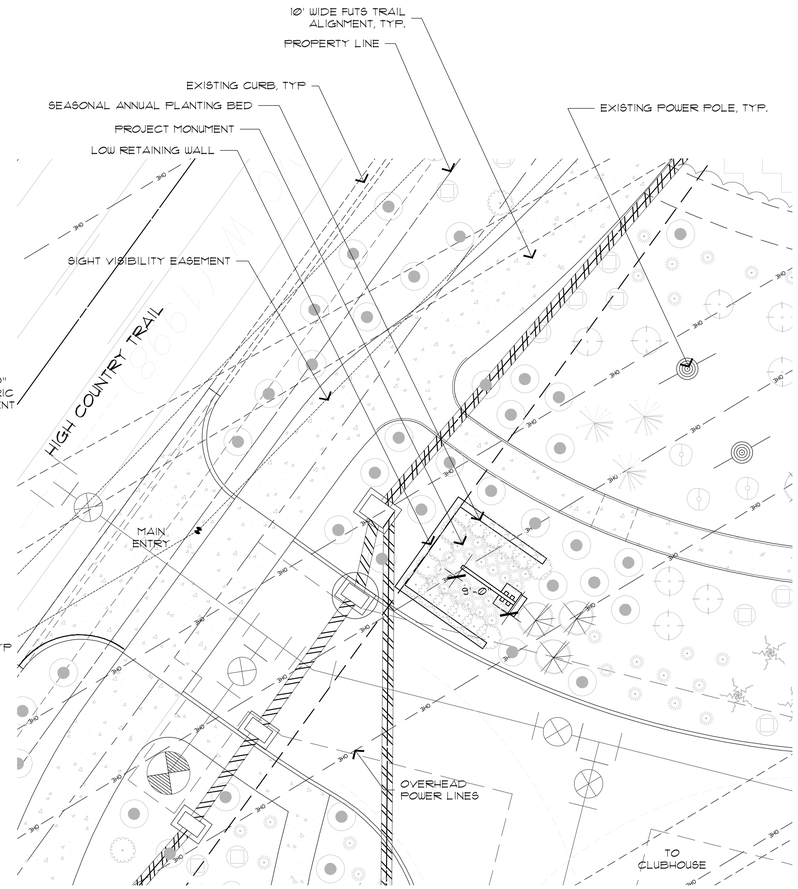


PRELIMINARY SIGNAGE PLAN

SCALE: 1"=50'-0"

0 25' 50' 100' NORTH

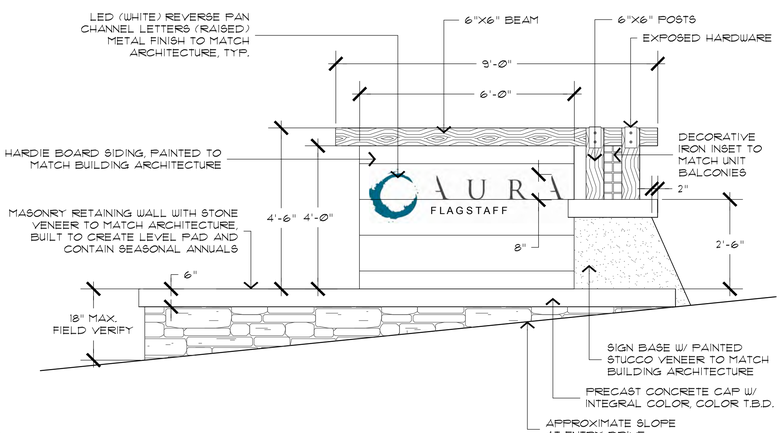
Call at least two full working days before you begin excavation. ARIZONA 811 Dial 8-1-1 or 1-800-STAKE-IT (782-5348) In Maricopa County: (602)263-1100



PROJECT MONUMENT ENLARGEMENT PLAN

SCALE: 1"=10'-0"

0 5' 10' 20' NORTH



NOTE: FINAL SIGNAGE DESIGN TO BE SUBMITTED AND APPROVED UNDER SEPARATE PERMIT AND REVIEW

PRELIMINARY ELEVATION

SCALE: 1/2"=1'-0"

0 6" 1' 2' 4'

COLLABORATIVE DESIGN STUDIO

COLLABORATIVE V
DESIGN STUDIO INC.
7116 EAST 1ST AVE.,
SUITE 103
SCOTTSDALE, ARIZONA
85251
OFFICE: 480-347-0590
FAX: 480-656-6012

Registered Landscape Architect
CERTIFICATE NO.
46497
MATTHEW PAUL DRASER
ARIZONA, U.S.A.
4.20.2020

EXPIRES 06 / 30 / 2022

LANDSCAPE IMPROVEMENTS
AURA FLAGSTAFF

151 W. High Country Trail Flagstaff, Arizona 86001

PRELIMINARY SIGNAGE PLAN

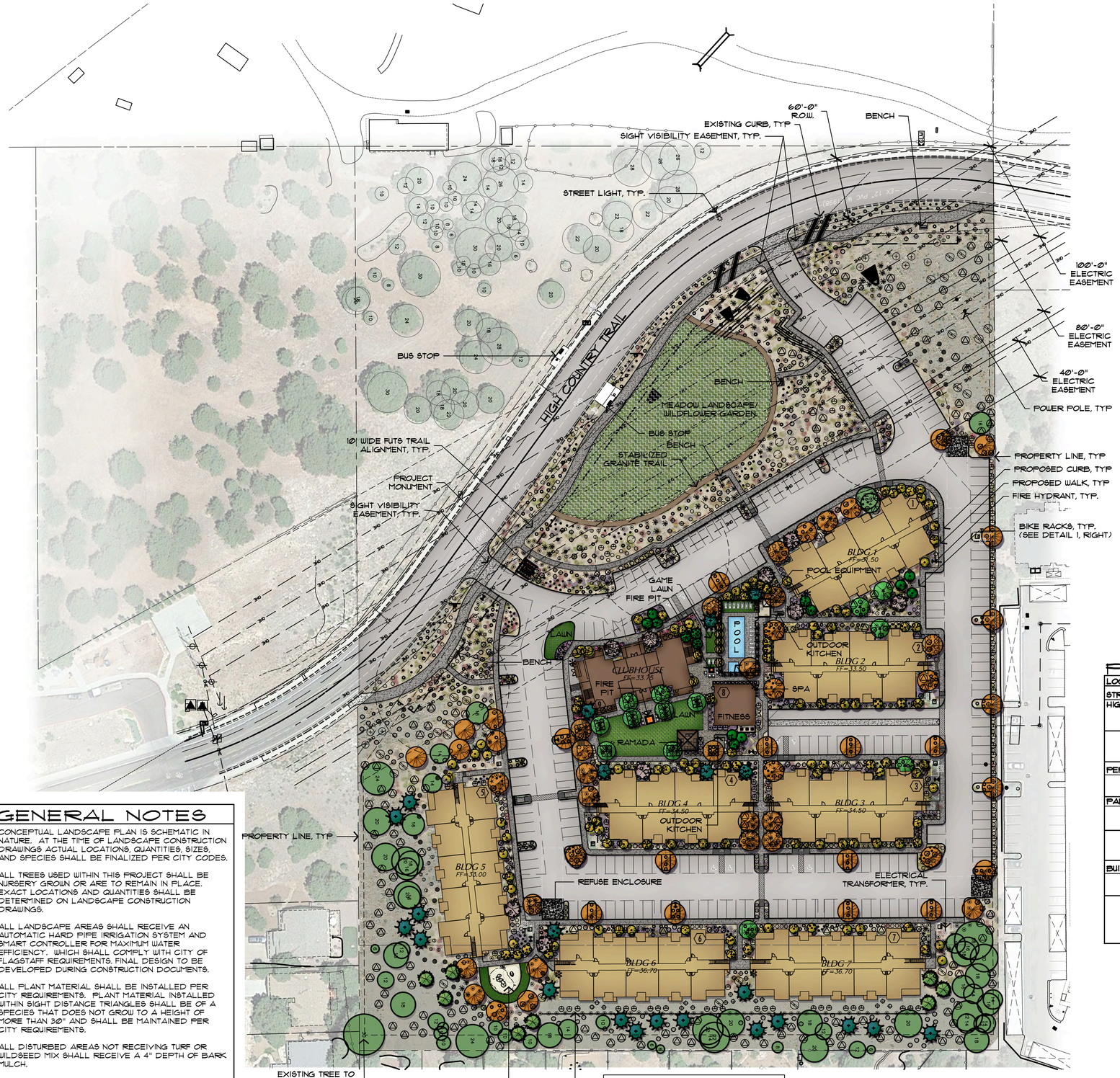
PRELIMINARY
NOT FOR
CONSTRUCTION

DESIGNED BY:	PV/SH
DRAWN BY:	SH
CHECKED BY:	PV / MD
DATE:	AUGUST 21, 2018
REVISIONS:	CITY COMMENTS JANUARY 24, 2019
	CITY COMMENTS FEBRUARY 19, 2019
	CITY COMMENTS JANUARY 7, 2020
	CITY COMMENTS APRIL 20, 2020

AURA FLAGSTAFF
SITE PLAN SUBMITTAL

SIGN-1

1 of 1



NOTE: THERE IS NO OASIS ZONE (Ø SF) PROPOSED ON THIS PROJECT

LANDSCAPE PLAN

SCALE: 1"=50'-0"

0 25' 50' 100' NORTH

Call at least two full working days before you begin excavation. ARIZONA 811 Dial 8-1-1 or 1-800-STAKE-IT (782-5348) In Maricopa County: (602)263-1100

GENERAL NOTES

1. CONCEPTUAL LANDSCAPE PLAN IS SCHEMATIC IN NATURE. AT THE TIME OF LANDSCAPE CONSTRUCTION DRAWINGS ACTUAL LOCATIONS, QUANTITIES, SIZES, AND SPECIES SHALL BE FINALIZED PER CITY CODES.
2. ALL TREES USED WITHIN THIS PROJECT SHALL BE NURSERY GROWN OR ARE TO REMAIN IN PLACE. EXACT LOCATIONS AND QUANTITIES SHALL BE DETERMINED ON LANDSCAPE CONSTRUCTION DRAWINGS.
3. ALL LANDSCAPE AREAS SHALL RECEIVE AN AUTOMATIC HARD PIPE IRRIGATION SYSTEM AND SMART CONTROLLER FOR MAXIMUM WATER EFFICIENCY, WHICH SHALL COMPLY WITH CITY OF FLAGSTAFF REQUIREMENTS. FINAL DESIGN TO BE DEVELOPED DURING CONSTRUCTION DOCUMENTS.
4. ALL PLANT MATERIAL SHALL BE INSTALLED PER CITY REQUIREMENTS. PLANT MATERIAL INSTALLED WITHIN SIGHT DISTANCE TRIANGLES SHALL BE OF A SPECIES THAT DOES NOT GROW TO A HEIGHT OF MORE THAN 30" AND SHALL BE MAINTAINED PER CITY REQUIREMENTS.
5. ALL DISTURBED AREAS NOT RECEIVING TURF OR WILDSEED MIX SHALL RECEIVE A 4" DEPTH OF BARK MULCH.
6. ALL EARTHWORK WILL BE DONE TO DRAIN AWAY FROM SIDEWALKS AND STRUCTURES.
7. ADDITIONAL PLANT MATERIAL MAY BE INTRODUCED AS DIFFERENT VARIETIES BECOME AVAILABLE THROUGH LOCAL NURSERIES AND IF THEY ARE CONSISTENT WITH THE OVERALL THEME OF THIS PROJECT.

PLANT SCHEDULE

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QTY.	COMMENTS
	TREES (DECIDUOUS)				
	Acer glabrum	Rocky Mountain Maple	1" Cal. Min. 15 Gal. Min.	54	Standard-trunk Dense Canopy
	Malus species	Flowering Crabapple	2" Cal. Min. 24" Box Min.	9	Standard-trunk Dense Canopy
	Populus tremuloides	Quaking Aspen	1" Cal. Min. 15 Gal. Min.	120	Standard-trunk Dense Canopy
	Pyrus calleryana	Flowering Pear	2" Cal. Min. 24" Box Min.	13	Standard-trunk Dense Canopy
	TREES (EVERGREEN)				
	Pinus nigra	Austrian Pine	2" Cal. Min. 24" Box Min.	23	Standard-trunk Dense Canopy
	Pinus ponderosa	Ponderosa Pine	2" Cal. Min. 24" Box Min.	14	Standard-trunk Dense Canopy
	Pseudotsuga menziesii	Rocky Mountain Douglas Fir	2" Cal. Min. 24" Box Min.	8	Standard-trunk Dense Canopy
	Trunk Diameter at Breast Height				
	Existing Tree To Remain & Be Protected During Construction (Typ.)				
	+ SHRUBS (DECIDUOUS)				
	Artemisia ludoviciana	Prairie Sage	1 Gal.	12	As Per Plan
	Berberis species	Native Barberry	5 Gal.	42	As Per Plan
	Caragana species	Mountain Mohagany	5 Gal.	7	As Per Plan
	Potentilla fruticosa	Bush Cinquefoil	5 Gal.	66	As Per Plan
	Rhus glabra	Smooth Sumac	5 Gal.	10	As Per Plan
	Symphoricarpos albus	Snowberry	5 Gal.	24	As Per Plan
	+ SHRUBS (EVERGREEN)				
	Arctostaphylos species	Manzanita	5 Gal.	151	As Per Plan
	Berberis fremontii	Fremont Barberry	5 Gal.	143	As Per Plan
	Juniperus chinensis	Chinesee Juniper	5 Gal.	94	As Per Plan
	Juniperus horizontalis	Juniper	5 Gal.	425	As Per Plan
	Mahonia aquifolium	Oregon Grape Holly	5 Gal.	274	As Per Plan
	Pinus mugo	Mugo Pine	5 Gal.	146	As Per Plan
	Yucca baccata	Banana Yucca	5-Gal.	53	As Per Plan
	+ GROUNDCOVERS				
	Lonicera japonica 'Halliana'	Hall's Honeysuckle	1 Gal.	374	As Per Plan
	Teucrium chamaedrys	Germander	1 Gal.	370	As Per Plan
	+ VINES				
	Hedera species	Ivy	15 Gal.	17	Trained to Fence/Wall
	+ GRASSES				
	Bouteloua gracilis	Blue Grama	1 Gal.	297	As Per Plan
	Muhlenbergia rigens	Deer Grass	1 Gal.	276	As Per Plan
	MISCELLANEOUS				

BARK MULCH - COLOR: HIGH DESERT BROWN - 4" DEPTH IN ALL SPECIFIED PLANTING AREAS (TYP.)

ARTIFICIAL TURF WITH PERMEABLE BASE WITH 4" EXTRUDED CONCRETE HEADER - 5,245 SQ. FT. (1% OF TOTAL SITE AREA)

NATIVE GRASS AND WILDFLOWER SEED MIX - 22,675 SQ. FT. (REFERENCE NATIVE GRASS & WILDFLOWER SEED MIX MATRIX)

** THERE IS NO OASIS ZONE PROPOSED ON THIS PROJECT

GRASS & WILDFLOWER MIX

LBS/AC.	BOTANICAL NAME	COMMON NAME
3	Bouteloua curtipendula	Sideoats Grama
2	Erigeron divergens	Fleabane
2	Festuca arizonica	Arizona Fescue
2	Hilaria jamesii	Galleta Grass
4	Lupinus argentus	Silvery Lupine
2	Oryzopsis hymenoides	Indian Rice Grass
4	Penstemon pinifolius	Pineleaf Penstemon

SEEDLING RATE: 19 LBS / ACRE

PLANT QUANTITY SCHEDULE

LOCATION	TREES (ON AVERAGE)	SHRUBS (ON AVG.)	GROUNDCOVER
STREET BUFFER	1 PER 25 L.F.	2 PER TREE	2 PER TREE
HIGH COUNTRY TRAIL			
REQUIRED	35 (859 L.F./25)	70	70
PROVIDED	38	415	98
* NOTE:	DUE TO CONFLICTS WITH EXISTING OVERHEAD POWER EASEMENT AND SIGHT VISIBILITY EASEMENTS REQUIRED TREES COUNTED HEREIN HAVE BEEN DISPERSED THROUGHOUT THE SITE		
PERIPHERAL BUFFER	1 PER 25 L.F.	2 PER TREE	2 PER TREE
REQUIRED	69 (1,708 L.F./25)	137	137
PROVIDED	94 (86 Protected + 8 Proposed)	243	144 (98 1 Gal. + (23 5 Gal x2)
PARKING AREA	2 PER 8 SPACES	2 PER TREE	2 PER TREE
REQUIRED	61 ((241 SURFACE SPACES/8)X2)	122	122
PROVIDED	66	246	164
** NOTE:	DUE TO CONFLICTS WITH PARKING SPACES LOCATED UNDER EXISTING OVERHEAD POWER EASEMENT, A PORTION OF THE REQUIRED TREES COUNTED HEREIN HAVE BEEN DISPERSED THROUGHOUT THE SITE		
BUILDING FOUNDATION	1 PER 25 L.F.	2 PER TREE	2 PER TREE
REQUIRED	160 (3,987 L.F./25)	319	319
PROVIDED	172 (43 Protected + 129 Proposed)	527	384
*** NOTE:	PROTECTED TOTALS ARE BASED ON CREDITS GAINED BY CALCULATING THE TRUNK DIAMETER AT BREAST HEIGHT OF PROTECTED TREES SOUTH OF HIGH COUNTRY TRAIL (129), NOT TOTAL NUMBER OF TREES PROTECTED (60) ACCORDING TO FLAGSTAFF ZONING CODE DIVISION 10-50.60 LANDSCAPE STANDARDS (TABLE 10-50.60.050.A		

PROJECT DATA

PROJECT OWNER:
AUZA FLAGSTAFF LLC
3378 SOUTH 16TH AVE.
YUMA, AZ 85365
CONTACT: SHIRLEY AUZA
SHIRLEY.AUZA@AOL.COM

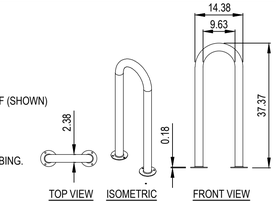
PROJECT DEVELOPER:
TRINSIC RESIDENTIAL GROUP
2944 M. 44TH STREET #160
PHOENIX, AZ 85018
CONTACT: TODD GOSSELINK
TGOSSELINK@TRINSICRES.COM

LOT AREA: 11.01 AC
CURRENT ZONING: E.R.
PROPOSED ZONING: M.R.

ANOVA

☑ SELECT DESIRED MODEL
☑ 3 BICYCLE METRO BIKE RACK LBR3PSURF (SHOWN)
☑ BRONZE

FINISH: FUSIONGUARD® POWDER COAT
MATERIAL: 2.38" OD x 10-GAUGE WALL STEEL TUBING.
UNIT WEIGHT: 25 lbs
MOUNTING OPTIONS: SURFACE MOUNT.
ASSEMBLY REQUIRED
5 YEAR SATISFACTION GUARANTEE INCLUDING COVERAGE FOR FADING, RUSTING, CHIPPING AND CRACKING



NOTES:
1. INSTALLATION TO BE COMPLETED IN ACCORDANCE WITH MANUFACTURER'S SPECIFICATIONS.
2. ALL DIMENSIONS ARE CONSIDERED TRUE AND REFLECT MANUFACTURER'S SPECIFICATIONS.
3. CONTRACTOR'S NOTE: FOR PRODUCT AND COMPANY INFORMATION VISIT www.CADdetails.com/info REFERENCE NUMBER 928-106.

1 3 BICYCLE METRO BIKE RACK WITH POWDER COAT FINISH AND SURFACE MOUNT — MODEL: LBR3PSURF

COLLABORATIVE DESIGN STUDIO

COLLABORATIVE V
DESIGN STUDIO INC.
7116 EAST 1ST AVE.,
SUITE 103
SCOTTSDALE, ARIZONA
85251
OFFICE: 480-347-0590
FAX: 480-656-6012

Registered Landscape Architect CERTIFICATE NO. 46497 MATTHEW PAUL DRAKER ARIZONA, U.S.A. EXPIRES 06 / 30 / 2022

EXPIRES 06 / 30 / 2022

LANDSCAPE IMPROVEMENTS
AURA FLAGSTAFF
151 W. High Country Trail Flagstaff, Arizona 86001

PRELIMINARY NOT FOR CONSTRUCTION

DESIGNED BY: PV/SH
DRAWN BY: SH
CHECKED BY: PV / MD
DATE: AUGUST 21, 2018
REVISIONS: CITY COMMENTS JANUARY 24, 2019; CITY COMMENTS FEBRUARY 19, 2019; CITY COMMENTS JANUARY 7, 2020; CITY COMMENTS APRIL 20, 2020

AURA FLAGSTAFF
SITE PLAN SUBMITTAL

LANDSCAPE PLAN

L1.10

1 of 1

11. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE

Future Agenda Item Request (F.A.I.R.) A Citizens' Petition requesting the "closure of Woody Way to cut through traffic allowing emergency access only"

STAFF RECOMMENDED ACTION:

Council direction.

EXECUTIVE SUMMARY:

In accordance with Art. II, Sect. 17 of the Flagstaff City Charter, any citizen may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City...who shall present it to the Council at its next regular meeting. The attached petition was filed with the City Clerk's Office on April 1, 2021, requesting the "closure of Woody Way to cut through traffic allowing emergency access only"

Staff has provided some background information in the attached memo.

INFORMATION:

Chapter 1-12 of the Flagstaff City Code formalizes the information to be required, and the attached petition conforms to those requirements. As outlined in this chapter, the petition is to be submitted to the Council under Future Agenda Item Request (F.A.I.R.) to determine if there is Council interest in placing the item on a future agenda for consideration.

Attachments: Petition #2021-03
Staff Memo - Woody Way Gate Update

Petition # 2021-03

RECEIVED
APR 01 2021

PETITION TO FLAGSTAFF CITY COUNCIL

Pursuant to Flagstaff City Charter Article II Section 17 and Flagstaff City Code Title I Chapter 12

Pursuant to the Flagstaff City Charter and the City Code, any citizen (resident) of the City may present a written petition to the City Manager, signed by a minimum of 25 citizens from the City of Flagstaff, which shall be presented to the City Council.

Title of Issue: Public safety issues due to opening of Woody Way

Action Requested: Closure of Woody Way to cut through traffic, allowing emergency access only.

Printed Name of Submitter: Brianne Hall

(Submitter must also sign below and complete information)

Contact Information: 928-525-4305 briannegrace11@gmail.com

(Phone Number and/or e-mail address)

PETITION SIGNATURES

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3-7-21	Brianne Hall	1810 Ax Handle Way Flagstaff AZ 86001	Brianne Hall
3/7/21	Renee Springer	956 W. Weston Trl. Flagstaff, AZ 86005	Renee
3/7/21	Sarah Snall	3939 N Swiss Rd Flagstaff, AZ	
3/7/21	Sam Smith	3939 N. Swiss Rd Flagstaff, AZ	
3/7/21	Garett Hall	1810 Ax Handle Way Flagstaff, AZ 86001	Garett Hall
3/7/21	Ann Cayton	2052 W. Fresh Aire Flagstaff AZ 86001	Ann Cayton
3/7/21	Keith Cayton	2052 W. Fresh Aire Flagstaff AZ 86001	
3/7/21	Adam Arp	3474 NE Rainier Loop Flagstaff, AZ 86004	Adam Arp
3/7/21	Monique Arp	3474 NE Rainier Loop Flagstaff, AZ 86004	Monique Arp
3/7/21	Matt Springer	956 W. Weston Trail Flagstaff, AZ	

RECEIVED BY CITY OF FLAGSTAFF

DATE RECEIVED	BY	COUNCIL MEETING DATE
4/1/2021	Stacy Saltzburg	4/20/2021

PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Public safety issues due to opening of Woody Way **PAGE** 2 **OF** 3

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3/7/2021	Thomas Chilcoat	1798 Ax Handle Way	Thomas Chilcoat
3/7/2021	Cindy Chilcoat	1798 Ax Handle Way	Cindy Chilcoat
3/7/2021	KATHLEEN PALESKI	2088 W UNIVERSITY AVE	Kathleen Paleski
3/7/2021	VALDIMIR PALESKI	2088 W UNIVERSITY AVE	Valdimir Paleski
7 March 21	Roy Hunter	1845 S. Highland Mesa	Roy Hunter II
3/7/2021	Joy Kingsbury	1866 S. Highland Mesa	Joy Kingsbury
3/7/2021	FRANK BORWELL	2072 W. FRESH AIR ST.	Frank Borwell
3/7/2021	SHELAH WILSON	2072 W. FRESH AIR ST.	Shelah Wilson
3/7/2021	MOLLY BENTON	2095 W. FRESH AIR ST.	Molly Benton
3/7/2021	Adam Benton	2095 W Fresh Aire St.	Adam Benton
3/7/2021	Kristina Marvel	2096 W. Fresh Aire St	Kristina Marvel
3/7/2021	Kathy McCarthy	2087 W. Fresh Aire St	Kathy McCarthy
3/7/2021	Gary Hall	1774 AX HANDLE WAY	Gary Hall
3/7/2021	PRISCILLA HALL	1774 AX HANDLE WAY	Priscilla Hall
3/7/2021	Jason Dorsch	2066 TOBOGGAN CT	Jason Dorsch
3/7/2021	Amber Dorsch	2066 TOBOGGAN CT	Amber Dorsch
3/7/2021	Linda Henn	1916 W. University	Linda Henn
3-7-2021	David Brink	1750 Ax Handle Way	David Brink
3-7-2021	LAURA KAVANAUGH	2111 toboggan ct	Laura Kavanaugh
3-7-2021	Richard Blew	2079 w. Toboggan Ct	Richard Blew
3-7-21	Sandra Swaby	1804 S. Highland Mesa RD	Sandra R Swaby
3-7-21	CLIFFORD SWABY	1804 S. HIGHLAND MESA RD	Clifford Swaby
3/7/21	JOSEPH TESTICHLAN	1822 AX HANDLE WAY	

PETITION TO FLAGSTAFF CITY COUNCIL (Continued)

TITLE OF ISSUE: Public Safety issues due to the opening of Woody Way **PAGE** 3 **OF** 3

DATE SIGNED	PRINTED NAME	RESIDENCE ADDRESS	SIGNATURE
3/7/21	Linda Titschler	1822 Ax Handle Way Flagstaff AZ 86001	
3/7/21	K JASON NACKARD	1801 S HIGHLAND MESA FLAG AZ 86001	
3/9/21	Karrin Woods	2136 S. Highland Mesa Rd Flag, AZ 86001	
3/9/21	Amberlee Pavey	500 W Forest Meadows St Flagstaff, AZ 86001	
3/9/21	Ashlee Hutchinson	4641 Cygnus Rd Bellemont, AZ 86015	
03.09.21	CASSANDRA NABEL	1860 W. UNIVERSITY HEIGHTS DR N FLAGSTAFF, AZ 86005	
3/9/21	Samantha Woods	509 E Franklin Ave Flagstaff, AZ 86001	
3/9/21	BRADLEY HENICKMAN	1615 N AZTEC ST FLAGSTAFF, AZ 86001	
3/10/2021	Lisa Schatz	2020 West Fresh Ave Flagstaff AZ 86001	
3/10/2021	Ed Schatz	2020 West Fresh Ave Flagstaff AZ 86001	
3/10/2021	Melody Bowling	1105 Flowing Springs Tr Flagstaff, AZ 86004	Melody Bowling

DATE: April 15, 2021

TO: Mayor and Council

FROM: Jeff Bauman, City Traffic Engineer

SUBJECT: Woody Way Gate Between Boulder Pointe and Presidio – Gate Removed 4/13/2020

When Boulder Pointe was designed, platted and constructed, there was a short road connection called Woody Way built off the western end of the development for future access to the adjacent property. The adjacent property developed as Presidio in the Pines. In the early 2000's the Presidio's City Council approved development agreement with the original developer and based on neighborhood input specified that the gate across Woody Way would be removed at a specified time after project construction began. The main reason for the gate was to prevent heavy construction traffic from going through the Boulder Pointe neighborhood. Since the development activity stopped due to the Great Recession, the original developer filed bankruptcy and no longer exists, all of this made the original development agreement timing no longer applicable. When the project was resurrected by the current developer, the City agreed to leave the gate in place until after 90% of the homes in Presidio had been occupied. The total number of parcels in Presidio is 515. As of October of 2019, 488 building permits had been issued, making Presidio roughly 95% built out.

The Transportation Commission began developing a gate opening plan in December 2019. The Homeowners Associations of both Presidio and Boulder Pointe were both notified in February 2020 of the February Transportation Commission agenda item – Boulder Pointe – Presidio Gate. As a result of that discussion the Transportation Engineering Section committed to performing before and after traffic volume and speed studies to determine if there are any adverse impacts that warrant traffic calming as a result of the gate opening.

The City has an adopted method for determining if a residential neighborhood meets minimum requirements for consideration of traffic calming measures due to high speeds or volumes. The City, with Transportation Commission's concurrence, will move forward with the methods defined in the City of Flagstaff's Guidebook for Residential Traffic Management (GRTM) to determine if traffic calming is needed.

Traffic counts before the gate was removed were conducted in Fall 2019 and the City has comprehensive historical counts from Fall 2018.

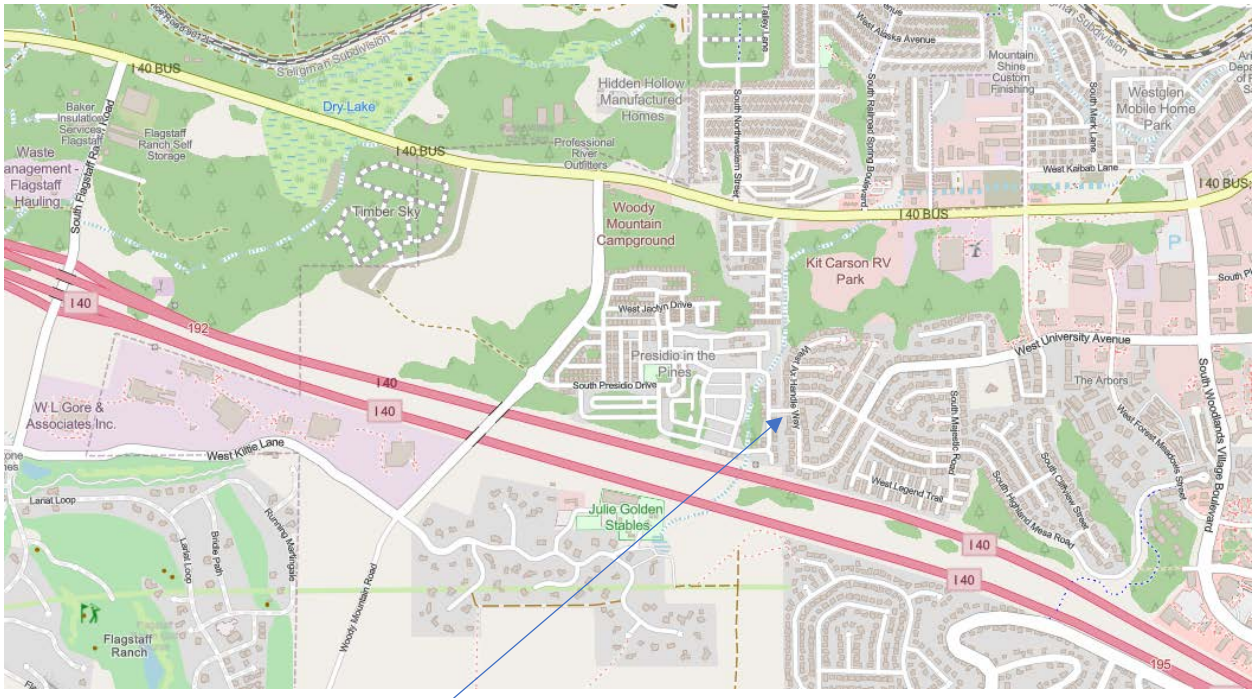
The gate was removed on April 13, 2020 just after COVID-19 related shutdowns were becoming very widespread. The original plan was to conduct follow-up studies of speeds and volumes to identify significant changes as a result of the gate opening in Fall of 2020. During the Summer of 2020 a resident on University Avenue contacted the City claiming that speeds and volumes on University Avenue had doubled as a result of the gate opening. Summer 2020 is not considered a 'normal' traffic condition due to NAU and public schools being closed, in addition to our concerns of the unknown magnitude of pandemic impacts. But given the public concern the City went ahead and counted vehicles along University Avenue, the results were that traffic volumes had increased by approximately 10% and speeds were unchanged.

Staff presented this information to the Transportation Commission in September 2020 and the TC decided to separate the issues of (existing) speeding with potential cut-through traffic volumes related to the gate opening.

In December 2020 the Transportation Commission invited members of both Presidio and Boulder Pointe to discuss speed mitigation measures that could be implemented in the Spring of 2021 on a trial basis. Those temporary measures have been ordered and designed and will be installed with the warming weather in late April / early May. See the image below of the center island narrowing, not shown are Radar Speed Feedback signs.

Follow-up studies to determine their effectiveness of the temporary installations prior to final design and implementation of permanent calming devices will be conducted in Summer/Fall 2021.

The issue of changed traffic volumes is still somewhat uncertain given the open/closed status of government, business, and school facilities in the community. As conditions move to a more normal status Transportation Engineering will conduct follow up studies and conduct further discussions with the neighborhoods and the Transportation Commission. We anticipate this will be possible in Fall 2021.


I 40 BUS
Dry Lake
Hidden Hollow Manufactured Homes
Professional River Outfitters
Timber Sky
Woody Mountain Campground
Kit Carson RV Park
Presidio in the Pines
South Presidio Drive
West Jaclyn Drive
West University Avenue
The Arbors
W L Gore & Associates Inc.
West Kiltie Lane
Julie Golden Stables
Flagstaff Ranch
Woody Mountain Road
Lariat Loop
Running Martingale
Bridle Path
West Legend Trail
South Highland Mesa Road
South Clarkdale Street
West Forest Meadows Street
South Woodlands Village Boulevard
South Majestic Road
Mountain Shine Custom Finishing
Westglen Mobile Home Park
West Kaibab Lane
West Alaska Avenue
South Mark Lane
South Railroad Springs Boulevard
South Northwestern Street
Talley Lane
Baker Insulation Services Flagstaff
Flagstaff Ranch Self Storage
Waste anagement - Flagstaff Hauling
South Flagstaff Ranch Road
I 40
192
195

Woody Way

12. A.

CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To:	The Honorable Mayor and Council
From:	Stacy Saltzburg, City Clerk
Date:	04/14/2021
Meeting Date:	04/20/2021

TITLE

City Manager Report

STAFF RECOMMENDED ACTION:

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
Board and Commission Newsletter
Capital Improvement Project Map
Capital Improvement Report
Legislative Update

City Manager's Report

April 16, 2021

Council and Colleagues, greetings. 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.

Water Awareness Month

Check out the following videos, including the girl scout video and a statement by Mayor Deasy regarding the Mayor's Challenge, all related to water conservation.
https://www.facebook.com/flagstaffwater/videos/3926092957469995

Water Services Division

With the recent departure of Interim Director Ryan Roberts, we have moved to make another internal adjustment to our Water Services Division in an effort to continue our interim leadership until our next scheduled recruitment process which will occur this summer.

Erin Young has graciously agreed to serve in this capacity. We are very grateful. There are numerous vacancies within the Division and with the transition that has been occurring since Brad Hill's retirement last summer, there is need for continuity and familiarity. Erin brings these attributes.

The arrangement is as follows: Erin Young will serve as Interim Director until such time as the position is permanently filled. Brad Hill has been retained as a consultant to assist in the leadership of the Division, with Erin exercising all decision-making authorities and Mr. Hill serving as an advisor. From the City Manager's Office, we have also instituted a change whereby I will be overseeing the leadership of the Division, with an approach that will bring active engagement and connectivity.

Erin is excited to serve in this capacity and we are happy to have her dedication and her energy.

"Serving as the Interim Director for Water Services means more to me than just a title. This is my opportunity to build trust and serve our 70+ employees in Water Services, advocate for the needs of our Division, demonstrate my commitment to Team Flagstaff, and serve the needs of our Council and Commissions. I bring a strong work ethic dedicated to the mission and policies that govern our great city!"

Thank you, Erin, and welcome to the Leadership Team!

Boards and Commissions Newsletter

Please find attached to this Report two supplements of interest. The first, courtesy of our City Clerk's Office, is the inaugural Boards and Commissions Newsletter. Props to Stacy Fobar and others for this effort … it will be a nice and succinct way for Council, and the Community, to see what the topics are with our many important boards and commissions. Enjoy!

April Capital Projects Update

The second supplement is the April Capital Projects Update. While it is a multi-page document, there are many photos to illustrate the numerous projects. The Report is preceded by a Location Map.

Legislative Update

Please also see attached the latest Legislative Update from Todd Madeksza with Elevated Advocacy, related to Statewide legislative matters.

Meetings

- I attended the United Way of Northern Arizona Board Meeting on Wednesday, April 14th. We had a housing update, amended the bylaws, and had a positive finance update.

- Also occurring on April 14th was the Criminal Justice Coordinating Council (CCJC) where much discussion was directed toward the City's pending Alternate Response Program, with expressed support by the numerous entities comprising the Council. Bylaws were also discussed and approved.

- The City will be hosting the next Alliance meeting scheduled for May 14th. Stay tuned as we nail down the date and time.

- The agenda for the Joint Meeting with the City Council and County Board of Supervisors, scheduled for Monday, April 26th, will be forthcoming. There will be five topics (potentially) for discussion.

Re-Entry

With Council's leadership, we will be implementing Phase III of the Re-Entry Plan on May 17th. Employees are being advised and we will be fully prepared. We indeed look forward to spending more time in the office environment and returning to some sense of normality if there is such a thing.

The Circus is Coming …

The Circus is proposed to operate 7pm to 10pm starting 4/23 and concluding 5/9 at the Flagstaff Mall.

The tent is 3,000 square feet in size. Normal occupancy is 1,000 but they will only admit up to 500. We will require the tent walls to be raised.

The COVID protocol being followed, consistent with City PUD permitting processes related to private property events, is listed in that accompanying narrative.

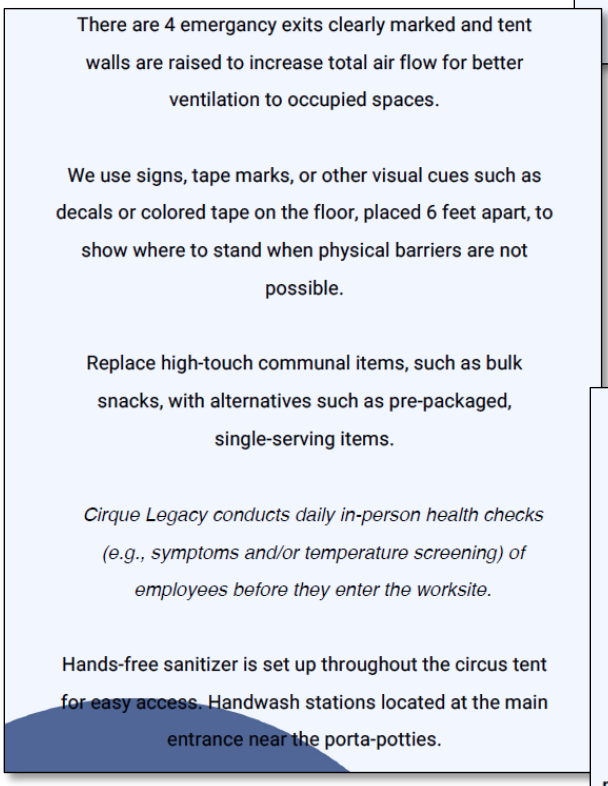
While we would not typically include this level of minutia within these bi-weekly reports, the interest in special events and COVID protocol may warrant doing so here. Please let me know if you have questions.

CIRQUE LEGACY

COVID-19 PROTOCOL

Cirque Legacy is dedicated to the safety and well-being of our customers and staff. It is imperative to continue to avoid the spread of COVID-19 through maintaining CDC recommendations, so that we may soon see a brighter future for all human interactions. The circus is popular for the joy we provide during any of our events.Unfortunately, we have had to make new changes to the way we entertain our guests to protect them and our staff. Here are a few of the changes we have made to better accommodate everyone in a safe event.

We have installed transparent shields or other physical barriers where possible to separate employees and visitors where social distancing is not an option.



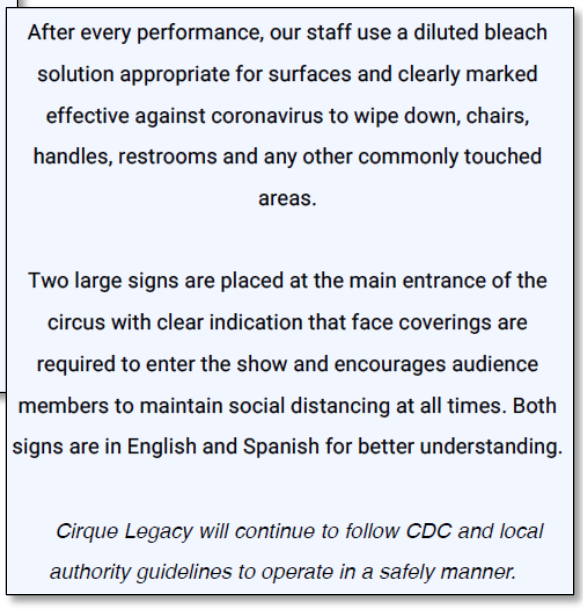
There are 4 emergancy exits clearly marked and tent walls are raised to increase total air flow for better ventilation to occupied spaces.

We use signs, tape marks, or other visual cues such as decals or colored tape on the floor, placed 6 feet apart, to show where to stand when physical barriers are not possible.

Replace high-touch communal items, such as bulk snacks, with alternatives such as pre-packaged, single-serving items.

Cirque Legacy conducts daily in-person health checks (e.g., symptoms and/or temperature screening) of employees before they enter the worksite.

Hands-free sanitizer is set up throughout the circus tent for easy access. Handwash stations located at the main entrance near the porta-potties.



After every performance, our staff use a diluted bleach solution appropriate for surfaces and clearly marked effective against coronavirus to wipe down, chairs, handles, restrooms and any other commonly touched areas.

Two large signs are placed at the main entrance of the circus with clear indication that face coverings are required to enter the show and encourages audience members to maintain social distancing at all times. Both signs are in English and Spanish for better understanding.

Cirque Legacy will continue to follow CDC and local authority guidelines to operate in a safely manner.

Boards and Commissions Newsletter

A Message from the Deputy City Clerk

Welcome to the first issue of the Flagstaff Boards & Commissions Newsletter. Boards, commissions, and committees were created to allow Flagstaff citizens to take an active role in City government and the participation of all our commissioners is greatly appreciated. This newsletter is being established to highlight the many accomplishments of our commissioners and to share all the ways that they influence our City. The City of Flagstaff would not be as amazing as it is without the input from our commissioners and we appreciate the time and effort they contribute.

This last year has been a challenge in many ways and we have had to work hard to convert our Boards & Commissions program to a virtual platform. I cannot thank the commissioners and the staff liaisons enough for their flexibility, their drive, and their willingness to learn new software and techniques to ensure that we continue our thriving program! Even with all the complications of the past year, our commissions have been there to advise City Council and staff and ensure that our City is best representing our constituency. In addition to all the amazing programs, we have created a new Indigenous Commission and we are currently recruiting for a Citizen Commission on Council Salaries.

Again, I want to thank our current commissioners for their dedication in serving our local community. Your expertise and your passion make Flagstaff a wonderful place to live!

Housing Commission

Creating Flagstaff's 10 Year Housing Plan

Affordable, accessible, and decent housing is of critical importance to a community's health and viability. On December 1, 2020 City Council declared a Housing Emergency in Flagstaff, prioritizing affordable housing within City operations to create safe, decent, and affordable housing opportunities for all community members. The Housing Emergency Resolution states that, "*Flagstaff Housing Section, within nine months from adoption of this Resolution and with input from the City's Housing Commission, will present to City Council for consideration a Housing Plan focused on housing development and preservation within the City for the next 10 years. Plan elements will include, but not be limited to, ways City resources (including land, staff, and financial resources) can best be utilized to achieve identified goals. The plan elements will also include ways the City can encourage more economically priced housing construction by the private sector to address Flagstaff's workforce housing needs and to increase attainable housing opportunities for, and occupied by, local residents. The Plan will set goals that will be reviewed annually in a report to City Council and the community.*"

The Housing Plan will consolidate existing housing documents and augment with additional planning efforts to create a 10-year plan. The Plan will define the housing emergency in Flagstaff and will provide policies and strategies to reduce the emergency. The Housing Plan will identify affordable housing needs, revise an existing list of affordable housing, identify affordable housing units underway, engage partners, and compile research on best practices.

Staff, Commissioners and Community Members have jumped into this project with both feet! Commissioners formed six Informal Working Groups. These groups are meeting monthly to create policies related to housing related topics.

As the City implements the Flagstaff's 2021 Housing Plan, the goal is to substantially increase the number of available and affordable housing options for all Flagstaff residents at all income levels.

The Housing Section encourages active public participation in the creation of Flagstaff's 10 Year Housing Plan. If your Commission would like to learn more, please contact Leah Bloom, Affordable Housing Advancement Project Manager. Presentations to other Commissions are anticipated to occur in late Spring.

Water Commission

Water Services is responsible for water production and distribution, wastewater collection and treatment, reclaimed water distribution, and stormwater management. The Division is also responsible for water resource management, water conservation, engineering, and regulatory compliance programming.

The Water Commission Members include Ben Ruddell, Malcolm Alter, Timothy Bowers and Ward Davis. There are two vacancies open.

Highlights of current discussion:

- Reclaimed Water Policy Discussion - Revisiting the Council-adopted Water Policies could include discussions on the following topics: charges; water quality and education; agreements; system capacity; out of city delivery; recharge and recovery; and uses, allocation, priority.

- Water Production Update on Woody Mountain Booster Station Sand Clarifier - During the 1950's, the City of Flagstaff started its third major importation of potable water from groundwater wells in what is now the Woody Mountain Wellfield.

- Rio de Flag Flood Control Project Updates on history, project information, and schedule. The **Rio de Flag Flood Control Project** is a twenty-year effort between the City of Flagstaff and the U.S. Army Corps of Engineers to prevent life/safety hazards and property damage caused by significant flood events in Flagstaff. It is a $122M project with 65% of funding provided by the Army Corps. Construction along the Rio de Flag and Clay Avenue Wash will increase the capacity of the channel and significantly reduce flooding in neighborhoods such as Southside. Project design is in the final stage of completion and the City is in the process of real estate acquisitions.

Sustainability Commission

Sustainability Commission – Announcing Neighborhood Sustainability Grant Winners

At the February 25th meeting, the Sustainability Commission awarded five Neighborhood Sustainability grants to the following recipients and projects:

- The Arboretum at Flagstaff's High Desert Backyard Produce Garden Project. The High Desert Backyard Produce Garden will demonstrate several sustainable practices essential to successful food production within limited spaces in the high desert environment. This garden installation will serve as an educational medium for visitors to The Arboretum as well as a growing space for fresh produce to be donated to the Flagstaff Family Food Center or be harvested for seed sharing.
- Oakley Anderson-Moore's Dry Greens Garden Project. The Dry Greens project aims to popularize native plants that can be eaten as greens, as well as alternative non-native plants grown in analog climates to Northern Arizona. It is accomplished by growing, seed saving, and distributing seed packets and an informational coloring book in English, Spanish, and Diné Language.
- Darrien Benally's Growing Indigenous Health and Resilience through Balcony Gardening Project. This project will enable community members to grow their own nutritious garden plants and learn the importance of eating healthy. Balcony gardening kits will involve families in a fun and healthy activity.
- Threaded Together's Sustainable Sewing classes. This workshop series for adults and teens is focused on repurposing, responsibility, and resilience through hand quilting and mending. Participants will learn about textile waste and sustainable fashion and gain empowering skills that will allow them to mend their own clothes and create quilts from repurposed materials.
- The Southside Community Association's expansion to the Murdoch Center Community Garden. The Garden will be getting an upgrade to their water collection and irrigation system and be an educational tool for the community.

The Neighborhood Sustainability Grant funds projects by individuals, community groups, nonprofits, and local businesses. The 2021 grant cycle will be opening soon, so keep an eye out!

Flagstaff Housing Authority

The Flagstaff Housing Authority has developed a new Flagstaff Housing Resources Guide. Information contained in the new 2-page guide includes Emergency Housing Services with Emergency Rent & Utility Assistance, Section 8 Housing Choice Voucher Programs, Affordable Rentals, and Home Ownership Services. You can view the guide at https://www.flagstaff.az.gov/DocumentCenter/View/63875/2021-CFHA-Informational-Trifold?bidId=.

Indigenous Commission

The Indigenous Commission held its first meeting on January 25, 2021. The commission is comprised of seven (7) voting members and three (3) ex-officio members. The members are:

- Diana Cudeii, Ex-Officio
- Dorothy Gishie, Ex-Officio
- Meg Kabotie Adakai, E-Officio
- Cora M. Phillips, Co-Chair
- Joe. W. Washington, Co-Chair Courtney Scott
- Fawn Toya
- Kiara Weathersby
- Shawna Whitehat
- Jonathan Yellowhair

Meeting times and dates are being established, so please keep an eye on the agendas to learn when the next meeting will be.

Commission on Diversity Awareness

Commissioners Jean Toner and DeAnn Wegwert presented a deep dive on the results of the "Survey on Climate for Diversity in Flagstaff Arizona" to Mayor and Council on January 26, 2021. Highlights of the findings included the challenges and barriers of housing, wealth diversity, a challenging employment market, and expensive healthcare with the strengths of people being generally friendly, a diversity of free/low-cost activities available in Flagstaff, and that many Flagstaff officials encourage, defend, and respect diversity. The survey is only the first step, and Mayor and Council requested that the Commission further analyze the results and bring forward actionable recommendations. Thank you, commissioners, for all your hard work!

Available Seats

The City Clerk's Office is always recruiting for all commissions, but some commissions of interest are:

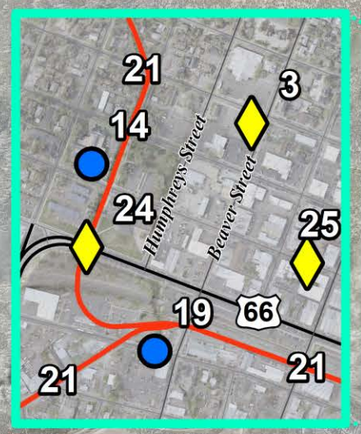
- Airport Commission
- Citizen's Commission on Council Salaries

- Industrial Development Authority
- Library Board
- Personnel Board

You can learn more about the Boards and Commissions and the various vacancies we have at https://www.flagstaff.az.gov/994/Boards-Commissions. Please spread the word about vacancies so that we can continue to have a robust program that represents our community!

Capital Improvements Projects

Work Program



Pre-Construction

Under Construction

April 2021

Number	Name
1	J.W. Powell Specific Plan Study
2	USGS Flagstaff Science Center Campus - Build to Suit
3	City of Flagstaff Municipal Court
4	La Plaza Vieja Traffic Calming
5	Beulah Boulevard Extension / University Drive Realignment
6	Quiet Zone Modifications (Elimination of Wayside Horns)
7	Coconino Estates Improvements Phase II
8	West Flag Improvements - David and Hutcheson
9	West Flag Improvements - Canyon Terrace
10	Coconino Estates Improvements Phase I
11	Fourth Street Reconstruction
12	Lockett/Fourth Roundabout
13	Lone Tree Overpass Project
14	Library Entrance
15	East Route 66 and El Paso Flagstaff Waterline Extension
16	Huntington Waterline Replacement
17	Switzer Canyon Transmission Main Phase IV & V
18	Summit Waterline Replacement
19	Phoenix Avenue Bridge and Waterline Replacement
20	Bonito Loadout Station Replacement
21	Rio de Flag Flood Control Project
22	Steves Boulevard Wash at Soliere
23	Wildcat Hill Wastewater Treatment Plant (WHWTP) Digester Complex
24	Route 66 ADOT Bridge Replacement Project
25	Heritage Square Pedestrian Crossing

N

0 1 2 Miles

CAPITAL IMPROVEMENTS
CITY OF FLAGSTAFF

ENGINEERING & CAPITAL IMPROVEMENTS DIVISION

Capital Improvements Section

Monthly Capital Projects Report
April 2021

Honorable Mayor & City Council,

For April's Report we have eliminated projects that did not have significant progress to report which is often the case during the winter months. However, since construction weather is upon us you can expect that May's Report will have more project activity.

We have eliminated all projects in the Planning Phase and some of the projects in the Design Phase from the report as progress is not substantial monthly for these types of projects.

We will be working on creating an Executive Summary that highlights key project updates for each month. Additionally, we'd like to consider a different approach for reporting some of the Planning & Design Phase projects on a quarterly basis. These changes will be forthcoming, and we hope they will make for a more meaningful tool for your use going forward.

With all these changes, we have maintained all active projects on the Map (attached) as reference. Please let us know if there are any project specific questions we can address.

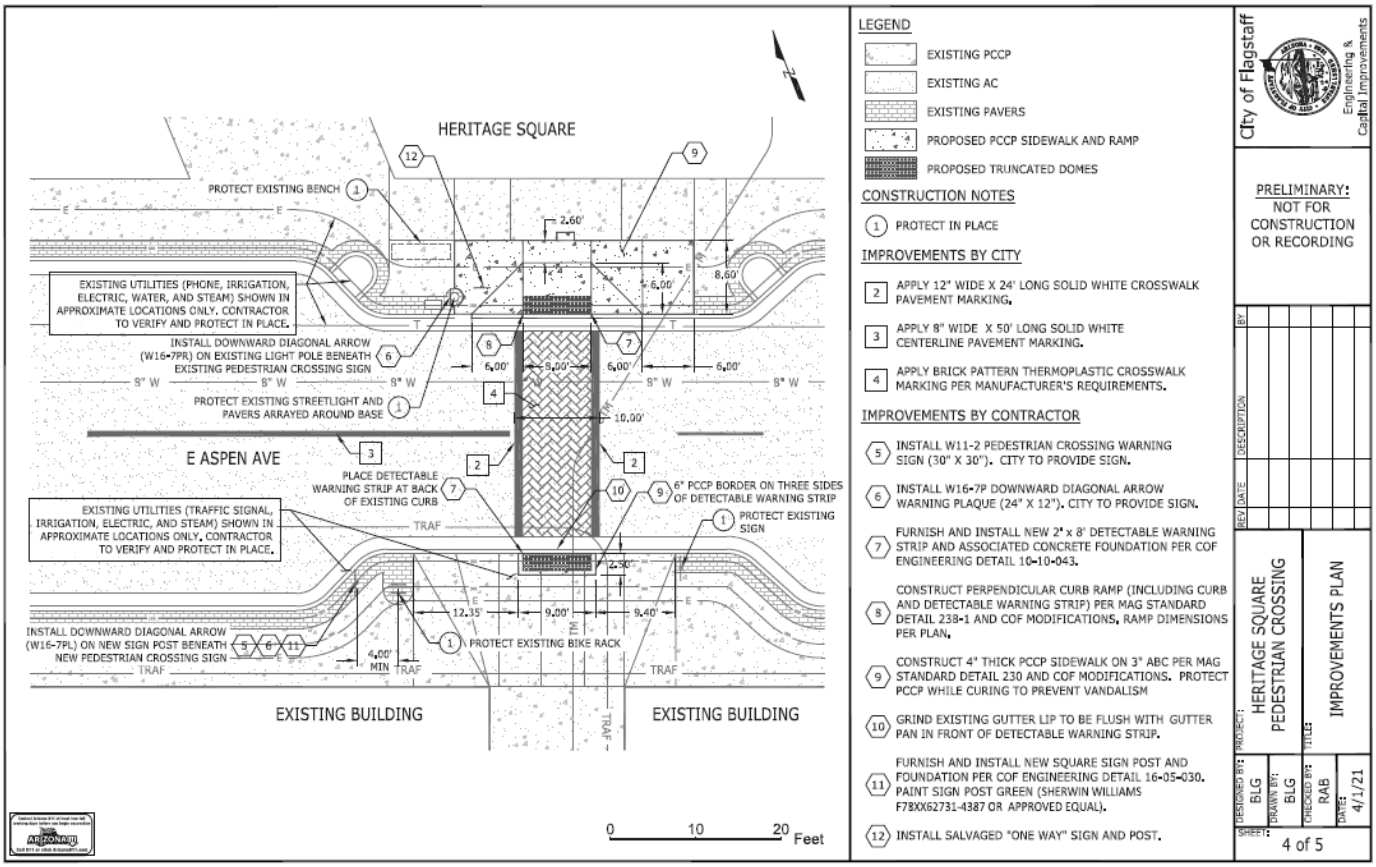
Heritage Square Pedestrian Crossing (CONSTRUCTION PHASE)

FUND: HIGHWAY USER REVENUE FUND

Description – In-house design and construction of a mid-block pedestrian crossing of Aspen Avenue that will provide an ADA compliant ramp into Heritage Square.

Project Update:

- Bids have been solicited from our four Job Order Contractors and are to be returned on April 23rd.
- Crosswalk design has been modified to allow decorative brick pattern as requested by the Downtown Business Association.
- We anticipate construction will be complete no later than May 14th.



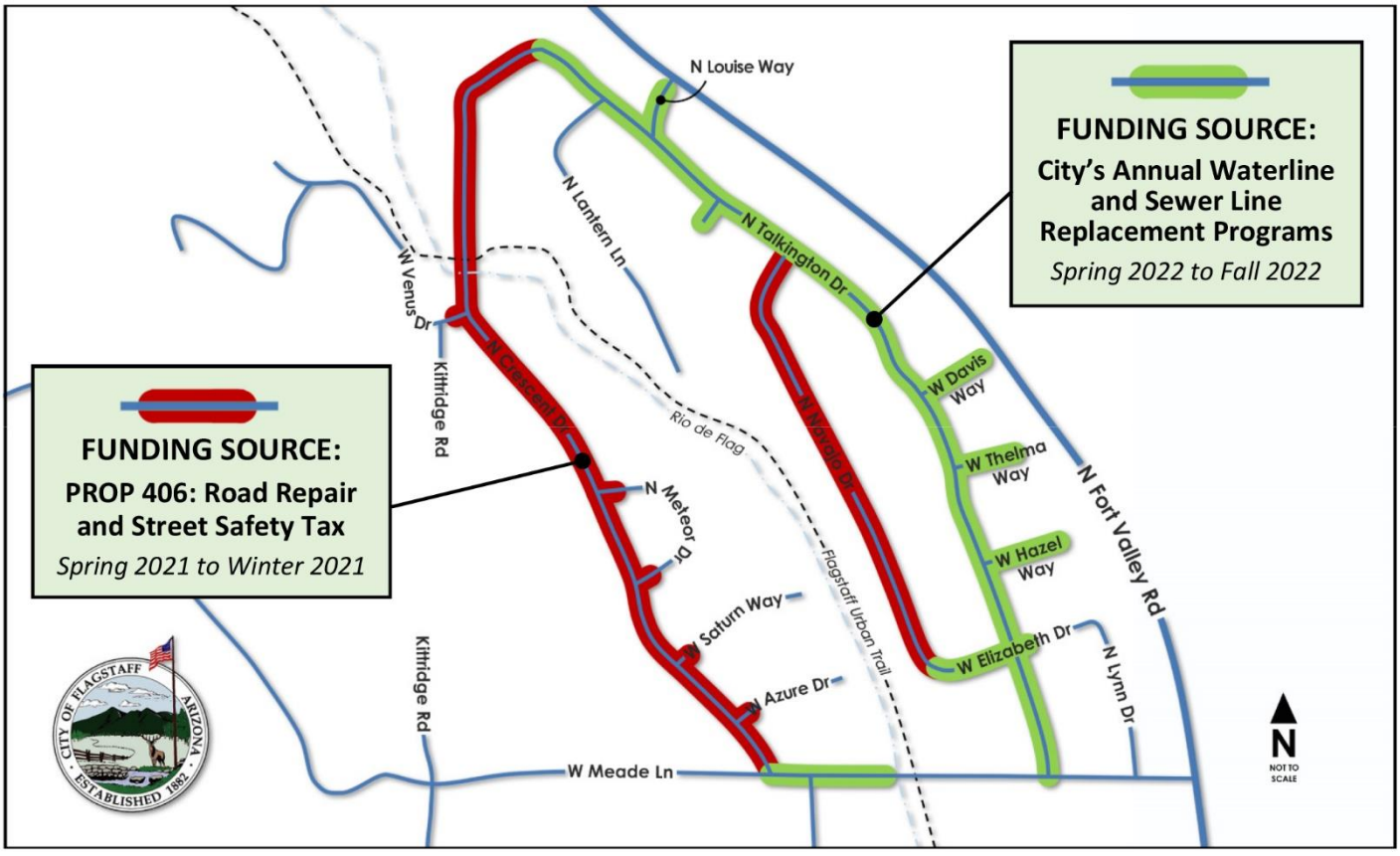
Coconino Estates Improvements Phase II (CONSTRUCTION PHASE)

FUND: ROAD REPAIR & STREET SAFETY & ANNUAL WATERLINE AND SEWER LINE 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.

Project Update:

- Bids were opened on April 7.
- In May staff will be before the Council for the consideration of award of the construction contract.
- Construction is anticipated to start at the beginning of June.
- The City will not permit the successful contractor to utilize the same construction yard as is being used for the Coconino Estates Phase I project near Thorpe Park.



Coconino Estates Improvements Phase II Project Limits – Funding - Schedule Map

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, etc.). For additional information visit the Project website at www.Flagstaff.az.gov/westflagimprovements

Project Update:

- On March 2, 2021, City Council awarded the Project to Mountain High Excavating, LLC.
- Construction began on April 5th starting with potholing activities and sewer service replacements at the David/William intersection working north.
- David Drive and Hutcheson Drive will be closed to thru traffic from William Road to Fine Avenue, with detours posted around the closure.

West Flag Improvements - David & Hutcheson Project Vicinity Map

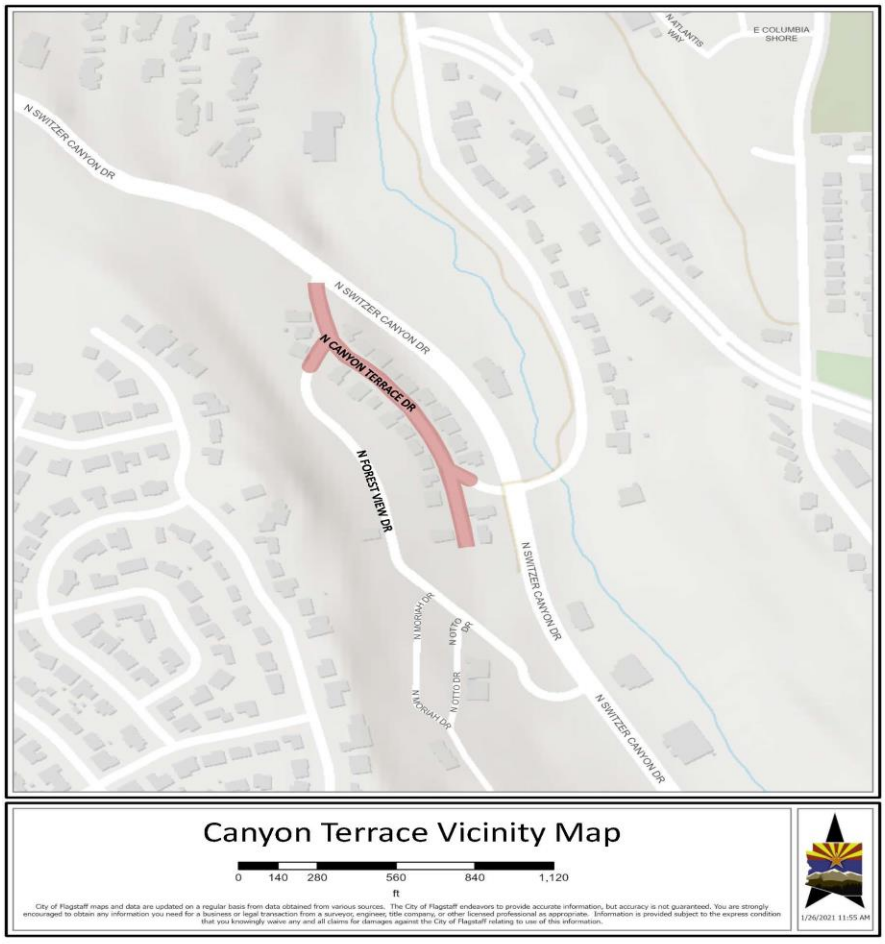
West Flag Improvements - Canyon Terrace (CONSTRUCTION PHASE)

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.

Project Update:

- On March 2, 2021, City Council awarded the Project to Mountain High Excavating, LLC.
- Construction began on April 5th starting with potholing activities.



West Flag Improvements - Canyon Terrace Project Vicinity Map

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 existing on Beal Road, Navajo Drive south of Beal, and on Navajo Road. For additional information visit the Project website at www.coconinoestates.com.

Project Update:

A new way of communicating project information has just been started with the recent 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)

- Majority of improvements are complete.
- Final signage, striping, and landscape restorations remain.
- Navajo Road is open to all traffic; however, temporary shoulder closures will occur as the remaining items of work occur.

Navajo Drive (Construction Zone #2)

- Water and sewer main and service, electrical conduit, and streetlight installations are complete.
- Storm drain installations just south of the Beal intersection continue.
- Concrete curb and gutter, driveway, and sidewalk installations continue as weather allows.
- Paving is anticipated for May.
- Navajo Drive from Hopi Drive to Whipple Road is closed to thru traffic, with detours posted around the closure.

Beal Road (Construction Zone #3)

- Water and sewer main and service installations in and west of the Beal/Navajo intersection to the Rio de Flag bridge are complete.
- Storm drain installations in and west of the Beal/Navajo intersection to the Rio de Flag bridge continue.
- Sewer main installations east of the Beal/Navajo intersection toward 180 continue.
- Beal Road is closed to thru traffic from Aztec to 180, with detours posted around the closure.

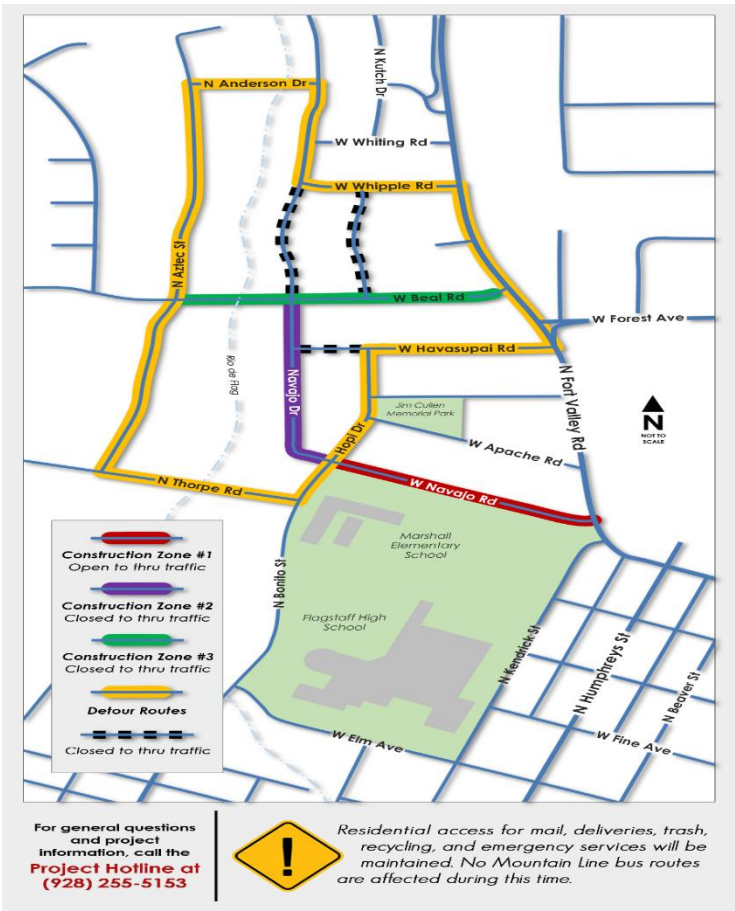
Spruce Trees at 510 W. Beal Road

- The 510 W. Beal Road property owner was coordinated with on the scheduled removal of the easterly tree which occurred on April 5. Results of an Arborist's investigation indicate the westerly tree may be saved and our best efforts will be made to work around and save the west tree during construction.

Navajo Dr. north of Navajo Road, looking north at the curb, sidewalk, and driveway construction.

Beal Rd. At McMillian Rd., looking east at the sewer construction.

East spruce tree removed in front of the 510 W. Beal Rd. property.



Current road closures and detours.

Debut of new project sign.

Fourth Street Reconstruction (CONSTRUCTION PHASE)
FUND: TRANSPORTATION TAX (RENEWED TAX)

Description – The project is on Fourth Street from the Soliere Avenue intersection, southerly to just past the Sparrow Avenue intersection. The work will construct a new pavement section with two northbound and two southbound lanes and a center turn lane, northbound dedicated right-turn lanes from Fourth Street onto Sparrow Ave. and onto Soliere Avenue, new streetlights, new traffic signals at Soliere Avenue, new 12" water main and new 8" water main, curb and gutter and new sidewalk. The reconstruction work will connect with the recently completed bridge replacement project.

Project Update:

- Existing asphalt pavement removed, processed, and re-used as roadway base material for new pavement.
- Significant bedrock encountered in trenching work, slowing progress.
- Base lift of asphalt on west side installed.
- Traffic has been shifted to the west side of Fourth St and work has begun on the east side.
- The Soliere Ave. intersection is currently closed for several weeks. Detours are posted and being monitored by Police for speeding through neighborhoods.

Fourth Street Reconstruction –Work Continues

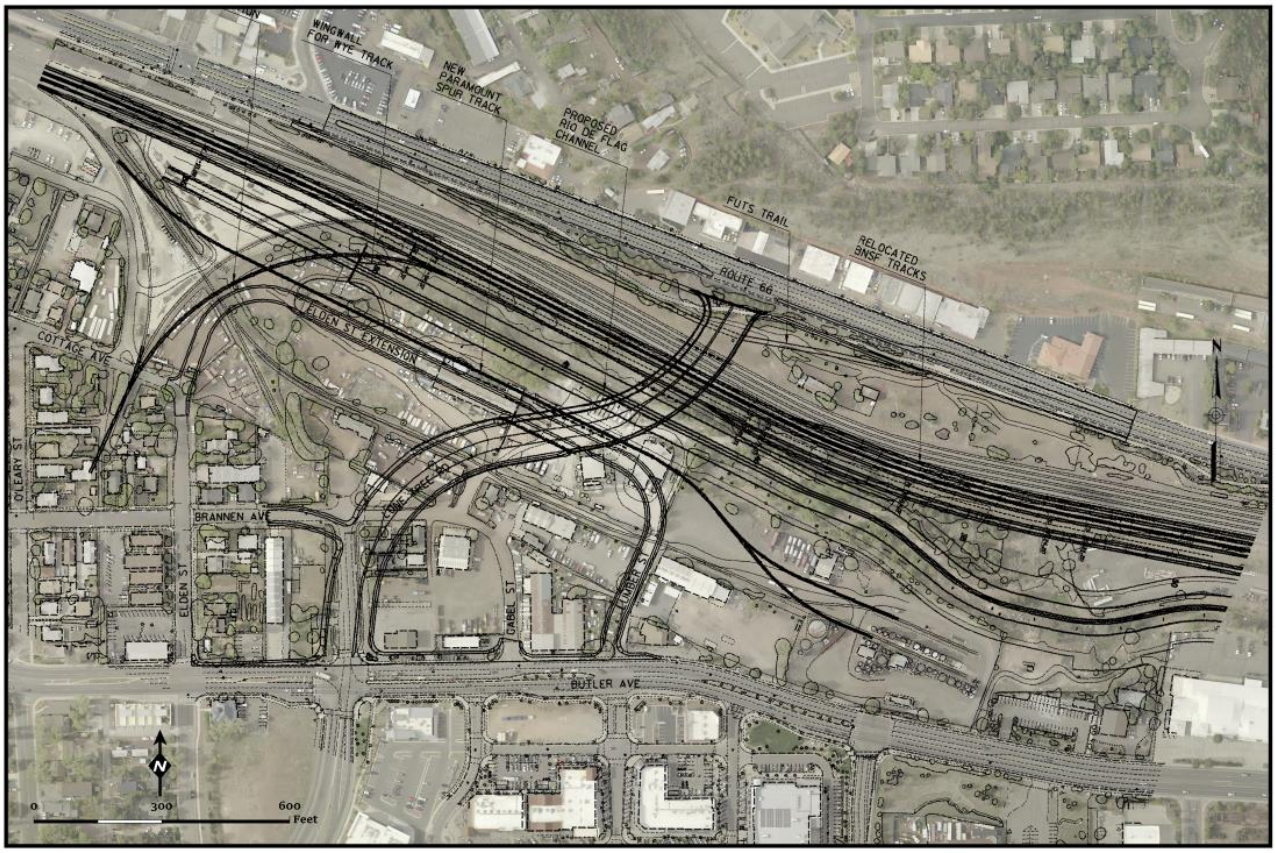
Lone Tree Overpass Project (Design Phase)

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.

Project Update:

- BSNF and the City are developing the Preliminary Engineering Agreement, which is required to fund BNSF plan review of the project design documents. This contract will be presented to Council contingent on the cost.
- The following project coordination meetings have recently occurred: Public Involvement Plan kick off, Economic Impact Analysis kick off, ADOT Traffic Impact Analysis kick off, BNSF Railway kick off, and the Technical Working Group first meeting.
- The team made the first concept submittal to BNSF on March 26 with a follow up on April 7.
- Property acquisition meetings, appraisals, and environmental Phase I investigations are on-going.



Lone Tree Overpass Concept Design

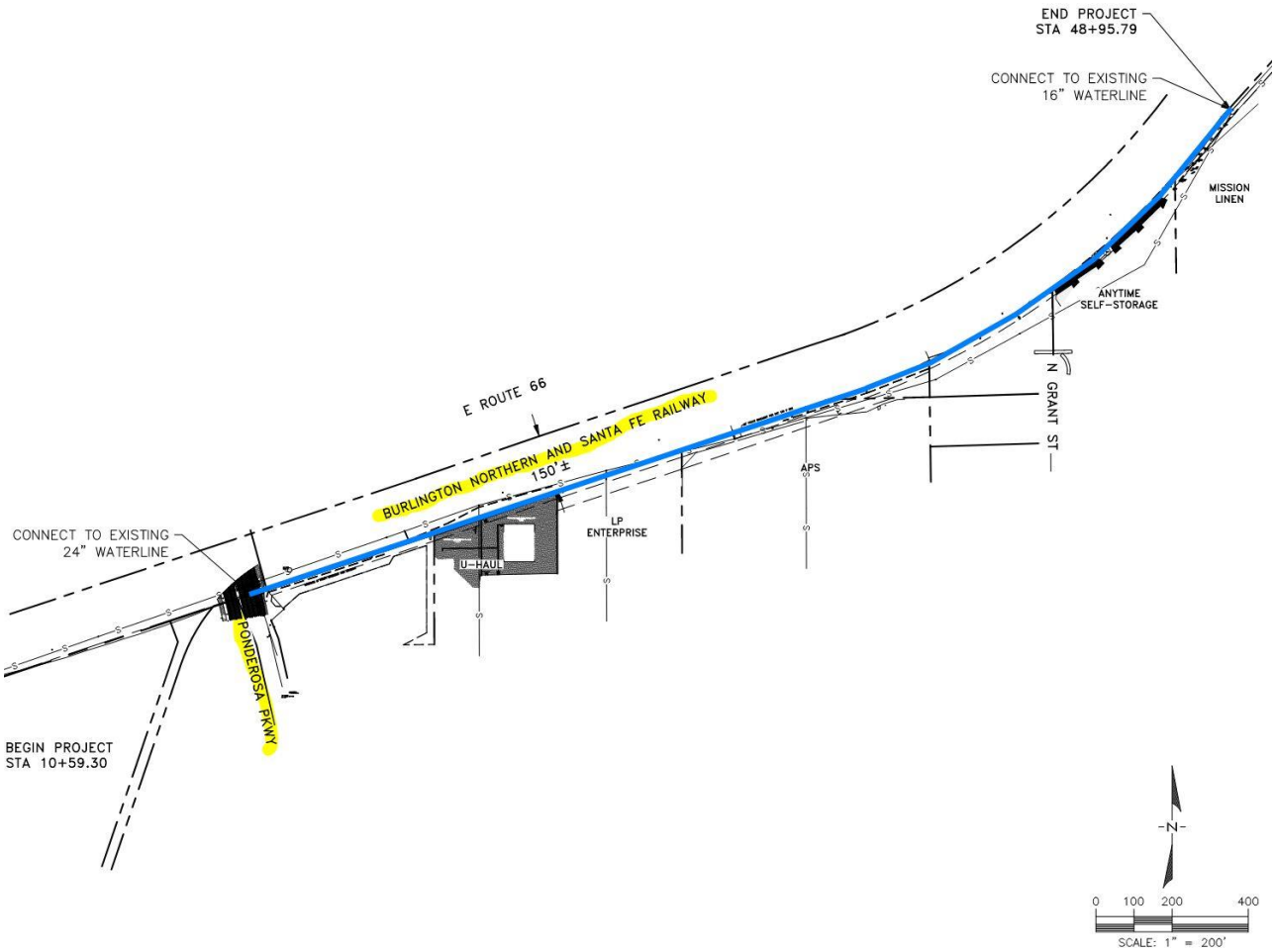
Huntington Waterline Replacement (CONSTRUCTION PHASE)

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.

Project Update:

- Bids have been received, Sellers and Sons Inc. has been identified as the lowest responsible and responsive bidder.
- The consideration and approval of the construction contract has been added to Council's working calendar for April 20th
- Capital Staff is in the process of public outreach to help coordinate removal of materials that have been stored in the existing easement by businesses that border the project's boundaries.
- Current working schedule has a proposed start of construction in late May of 2021.



Vicinity Map of improvements, blue line represents the new 16" waterline

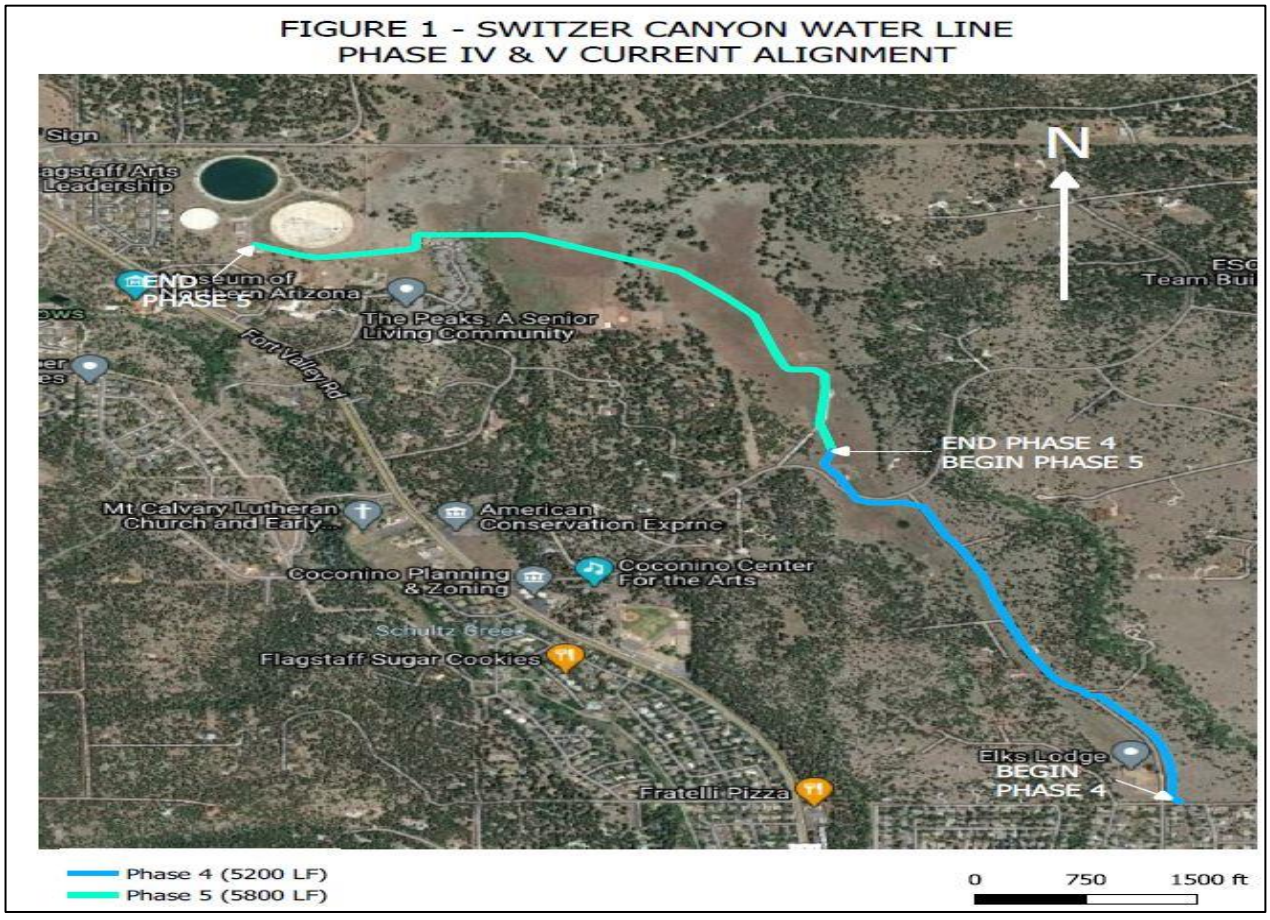
<u>Switzer Canyon Transmission Main Phase IV & V</u> (Design Phase)

FUND: AGING INFRASTRUCTURE

Description – The Project consist of installing two new transmission mains, 24" and 16", that will complete the distribution system, zone A and B, from the Downtown area to the City Reservoirs near Cheshire. The length of Phase IV and V is approximately 11,000 feet. The project is within City limits and the urban distribution service area within the County. Included in the project will be the two water mains with appurtenances, new bundled water meter/service locations and fire hydrants.

Project Update:

- Property acquisition is underway with legal descriptions, environmental clearances, and site assessments.
- Staff is working with Real Estate and Attorney's Office to schedule an Executive Session with Council to discuss Out-of-City Water Service topics that are critical to acquisition of the necessary property rights so the project can advance.
- Phase V is in the planning phase to define the final alignment.
- Construction of Phase IV is currently scheduled for fall of 2021, depending on acquisition of property rights.
- Construction of Phase V is anticipated for 2022.



Switzer Canyon Water Main Replacement Project – Phase IV & Phase V

Summit Waterline Replacement (CONSTRUCTION PHASE)

FUND: AGING INFRASTRUCTURE

Description - Approximately 3,300 ft of new waterline, water services, fire hydrants, and pavement reconstruction. The City intends to replace the water infrastructure and pavement on: S. Walnut Street from Santa Fe Avenue to Coconino Avenue; S. Sycamore Street from Santa Fe Avenue to Grand Canyon Avenue; S. Spring Street from Montvale Avenue to Grand Canyon Avenue; W. Summit Avenue from Santa Fe Avenue to end; and W. Santa Fe Avenue from Walnut Street to Thorpe Road. Waterline only will be installed on W. Montvale Avenue from Santa Fe Avenue, to end. The existing waterlines in this area range from 58 to more than 90 years old. This project is part of the City's ongoing aging water infrastructure replacement program.

Project Update:

- All underground work is now complete.
- Walnut St and Sycamore St have been paved, temporarily.
- Final pavement to be installed in Spring 2021.
- Project has been in a winter shutdown and will resume in the next few weeks.

Summit Water Project-Trenches temporarily patched for winter

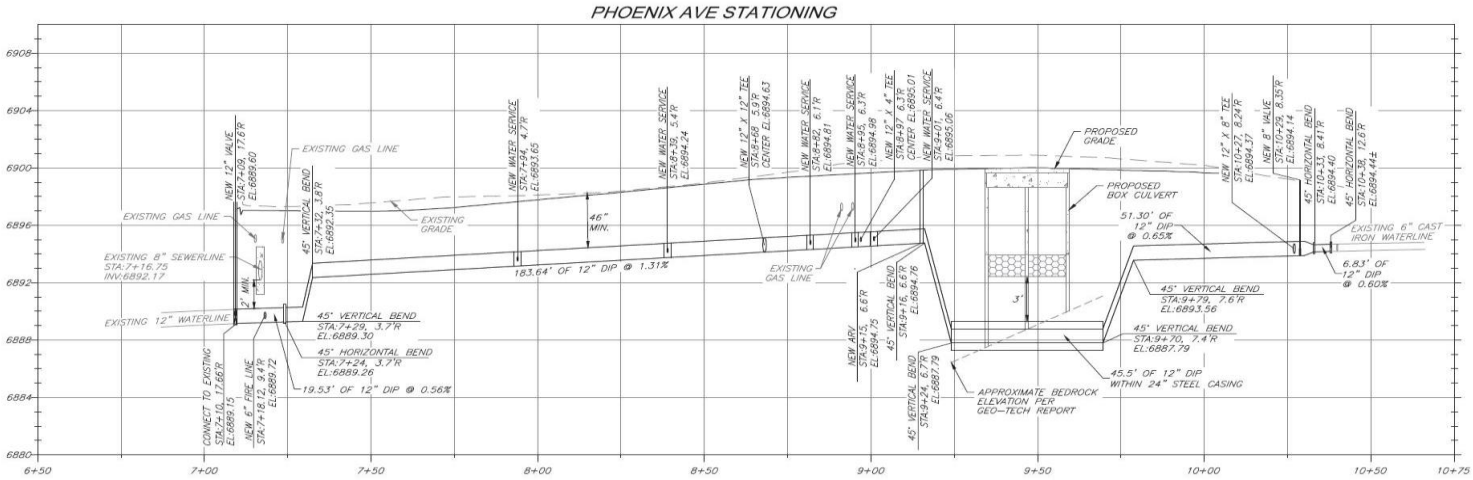
Phoenix Avenue Bridge and Waterline Replacement (DESIGN PHASE)

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:

- Project was advertised for bids on April 6th.
- Project duration is estimated at five months and will be completed by fall of 2021.
- The consideration and approval of the construction contract has been added to Council's working calendar for May 18th.
- Capital Staff is currently coordinating with all businesses and property owners in the area that will be impacted by the project.
- The bridge is stable and listed in "fair" condition by ADOT as of today. The bridge could degrade to a condition of "poor" at any time, at which time ADOT would reduce the load-carrying capacity of the bridge, restricting NAIPTA buses or possibly any vehicular traffic on Phoenix Ave. ADOT's next scheduled inspection of the bridge is in August 2021, however, ADOT could perform an inspection at any time.
- Staff looked at two temporary options to fix the bridge and the beam that supports Zani, neither provided significant cost savings. Due to the urgency and lack of structural integrity of the bridge and beam Staff decided to move forward with a full replacement using a similar size box culvert to convey current flows. A design using smaller culverts wouldn't be allowed at this time, current flow capacity cannot be reduced per FEMA regulation.



Proposed cross-section of Phoenix Ave. showing new 12" DIP waterline and box culvert

Rio de Flag Flood Control Project (Design Phase)

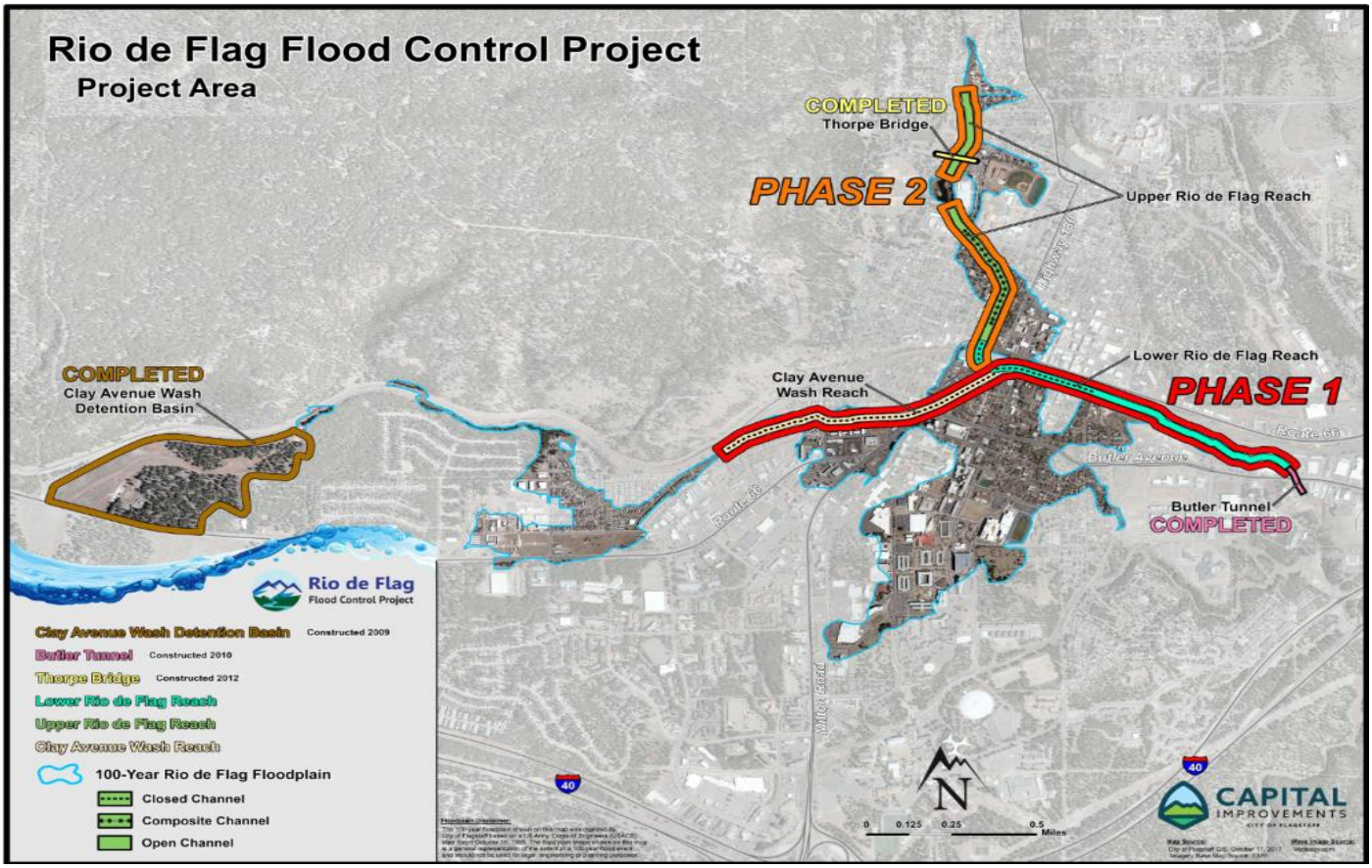
FUND: STORMWATER & AGING INFRASTRUCTURE

Purpose – 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 $1 Billion dollars.

Project improvements will provide:

- Reduction of flooding damage and safety hazards.
- Opportunity for Downtown and Southside redevelopment.
- Elimination of flood insurance requirements and restrictive floodplain management regulations.

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 5,000 feet.



Rio de Flag Project Location Map

Current Status -

- **Design -** Work continues on the construction documents and design completion between the City's and Army Corps' consultants, including the channel crossing on ADOT right-of-way at the Milton Road and Butler Avenue intersection, utility relocations, and design of the project on BNSF Railway property. The City received a submittal of the updated composite channel design for the Upper Reach. This submittal is under review with City staff and will be placed on the website for public review and comment in the future.
- **Real Estate -** Real Estate documents (legal descriptions, encumbrance maps, and utility easements) are currently being developed for property acquisition.
- **Public Involvement -** Several public involvement items have been created and posted to the project website, including:
    - Photo simulations and video for the Flood Wall, Composite Channel, Open Channel (Clay Wash) and Open Channel (Lower Reach).
    - A virtual meeting room that has project exhibits and information.
    - A Southside Community Interview video.
    - The link and web address for the Rio de Flag Public Information page is https://www.flagstaff.az.gov/4189/Rio-De-Flag-Flood-Control.
- **BNSF Railway -** The City received further details on the project mitigation measures on January 19, which are currently being evaluated.
- Arizona Congressman Greg Stanton addressed the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials regarding the Rio de Flag Flood Control Project, its importance to the community, and the need for continued focus and cooperation on this project from BNSF Railway. BNSF had a staff member testifying in the meeting that received the comments and responded that he will reply to the Congressman's questions. The statement can be accessed **HERE**, and is at the 2:35:00 mark.
- On April 7 and 8, Mayor Deasy, Councilmember Shimoni, and Councilmember Aslan hosted BNSF Railway and Army Corps executives for discussions on the Rio de Flag Project. The Army Corps (including Brigadier General Paul Owen and Colonel Julie Balten) were taken on a field tour on April 7 to see the project area and the BNSF corridor. On April 8, BNSF joined the City and Corps to discuss the Rio crossing at the rail tracks, the mitigation measures, and other local projects associated with the corridor.

Capital Improvements Project Manager Trevor Henry presents the Rio de Flag field area to (l to r) Flagstaff Mayor Paul Deasy, U.S. Army Corps Brigadier General Paul Owen, Colonel Julie Balten, Project Manager Priyanka Wadhawan, and Coral Evans, Regional Director of Northern Arizona for Senator Mark Kelly.

U.S. Army Corps Brigadier General Paul Owen and City Councilmember Austin Aslan survey a Rio de Flag project exhibit while visiting the Mars Hill Overlook.

Paul Cristina, BNSF Railway Director of Public Projects and System Design, presents rail mitigation information to the group in Flagstaff Council Chambers.

U.S. Army Corps Colonel Julie Balten engages the group in discussion in Flagstaff Council Chambers. To her left is David Van Dorpe, U.S. Army Corps Deputy District Engineer and to her right is Brigadier General Paul Owen.

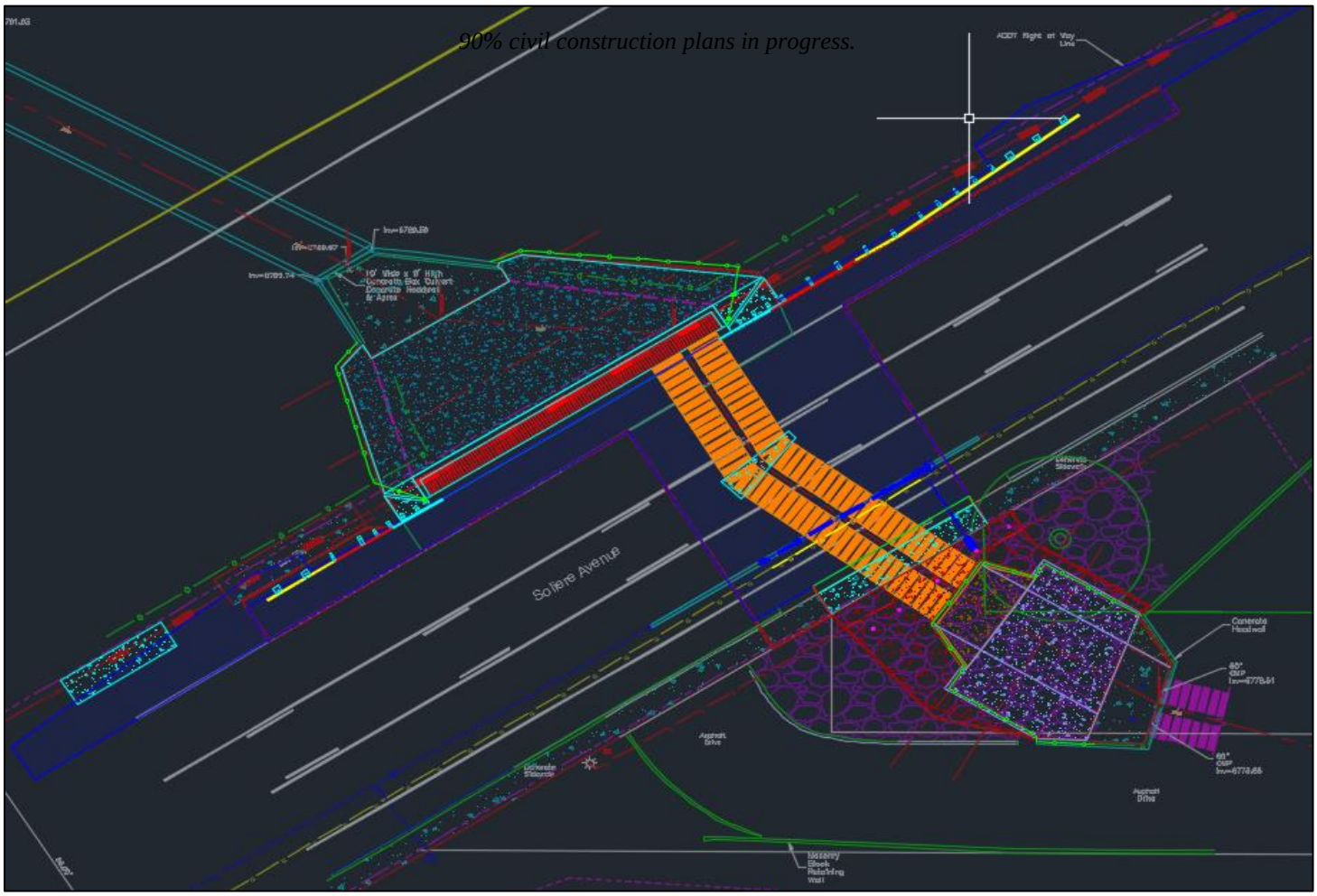
Steves Boulevard Wash at Soliere (DESIGN PHASE)

FUND: STORMWATER

Description – This is a stormwater improvements project to eliminate the low water crossing from Steves Boulevard Wash at Soliere Avenue.

Project Update:

- The 90% plans have been reviewed by the City, review comments have been sent back to the design consultant, and a 100% plan submittal is expected by April 9th.
- Plans have been submitted to ADOT for an Encroachment Permit for the portion of the improvements that are within their right-of-way.
- Capital Staff is coordinating with NAIPTA to relocate the existing bus stop that will conflict with the new guardrail on the north side of Soliere Ave.
- The Summit Apartments that border the project limits and are just downstream have been notified of the project and the intent of the improvements.
- Construction is targeted for May/June.



Route 66 ADOT Bridge Replacement Project (CONSTRUCTION PHASE)

FUND: ARIZONA DEPARTMENT OF TRANSPORTATION

Description – Project consists of removing the existing concrete bridge that crosses the Rio de Flag channel and replacing with a precast box girder bridge with precast abutments. Included with the project are roadway approach slabs on either side of the new bridge, channel improvements with bank protection and revegetation mitigation measures. The purpose is to provide a new Route 66 bridge crossing at the Rio de Flag to serve Route 66/Milton.

Project Update：

- The ADOT contractor, FNF Construction, is contracted to complete the work by October 2021.
- Traffic Control, lane closures and detours are in affect when construction is in progress.
- Contractor continues to work on the completion of the prefabricated abutment caps. Abutment no. 1 elements are complete and abutment no. 2 elements are in progress.
- Contractor has completed the removal of existing reinforced concrete obstructions conflicting with proposed drilled shafts and completed placement of temporary pavement.
- ADOT continues to update City staff on construction matters and will release information to the public through media releases.
- The contractor will implement a temporary lane closure of EB or WB Route 66 during work operations as necessary. ADOT will be monitoring the traffic volumes and will make alterations to increase traffic flow if needed.

Prefabricated abutment caps falsework on the project waste slab

April 16, 2021

Several high-profile bills came back to life at the Arizona Capitol this week as the House and Senate reached an agreement on debates that have slowly percolated behind the scenes. Governor Ducey's priority bill to expand gaming options passed the House and Senate with bipartisan (but not unanimous) approval; he signed it into law shortly after it reached his desk, along with a revised gaming compact.

The Governor also signed a bill to align state income tax laws with federal policies after it passed the House and Senate with unanimous support. The proposal will reduce state revenues by approximately $625 million over several years. Republicans said it's a good start on their tax cut plans, but Democrats said they think it should be the only tax cut the legislature enacts this year. Most Arizonans will not need to alter their taxes if they already filed them, but some who received unemployment compensation will have a chance to change their paperwork to remove those funds from their taxable income. (The state will provide more guidance on this soon.)

The Senate revived bills to limit abortions and create flexibility in schools' instructional time – proposals that had failed to pass last week. It also passed a controversial bill that authorizes courts to allow drivers to do community service instead of paying traffic fines.

Bipartisan opposition to HB 2248 and SB 1175 – bills that would limit the Arizona Corporation Commission's authority over renewable energy policy – continued to block a vote on the proposals.

The House narrowly approved bills that increase parental permission requirements for some sex education topics and allow legislators to ask the Attorney General to opine on whether a Presidential executive order is constitutional. It failed to pass a bill that would have permitted campaign signs to stay up more than two weeks after an election.

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Amidst the long debates on high-profile or controversial bills, legislators passed others without much disagreement. They voted to allow students to wear tribal regalia or culturally significant objects to graduation, make it easier to cancel a gym membership, fine drivers who do not move over for emergency vehicles, teach slow drivers to drive on the right, give theme parks more time to consider using a state financing mechanism to come to Arizona, and require schools to give teachers more information about their total compensation.

Arizona's Newest Laws

It wasn't just the high-profile bills signed into law this week: Governor Ducey signed a total of 45 new laws – including a ban on private funding for elections, permission for businesses to ignore mask mandates, annual recognition of Fred Korematsu Day of Civil Liberties and the Constitutions, and easier access to workers' compensation for firefighters with cancer.

This week also brought the Governor's first veto of the year. He rejected a proposal that would give election officials, rather than the Arizona Department of Transportation, oversight of the voter registration system because he objected to the increased role of the Secretary of State. The veto surprised many legislators since the bill was not controversial and passed the House and Senate unanimously.

What's Next?

Tuesday marks the 100th day of the 2021 legislative session – the point at which the session should end, according to House and Senate rules. There's no urgency to wrap up this session, though, and the pace of progress is still very slow as legislators wait for signs of a state budget agreement.

Approximately 325 bills are still eligible for consideration this session; the House and Senate plan to slowly continue debate and voting on those while budget negotiations continue behind the scenes.

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Budget Update: The Surplus Grows

Legislators have learned that state budgets are more difficult to negotiate when there's a revenue surplus. Excess money means every legislator has ideas about how it should be spent, and this year the surplus is larger than any current legislators has seen before.

Due to a strong economy and large deposits from federal aid funding, the estimated state budget surplus now totals $1.2 billion.

The revenues are literally off the charts, according to the State Treasurer's Office. At a meeting of the Finance Advisory Committee this week, the Treasurer's staff had to revise graphs to include room to show the unusually high fund balances. The economists on the Committee marveled at the current revenues, especially since a year ago, those same panelists predicted a tough financial year as the economy reacted to the pandemic in Arizona.

Those economists are quick to warn that much of that surplus is "momentary money" – a one-time boost that can lead to future deficits if state leaders use it for ongoing commitments. Some of the fund balance will go toward the tax conformity bill enacted this week, and many other tax cut and spending proposals are still on the table for ongoing budget negotiations. The Finance Advisory Committee urged legislators to use a long-term perspective to craft a state budget proposal, rather than focusing on this year's stunning cash balance.

Click here for more details on the Finance Advisory Committee's economic data, and click here for the state's latest report on unemployment.

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In the Elections

The Senate is taking donations to cover its audit of the 2020 election in Maricopa County, which got a new home this week.

These organizations want Senate President Karen Fann (R-Prescott) to stop the audit.

In the Courts

You can share your thoughts on the next Arizona Supreme Court Justice.

The Arizona Supreme Court said the legislature can't tell charter cities when to hold elections.

The Arizona Supreme Court will consider Proposition 208 next week.

The Arizona Attorney General is turning to environmental laws to push for the construction of a border wall.

In the News

These senators support funding for advanced placement programs.

Rep. Regina Cobb (R-Kingman) is still trying to advance legislation that would change app stores.

This report graded Arizona's infrastructure.

Congress is talking about this Arizona college savings program.

The Tucson Police Chief got a new job.

The opioid epidemic is still a problem in Arizona.

Governor Ducey wants to send the Arizona National Guard to the border.

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The Arizona Department of Transportation wants your thoughts on their plan to spend $1 billion on freeway preservation projects.

The 2-1-1 hotline now speaks Spanish.

The Arizona Corporation Commission is considering whether summer heat should mean assured access to electricity.

The Arizona Department of Health Services launched a new campaign to encourage Arizonans to get the COVID-19 vaccine.

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