

MINUTES

1. Call to Order

Mayor Evans called the Work Session held September 29, 2020, to order at 3:00 p.m.

NOTICE OF OPTION TO RECESS INTO EXECUTIVE SESSION

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

2. Pledge of Allegiance and Mission Statement

The Council and attendees recited the pledge of allegiance and Vice Mayor Shimoni read the Mission Statement of the City of Flagstaff.

MISSION STATEMENT

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

3. **ROLL CALL**

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

PRESENT:

ABSENT:

MAYOR EVANS (virtually)
VICE MAYOR SHIMONI (virtually)
COUNCILMEMBER ASLAN (virtually)
COUNCILMEMBER MCCARTHY (virtually)
COUNCILMEMBER ODEGAARD (virtually)
COUNCILMEMBER SALAS (virtually)
COUNCILMEMBER WHELAN (virtually)

Others present: City Manager Greg Clifton; City Attorney Sterling Solomon

4. Public Participation

None

5. Review of Draft Agenda for the October 6, 2020 City Council Meeting

None

6. COVID-19 Impacts on the Economy and Local Businesses: The Economic Policy Institute from Northern Arizona University's Franke College of Business Presentation on COVID-19 Impacts.

Dr. Guzman, of the Economic Policy Institute provided a PowerPoint presentation that covered the following:

IMPACTS OF COVID-19 ON BUSINESS LEADERS ECONOMIC SENTIMENT IN
FLAGSTAFF, AZ
AGENDA
INTRODUCTION
SURVEY BACKGROUND
BOTTOM LINE UP-FRONT
DATA TRENDS
DOWNTOWN
HOW CAN CITY AND/OR COUNTY LEADERS ASSIST IN THE RECOVERY OF YOUR
BUSINESS?
QUESTIONS/COMMENTS/CONCLUSIONS

Council expressed appreciation for the presentation and discussed the following points:

- Focusing on the smallest businesses to keep them going.
- Providing free COVID Aware training.
- Concerns with the upcoming minimum wage increase.
- Possible expansion of the survey.
- Tourism as an economic driver.

7. Flagstaff Local - My Actions Matter Movement Results and Path Forward

Economic Vitality Director Heidi Hansen introduced Creative Services Manager Ralph Schmid, Sales Specialist Jessica Young, and Creative Services Specialist Mike Russell who provided a PowerPoint presentation that covered the following:

FLAGSTAFF LOCAL – MY ACTIONS MATTER RESULTS AND PATH FORWARD
...A MOVEMENT, NOT JUST A CAMPAIGN
WHAT:
HOW IT WORKS
...A MOVEMENT DELIVERING BRAND AWARENESS
9 NAIPTA BUSES, KING PANELS AND TAILS
FLAGSTAFFLOCAL.COM, BILL STUFFERS
TABLE TENTS, WINDOW CLINGS, STICKERS, CUSTOMIZABLE RETAIL POSTERS
HARKINS VIDEO
846 SIGN-UPS!
WAYS TO EARN REWARDS
SIGN-UP STATISTICS
RESULTS
DONATE
BE ECO-FRIENDLY

VOTE
VOLUNTEER
SUPPORT EDUCATION
MENTOR
SURVEY INFORMATION
SURVEY RESULTS
PATH FORWARD
FLAGSTAFF LOCAL – PART II
EDUCATE
MOTIVATE
ENGAGE

Council expressed gratitude for the efforts of the Creative Services and Economic Vitality Team to bring and keep revenue in Flagstaff.

8. **Discussion:** Plan on how to move forward with the development of affordable housing on the Schultz Pass Parcel (the triangle at Schultz Pass Road at Hwy 180) including the discussion of a \$500K general obligation bond ballot question or something similar for repayment of affordable housing monies allocated/spent on Schultz Pass Property in a future election.

The following individuals addressed Council in support of developing affordable housing on the Schultz Pass Parcel:

- Christy Zeller
- Devonna McLaughlin
- David Hayward
- Ross Altenbaugh

The following comments were received:

- Support the immediate development of affordable housing on the city-owned Schultz pass parcel.
- The City has invested close to \$600,000 in this property, and it's frustrating to see the process stalled.
- Our community is in the midst of several crises, with affordable housing at the top of the list.
- Our neighbors have waited long enough, it's time to build homes on this property for 20+ families in our community.
- The people in need of affordable housing are just trying to survive and those voices are in the thousands as evidenced by the waiting lists for public housing and low-income apartments.
- Housing a few dozen community members may not seem like a lot, but imagine how these neighbors' lives would be changed for the better.
- The parcel is the best location for affordable housing.
- Sometimes things have to be given up for the greater good of a community.
- Please support any development in this location to be long-term affordable rentals.

Xulia Suero addressed Council in opposition to any development on the parcel.

Written comments in support of moving forward with developing affordable housing on the Schultz Pass Parcel were submitted by the following:

- Jacki Lenners

- Tad Moore
- Emily Davalos
- Moses Milazzo
- Jacob Tiegs
- Dr. Lori Poloni-Staudinger

Written comments in opposition of moving forward with the development of the Schultz Pass Parcel were submitted by the following:

- Emily Peppers
- John DeGraff
- David Actor
- Jon Ponsford
- Mary Williams
- Robert Miller
- Joseph Shannon

Councilmember McCarthy stated that it would be prudent to wait until the matter has been presented to voters for a decision.

Councilmember Whelan indicated that she would like to see the matter move forward now planning started for development.

Councilmember Odegaard asked about the \$500,000 funding. Management Services Director Rick Tadder explained that the monies were paid out of the Housing Fund. Staff is still researching if and how the funds may have been restricted for specific uses.

Mayor Evans indicated that a case study on the history of the Schultz property had recently been done and it will be posted on the website in the near future.

Vice Mayor Shimoni expressed support to wait to see if the matter makes it to the voters in the future.

Councilmember Salas stated that she would like to move the discussion forward to consider development where all units are attainable and affordable and for there to be some restrictions on the building height.

Councilmember Aslan stated that he sees the value of moving forward with housing on the parcel but is curious to know what the voters think. He expressed frustration that those pushing the ballot initiative did not follow through with submitting the requisite signatures to place the matter on the ballot.

Moved by Councilmember Austin Aslan, **seconded by** Mayor Coral Evans to recess into Executive Session for legal advice.

Vote: 7 - 0 - Unanimously

Council recessed into executive session from 5:18 p.m. through 6:10 p.m.

Councilmember McCarthy asked about the three-site project. Housing Director Sarah Darr explained that the three-site project no longer exists, the developer defaulted and the project died. Staff is working through other sites that include a site west of Safeway on Cedar, one on Isabel by the skate park, the Schultz parcel, and a parcel at Lonetree and Butler. Council will discuss and determine what sites they would like to consider for possible development.

Councilmember Whelan asked about HUDs position on the placement of affordable housing. Ms. Darr stated that affordable housing should be spread throughout the community. The city has been cautioned by HUD representatives that the bulk of the city's affordable housing efforts had taken place in Sunnyside. The city is not being investigated, it has simply received a statement it needs to be mindful of future projects.

There was not a majority of Council in support of immediately moving forward with planning for development on the parcel.

9. Sales Tax and Revenue Update

Management Services Director Rick Tadder provided a PowerPoint presentation that covered the following:

SALES TAX AND REVENUE UPDATE
GENERAL FUND REVENUES – JUNE 2020: 4TH QTR
GENERAL FUND REVENUES – JUNE 2020
GENERAL FUND SALES TAX – JUNE 2020
FY 2020-21 UPDATE
GENERAL FUND PROJECTIONS GOING FORWARD
BBB TAXES
REVENUES: FY 2020-21 POTENTIAL IMPACTS
STATE SHARED REVENUES
OTHER ITEMS

Council expressed their gratitude to the City Manager and staff for their work and responsible attention to the budget.

10. COVID-19 Update

Deputy City Manager Shannon Anderson provided a PowerPoint presentation that covered the following:

RE-ENTRY PLAN
AGENDA
CCHHS: COVID-19 DAILY CASES
CCHHS: COVID-19 HOSPITALIZATIONS
CCHHS: COVID-19 RELATED DEATHS
CCHHS: COMMUNITY TRANSMISSION
ADHS DASHBOARD
NAH: HOSPITAL CENSUS
MONITORING CRITERIA
GRACE PERIOD
APPLICATION EXAMPLE
RE-ENTRY PLAN
PHASE II
PHASE III
CITY HALL

Library Director Jared Tolman continued the presentation.

DOWNTOWN LIBRARY
EAST SIDE LIBRARY

Parks and Recreation Director Rebecca Sayers continued the presentation.

PARKS & RECREATION

Human Resources Director Jeanie Gallagher continued the presentation.

BALANCING SCHOOL CLOSURES AND WORK

Council briefly discussed the upward trend in cases, and the possibility of moving back to Phase II of the Re-Entry Plan. They discussed coordinated messaging with the County and NAU and asked Discover Flagstaff to increase their local efforts.

11. Public Participation

None

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

Vice Mayor Shimoni thanked the Coconino County Recorder's Office for setting up a mobile voting trailer at NAU. They have been helping people check their voter registration and get registered if desired. He also made note of a couple of Lived Black Experience events coming up.

Councilmember Aslan asked about putting together a walk the talk program focused on the Flagstaff Lived Black Experience. Economic Vitality Director Heidi Hansen explained that there is already something in the works and it will be delivered to Council once completed.

Councilmember McCarthy reported that he attended the Housing Commission meeting where they discussed all the city owned properties that have a possible use for affordable housing. They also discussed the Star Point development which is new housing being built on Fort Valley Road. It includes 77 units with one to three bedrooms and 90% affordable permanently with some rents as low as \$450 per month based on income.

Councilmember Odegaard reported that he received a request to have a community recognition of the COVID deaths across the country. He suggested that it could be something staff could look into.

Councilmember Salas thanked Team Flagstaff for their ongoing work during the pandemic. She announced that Discover Flagstaff will be hosting a virtual stakeholders and partners meeting on October 14, 2022.

Mayor Evans stated that she attended the NACOG virtual conference where they discussed tourism and how that looks in the world of COVID. There is going to be a focus on interstate travel and www.rediscoveraz.com was set up to provide information to travelers. She also noted the two upcoming virtual town halls scheduled for the Lived Black Experience.

13. Adjournment

The Work Session held September 29, 2020, adjourned at 8:00 p.m.

MAYOR

ATTEST:

CITY CLERK